

# Housing Choice Voucher Administrative Plan



*Providing Housing, Community and Opportunity*

**Monroe, North Carolina  
and  
Union County  
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## INTRODUCTION

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1. **Mission Statement:** Our goal is to provide decent, safe, and sanitary rental housing for eligible families and to provide opportunities and promote self-sufficiency and economic independence for Housing Choice Voucher participants. In order to achieve this mission, we will:
  - \* Recognize residents as our ultimate customer;
  - \* Improve Monroe Housing Authority (MHA) management, and service delivery efforts through effective and efficient management of MHA Housing Choice Voucher staff;
  - \* Seek problem-solving partnerships with residents, landlords, community, and government leadership;
  - \* Apply limited MHA resources to the effective and efficient management and operation of Housing Choice Voucher Program;
  - \* Provide effective outreach to owners, and managing agents to secure the highest quality housing possible under the applicable Payment Standards;
  - \* Aid in efforts to upgrade and stabilize the housing stock in the community by encouraging property owners to reinvest Housing Assistance Payments into their properties;
  - \* Encourage an exchange between Housing Choice Voucher landlords and tenants which would normally be inhibited by non-affordability;
  - \* Provide the opportunity for economically disadvantaged families and elderly individuals to gain entry into the private housing market by giving them parity with moderate income families competing within the same market by making them, for all intents and purposes, financially equal; and
  - \* Administer the program in a fair and impartial manner and on an equal opportunity basis for families and staff.
  
2. **Purpose of Policy:** The purpose of this plan is to establish guidelines for the MHA staff to follow in determining eligibility for the Housing Choice Voucher Program. The basic guidelines for this plan are governed by requirements of The Department of Housing and Urban Development (HUD), with latitude for local policies and procedures. The Policies and Procedures governing admissions and continued occupancy are outlined in this plan and these requirements are binding upon applicants, participants, landlords and the MHA alike. Notwithstanding the above, changes in applicable federal law or regulations shall supersede provisions in conflict with this policy.

Federal Regulations shall mean those found in Section 24 CFR (Code of Federal Regulations).

### 3. Primary Responsibilities of the MHA:

- \* Informing eligible families of the availability of Housing Choice Voucher assistance;
- \* Encouraging owners to make their units available for lease to Housing Choice Voucher participants;
- \* Determining the maximum amount of Housing Assistance Payments that can be used for family-paid utilities, and posting the utility allowances annually;
- \* Receiving applications from families and determining their eligibility for assistance;
- \* Inspecting Housing Choice Voucher units to determine that they meet or exceed Housing Choice Voucher Housing Quality Standards;
- \* Approving leases;
- \* Making Housing Assistance Payments to owners; and
- \* Performing annual and periodic re-examinations of income, family composition and re-determination of rent.

### 4. Eligibility

Each applicant for assistance under the HCV program must meet HUD's definition of family. A family includes, but is not limited to, regardless of marital status, actual or perceived sexual orientation, or gender identity, the following:

- 1) A single person, who may be an elderly person, displaced person, disabled person, near-elderly person, or any other single person;
- 2) A group of persons residing together, and such group includes, but is not limited to:
  - a) A family with or without children. A child temporarily absent from the home due to placement in foster care must be considered in determining family composition and size. A family that consists of a pregnant woman only, and no other persons, must be treated as a two-person family.
  - b) An elderly family, which is defined as a family whose head, co-head, spouse, or sole member is at least 62 years of age. It may include two or more persons, each of whom are at least 62, living together; or one or more persons who are at least 62 living with one or more live-in aides.
  - c) A near-elderly family, which is defined as a family whose head, co-head, spouse, or sole member is at least 50 years of age but below the age of 62; or two or more persons, each of whom are between the ages of 50 and 62, living together; or one or more persons who are between the ages of 50 and 62 living with one or more live-in aides.
  - d) A disabled family, which means a family whose head, co-head, spouse, or sole member, is a person with disabilities; or two or more persons with disabilities living together; or one or more persons with disabilities living with one or more live-in aides. i) A person with disabilities means a person who:
    - (1) Has a disability as defined in 42 U.S.C. § 423(d)(1);
    - (2) Has a physical, mental or emotional impairment that is expected to be of long-continued and indefinite duration, substantially impedes his or her ability to live independently, and is of such a nature that ability to live independently could be improved by more suitable housing conditions; or



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(3) Has a developmental disability as defined in 42 U.S.C. § 15002(8) (formerly codified in 42 U.S.C. § 6001).

ii) Important considerations:

(1) The meaning of a person with disabilities does not exclude persons who have the disease of acquired immunodeficiency syndrome (AIDS) or any conditions arising from the etiologic agent for AIDS.

(2) The meaning of a person with disabilities does not include a person whose disability is based solely on any drug or alcohol dependence (for eligibility purposes).

(3) A person who qualifies as a person with disabilities also qualifies as an individual with handicaps, as defined in 24 C.F.R. § 8.3, for purposes of reasonable accommodation and program accessibility for persons with disabilities.

(4) The terms disability and a person with disabilities are used in two contexts – for civil rights protections, and for program eligibility purposes. Each use has specific definitions.

(a) When used in context of protection from discrimination or improving the accessibility of housing, the civil rights-related definitions apply (see 24 CFR § 8.3; 24 CFR § 100.201; 28 CFR §§ 35.104,108).

(b) When used in the context of eligibility under the HCV program, the program eligibility definitions apply.

e) A displaced family, which is a family in which each member or the sole member is a person displaced by governmental action, or whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized under Federal disaster relief laws.

f) A remaining member of a tenant family, which is a family member of an assisted tenant family who remains in the unit when other members of the family have left the unit.

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## FAIR HOUSING POLICY AND EQUAL OPPORTUNITY HOUSING PLAN

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### 1. Fair Housing Policy

The Fair Housing Policy of the MHA complies fully with all Federal, State, and local nondiscrimination laws and in accordance with the rules and regulations governing Fair Housing and Equal Opportunity in housing and employment and with the Americans with Disabilities Act.

Specifically, the MHA shall not on the basis of race, color, religion, sex, handicap, familial status, or national origin, deny any family or individual the opportunity to apply for or receive assistance under HUD's Housing Choice Voucher Program, within the requirements and regulations of HUD and other regulatory authorities. To further its commitment to full compliance with applicable Civil Rights laws, the MHA will also provide Housing Choice Voucher participants access to information regarding "discrimination". Also, this subject will be discussed during the briefing session and any complaints will be documented and made part of the applicant's/participant's file.



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### **Assisting a Family that Claims Housing Discrimination**

The MHA will provide all applicants with the HUD brochures “Fair Housing It’s Your Right” and form HUD 903.1 “Are You a Victim of Housing Discrimination” explaining rights under fair housing law. The brochures will be included in the information packet given to each applicant at the initial briefing before moving to a new unit. Applicants will be encouraged to call the Region IV Fair Housing Regional Office at (404) 331-5140 with any questions or complaints relating to housing discrimination.

If a family believes it has been or is about to be discriminated against or otherwise harmed by illegal acts constituting discrimination, the family should contact the MHA. The MHA must provide the following assistance:

- A. Assist the family in completing the form - HUD-903.1.
- B. Forward the completed form to the Regional Fair Housing Officer.
- C. Advise the family it will be contacted by HUD, and that it may seek legal remedies on its own.

The family may choose to contact HUD directly with their claim of discrimination.

### **Equal Opportunity Housing Plan**

The MHA is a participant in the tenant-based program and is required to comply with equal opportunity requirements imposed by contract or federal law (Ref: 24 CFR 982.54). This includes applicable requirements under:

- A. The Fair Housing Act, 42 U.S.C. 3610-3619 (implementing regulations at 24 CFR parts 100, et seq.);
- B. Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d (implementing regulations at 24 CFR part 1);
- C. The Age Discrimination Act of 1975, 42 U.S.C. 6101-6107 (implementing regulations at 24 CFR, part 146);
- D. Executive Order 11063, Equal Opportunity in Housing (1962), as amended, Executive Order 12259, 46 FR1253 (1980), as amended, Executive Order 12892, 59FR 2939 (1994) (implementing regulations at 24 CFR, part 107);
- E. Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. 794 (implementing regulations at 24 CFR, part 8); and
- F. Title II of the Americans with Disabilities Act, 42 U.S.C 12101, et seq.



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2. **Equal Opportunity Posting Requirements**

There shall be maintained in the MHA's office waiting room a bulletin board, which will accommodate the following posted materials:

- A. Statement of Policies and Procedures Governing the Housing Choice Voucher Administrative Plan;
- B. Open Occupancy Notice (Applications being Accepted and/or Not Accepted);
- C. Income Limits for Admission;
- D. Utility Allowances;
- E. Informal Review and Hearing Procedure;
- F. Fair Housing Poster; and
- G. "Equal Opportunity in Employment" Poster.

3. **Privacy Rights**

Applicants will be required to sign the Federal Privacy Act Statement which states under what conditions HUD will release information concerning Housing Choice Voucher participants. Requests for information by other parties must be accompanied by a signed release request in order for the MHA to release any information involving an applicant or participant, unless disclosure is authorized under Federal or State law regulations (Reference HUD Form 9887 & HUD 9887-A "Notice and Consent for the Release of Information").



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## OUTREACH TO FAMILIES AND CONTACT WITH LANDLORDS

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The Authority's continuing efforts to advertise and perform outreach activities to families and owners will be governed by the following:

- A. Since the current waiting list appears to be representative of a cross section of low-income families, the MHA does not plan special outreach activities. Efforts will be implemented in accordance with the equal opportunity requirements imposed by contract or federal law including applicable requirements under:
  - 5. The Fair Housing Act, 42 U.S.C. 3610-3619;
  - 6. Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d;
  - 7. The Age Discrimination Act of 1975, 42 U.S.C. 6101-6107;
  - 8. Executive Order 11063, Equal Opportunity in Housing (1962), as amended, Executive Order 12259, 46 FR 1253 (1980), as amended, Executive Order 12892, as amended, Executive Order 12892, 59 FR 2939 (1994);
  - 9. Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. 794; and
  - 10. Title II of the Americans with Disabilities Act, 42 U.S.C. 12101.
- B. If the flow of applicants becomes too rapid in relation to the agency staff capacity to process the applications, measures will be taken to reduce applicant flow, such as reducing the number of days and hours in the week when applications will be accepted. The MHA, with approval of the Board of Commissioners, also reserves the right to periodically suspend taking of applications until the number of applicants is reduced to a point where a family can be properly placed within one year. Both suspensions and resumption of application taking will be announced publicly through news releases to the media and by other advertisement in accordance with the notice requirements to lower-income families contained in 24 CFR 982.206. If applicant flow is too slow in relation to the leasing schedule, special outreach efforts will be initiated in accordance with equal opportunity requirements identified above.
- C. At this time, special outreach efforts to owners and property managers appear to be unnecessary. MHA's Housing Choice Voucher Assisted Housing Programs are well known in the real estate community, and the MHA enjoys excellent lines of communication and cooperation with principal owners. Should the status of the above programs indicate that additional efforts are advisable, efforts will be made utilizing local newspapers, private owners, Board of Realtors, Public Service Announcements, church bulletins, etc.
- D. Through MHA's well established contacts in Monroe real estate community, the Housing Choice Voucher staff continually performs outreach to those with units outside areas of low-income and minority concentration. These efforts will be documented by the Housing Choice Voucher staff and records retained for monitoring.



- E. A landlord information packet will be mailed to prospective and new landlords to inform them of the program rules and benefits.

MHA's interface with the Public Relations Plan represents its continuing efforts to provide compliance with Title VI and 504, as well as adhering to the general provisions for its Housing Choice Voucher Program.

## **ADDITIONAL INFORMATION TO LANLORDS AND TENANTS**

### **Owner Screening Responsibilities**

Owners/Agents are notified that the selection of a family for program participation is not a representation by the MHA about the family's expected behavior or suitability for tenancy. Determining tenant suitability is the housing owner's responsibility. Owners are permitted and encouraged to screen families on the basis of their history as tenants. An owner may consider a family's background with respect to such factors as:

11. Payment of rent and utility bills;
12. Caring for a unit and premises;
13. Respecting the rights of others to the peaceful enjoyment of their housing;
14. Drug related criminal activity or other criminal activity that is a threat to the life, safety or property of others (criminal convictions are a matter of public record); and,
15. Compliance with other essential conditions of tenancy.

To assist the owner in obtaining this information the MHA will provide the following information upon request:

16. The family's current address, as shown in the MHA records;
17. The name and address, if known, of the landlord at the family's current and prior address;

The MHA may also offer the owner (upon a written request) other information in the MHA's possession, about the family, including information about the tenancy history of family members, or about drug trafficking by family members. This information will include at a minimum:

18. Information on amounts the MHA paid to an owner under a HAP contract for rent, damages to the unit or other amounts owed by the family under the lease,
19. Information on the tenant rent portion that is not paid to the owner; and,
20. Family's compliance with Housing Quality Standards.



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### **MHA's Screening Responsibilities**

The MHA will screen tenants for eligibility based on income and family size. A report will also be obtained which will indicate if the person has been evicted, or is being evicted from Public Housing, owes another PHA money. A Criminal History Report will be obtained for every applicant 16 years old or older. MHA is required to conduct criminal background screenings to determine if any household member is subject to a lifetime sex offender registration requirement for all states in which the household members are known to have lived.

Leases and contracts under the Housing Choice Voucher Program are effective the first day of each month. The MHA's Housing Choice Voucher Program will pro-rate number of days for Housing Assistance Payment when a family moves in. The pro-rated amounts will be based on a thirty (30) day period.

### **DEADLINE FOR CHANGES**

In order for changes to be made for either tenants or landlords, moves, changes in address, sales of property, portability, etc. Housing Choice Voucher staff must have received the new information by the 22nd of the month. If information regarding changes are not received, the Housing Assistance Payment will go to the current owner of record. If changes occur on or after the 22nd, parties are to petition Housing Choice Voucher staff to hold the payment. In order to do this, owners, etc. must bring in documentation such as deed, court order or legal notice of change, in order to justify holding current payment. In some cases, Housing Choice Voucher staff will verify ownership with the County Tax Assessors office, and payment will be made to party(ies) declared on the record.

### **CLAIM FOR DAMAGES & UNPAID TENANT RENT**

The owner has the opportunity to collect a security deposit from the tenant. The owner may use this security deposit, subject to State or local law, including any interest accrued on the deposit, for reimbursement of any unpaid rent payable by the tenant, damages to the unit or any other amounts owed by the tenant under the lease.

When a security deposit is applied against an unpaid balance owed by a tenant, the owner must provide written documentation of all items charged against the security deposit and a breakdown of those charges. Upon resolution of all outstanding charges, any unused balance must be promptly refunded to the tenant.

### **ABSENCE FROM DWELLING UNIT AND FAMILY BREAK UP**

Families may not be absent from the dwelling unit for a period of more than one hundred and eighty (180) consecutive calendar days for any circumstance or reason. This stipulation does not apply to imprisonment under Family Obligations.



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In the event a family breaks up, the head or spouse of family remaining in the unit under lease in the Housing Choice Voucher Program will remain as the Housing Choice Voucher holder. The other member/members may apply for housing if they so desire.

### **INFORMATION REGARDING LANDLORDS**

The MHA shall provide a family with information regarding practices of the landlord/owner, should they request it. The MHA shall also provide a list of landlords known to the MHA who are interested and willing to lease a unit to a family.

The MHA, if requested by a family, shall provide a list of barred landlords in the local market.



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## DEFINITION OF TERMS

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Please note the definition of terms as outlined in Title 24 CFR Parts 5, 812, 813, 882, 887 and 982.4 are incorporated by reference as part of this Administrative Plan and shall apply to all Housing Choice Voucher Assisted Housing as outlined in this Administrative Plan. The following definitions shall be applicable to all assisted housing under the Act.

### **Absorption**

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

### **ACC**

Annual Contributions Contract.

### **ACC Reserve Account**

(Formally "project reserve.") Account established by HUD from amounts by which the maximum payment to the PHA under the consolidated ACC (during a PHA fiscal year) exceeds the amount actually approved and paid. This account is used as the source of additional payments for the program.

### **Adjusted Income**

Adjusted Family Income is the income on which total tenant payment is to be based and means the Total Annual Income less the following allowances:

- A. A deduction of \$480.00 for each member of the family (other than head of household or spouse) who is:
  - 1. Seventeen (17) years of age or younger, or
  - 2. Who is eighteen (18) years of age or older and a verified full-time student and/or is disabled or handicapped according to this Section.
- B. A deduction of dollar amounts anticipated to be paid for the care of children (including foster children) under thirteen (13) years of age where care is necessary to enable a family member to be gainfully employed or to further his/her education. The dollar amount must be verified and reflect reasonable charges and cannot exceed the amount of income from employment (if employed).
- C. A deduction of \$400.00 for Elderly Family whose head, spouse or sole member is sixty-two (62) years of age or older and/or is handicapped or disabled according to this section.

- D. A deduction for any elderly family:
1. That has no Handicapped Assistance Expense, an allowance for medical expenses equal to the amount by which the medical expense shall exceed three percent (3%) of Total Annual Family Income.
  2. That has Handicapped Assistance Expenses greater than or equal to three percent (3%) of Total Annual Family Income, an Allowance for Handicapped Assistance computed in accordance with paragraph F of this Section, plus an allowance for medical expenses that is equal to the Family's medical expenses.
  3. That has Handicapped Assistance Expenses that are less than three percent (3%) of Total Annual Family Income, an allowance for combined Handicapped Assistance expense and medical expense that is equal to the amount by which the sum of these expenses exceeds three percent (3%) of Total Annual Family Income. Expenses used to compute the deduction cannot be compensated for, nor covered by insurance.
- E. For persons with disabilities, the incremental earnings due to employment during a cumulative 12-month period following date of the initial hire shall be excluded. This exclusion is only available to the following families:
1. Families whose income increases as a result of employment of a disabled family member who was previously unemployed (defined as working less than 10 hours a week at the established minimum wage) for one or more years.
  2. Families whose income increases during the participation of a disabled family member in any economic self-sufficiency or other job training program.
  3. Persons with disabilities who are or were, within 6 months, assisted under a State TANF or Welfare-to-Work program for at least \$500.

During the second cumulative 12-month period after the date of initial hire, 50% of the increased income shall be excluded from income.

The disallowance of increased income of an individual family member is limited to a lifetime 48-month period. It only applies for 12 months of the 100% exclusion and 12 months of the 50% exclusion.



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- F. Child Care Expenses: Amounts anticipated to be paid by the Family for the care of children under thirteen (13) years of age during the period for which Annual Income is computed, but only where such care is necessary to enable a Family member to **actively seek employment**, be gainfully employed or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for child care, and, in the case of child care necessary to permit employment, the amount deducted shall not exceed the amount of income received from such employment. The reasonable amount of charges determined by the PHA, by conducting surveys of local child care providers. The results are posted in the PHA office(s).

**NOTE:** *If the Total Annual Income less the above allowances result in a rent that is less than the established minimum rent, the resident's rent will be established at the PHA's established minimum rent.*

### **Administrative Fee**

Fee paid by HUD to the PHA for administration of the program.

### **Administrative Fee Reserve**

(Formerly "operating reserve.") Account established by the PHA from excess administrative fee income. The administrative fee reserve must be used for housing purposes.

### **Administrative Plan**

The administrative plan describes PHA policies for administration of the tenant-based programs.

### **Admissions**

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

### **Adult**

An adult is:

21. Eighteen (18) years of age or older;
22. Eighteen (18) years of age and married (not common law); or
23. A person that has been relieved of the disability of non-age by the juvenile court.
24. A persons who has been convicted of a crime as an adult under any Federal, State, or tribal law.

**NOTE:** *Only persons who are adults shall be eligible to enter into a lease agreement for occupancy.*



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### **Amortization Payment**

In a manufactured home space rental, the monthly debt service payments by the family to amortize the purchase price of the manufactured home.

### **Annual Contributions Contract (ACC)**

A written contract between HUD and a PHA. Under the contract HUD agrees to provide funding for operation of the program, and the PHA agrees to comply with HUD requirements for the program.

### **Annual Income**

Annual Income is the anticipated total income from all sources received by the family head and spouse (even if temporarily absent) and by each additional member of the family, including all net income derived from assets, for the 12-month period following the effective date of initial determination or re-examination of income, exclusive of certain other types of income specified in this policy. Annual Income **includes**, but is not limited to, the following: Ref: CFR 5.609.

- A. The full amount, before any payroll deductions, of wages and salaries, and overtime pay, including compensation for personal services (such as commissions, fees, tips and bonuses);
- B. Net income from the operation of a business or profession. (Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining Net Income.) An allowance for depreciation of assets used in a business or profession may be deducted, based on straight-line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or other 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. (For this purpose, expenditures for amortization of capital indebtedness and an allowance for depreciation of capital assets shall not be deducted to determine the net income from real or personal property). All allowance for depreciation is permitted only as authorized in Paragraph "B" of this section. 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 \$5,000.00, Annual Income shall include the greater of the actual income derived from all Net Family Assets or a percentage of the value of such assets based on the current passbook savings rate as determined by HUD;
- D. The full amount of periodic payments received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefit 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 and disability compensation, social security benefits, workmen's compensation and severance pay;



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- F. Welfare assistance. If the welfare assistance payment includes an amount specifically designated for shelter and utilities that are subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:
1. The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus
  2. The maximum amounts that the welfare assistance agency could in fact allow the family for shelter and utilities. If the families' welfare assistance is rate 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, child support payments, and regular (monthly) contributions of gifts, including amounts received from any persons not residing in the dwelling;
- H. All regular pay, special payments and allowances (such as longevity, overseas duty, rental allowances for dependents, etc.) received by a member of the Armed Forces (whether or not living in the dwelling) who is head of the family, spouse, or other family member whose dependents are residing in the unit. (See "Hazardous Duty Pay" under Income Exclusions);
- I. Payments to the head of the household for support of a minor or payments nominally to a minor for his/her support, but controlled for his/her benefit by the head of the household or a resident family member other than the head who is responsible for his/her support;
- J. Veterans Administration compensation (Service Connected Disability or Death Benefits).

Annual Income **does not include** such temporary, non-recurring or sporadic income as the following:

- A. Temporary, non-recurring or sporadic income (including gifts);
- B. Amounts that are specifically for or in reimbursement of the cost of medical expenses for any family member;
- 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 (but see "payments in lieu of earnings" in this policy);
- D. Amounts of educational scholarships paid directly to the student or the educational institution, and amounts paid by the Government to a veteran, for use in meeting the costs of tuition, fees, books, equipment, materials, supplies, transportation, and miscellaneous personal expenses of the student. Any amount of such scholarship or payment to a veteran not used for the above purposes that is available for subsistence is to be included in income;



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- E. The special pay to a family member in the Armed Forces away from home and exposed to hostile fire;
- F.
  - 1. Amounts received under training programs funded by HUD:
  - 2. Amounts received by a disabled person that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS); or
  - 3. 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;
- G. Monies received for performing census data collection.
- H. Income from employment of children (including foster children) under the age of 18 years;
- I. Payments received for the care of foster children;
- J. Income of a Live-in Aide, as defined in 24 CFR 913.102;
- K. 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.
- L. Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under the United States Housing Act of 1937. A notice will be published in the **Federal Register** and distributed to PHA's and IHA's identifying the benefits that qualify for this exclusion. Updates will be published and distributed when necessary. The following is a list of types of benefits that qualify for that exclusion, effective July 23, 1990:
  - 1. Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 USC 3050(f));
  - 2. The value of the allotment provided to an eligible household for coupons under the Food Stamp Act of 1977 (7 U.S.C. 2017 (b));
  - 3. Payment to volunteers under the Domestic Volunteer Service Act of 1973 (42 U.S.C. 5044(g), 5058):
  - 4. Payments received under the Alaska Native Claims Settlement Act of 1973 (43 U.S.C. 1626 (a));
  - 5. Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 USC 459e):



6. Payments or allowances made under the Department of Health and Human Services Low-income Home Energy Assistance Program (42 USC. 8624(f));
  7. Payments received under programs funded in whole or in part under the Job Training Partnership Act (29 U.S.C. 1 552(b));
  8. Income derived from the disposition of funds of the Grand River Band of Ottawa Indians (Pub. L. 94-540, 90 Stat. 2503-2504);
  9. The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the Court of Claims (25 U.S.C. 1407-1408) or from funds held in trust for an Indian tribe by the Secretary of Interior (25 U.S.C. 117);
  10. Amounts of scholarships funded under Title IV of the Higher Education Act of 1965 that are used to cover the cost of attendance at an educational institution (See 24 CFR 215.1(c)(6), 236.3(c)(6), 813.106(c)(6), and 913.106(c)(6):
  11. Payment received after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in the In Re Agent Orange Product Liability Litigation M.D.L. No 381(EDNY); and
  12. Payments received under the Maine Indian Claims Settlement Act of 1980 (Pub. L. 96-240, 94 Stat. 1785).
  13. Earned income tax credit (EITC) refund payment received on or after January 1991.
- M. Per the final rule published in the Federal Register, dated November 18, 1996, the nine exclusions to annual income are:
1. Resident Service Stipends - but only if it does not exceed \$200 per month.
  2. Adoption Assistance Payments - payments received for the care of adopted children that exceed \$480 per month.
  3. Full Amount of Student Financial Assistance - all amounts received from student financial assistance unless participant is over 23 years of age with children.
  4. Earned Income of Full-Time Students - exempts earnings in excess of \$480 for each full-time student 18 years of older.
  5. Adult Foster Care Payments - usually individuals with disabilities unrelated to the resident family who are unable to live alone.
  6. State or local training programs and training of resident management staff.
  7. State tax credits and rebates for property taxes paid on a dwelling unit.



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8. Homecare Payments - exempts amounts paid by a State agency to families that have developmentally disabled children or adult family members living at home.
9. Deferred periodic payments of SSI and Social Security.

If it is not feasible to anticipate a level of income over a 12 month period, the income anticipated for a shorter period may be annualized, subject to a re-determination at the end of the shorter period.

### **Applicant**

A family that has applied for admission to a program, but is not yet a participant in the program.

### **Budget Authority**

An amount authorized and appropriated by the Congress for payment to PHA's under the program. For each funding increment in a PHA program, budget authority is the maximum amount that may be paid by HUD to the PHA over the ACC term of the funding increment.

### **Child**

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

### **Child Care Expenses**

Amounts anticipated to be paid by the family for the care of children under 13 years of age during the period for which Annual Income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for child care, and, in the case of child care necessary to permit employment, the amount deducted shall not exceed the amount of income received from such employment.

### **Citizen**

A citizen or national of the United States.

### **Contiguous MSA**

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

### **Continuously Assisted**

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



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**Contract Authority**

The maximum annual payment by HUD to a PHA for a funding increment.

**Contract Rent**

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

**Dependent**

A member of the family household (excluding foster children) other than the family head or spouse, who is under 18 years of age or is a Disabled Person or Handicapped Person, or is a Full-Time Student. An unborn child shall not be considered a dependent.

**Disabled Family**

A family whose head, spouse, or sole member is a person with disabilities; or two or more persons with disabilities living together; or one or more persons with disabilities living with one or more live-in aides.

**Displaced Family**

A family in which each member, or whose sole member, is a person displaced by governmental action, or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to Federal disaster relief laws.

**Domicile**

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

**Drug-Related Criminal Activity**

Term means:

- A. Drug-trafficking; or
- B. Illegal use, or possession for personal use, of a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)).

**Drug-Trafficking**

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



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### **Effective Date**

The “effective date” of an examination or re-examination refers to (1) in the case of an examination for admission, the effective date of the HAP contract, and (2) in the case of re-examination of an existing tenant, the effective date of the re-determined Total Tenant Payment.

### **Elderly Family**

A family whose head or spouse, or sole member is a person who is at least 62 years of age; or two or more persons who are at least 62 years of age living together; or one or more persons who are at least 62 years of age living with one or more live in aides.

### **Elderly Person**

A person who is at least 62 years of age.

### **Extremely Low-income Family**

Extremely low-income refers to families whose incomes meet the very low-income threshold (50% of area median income) and do not exceed the higher of the federal poverty line or 30% of area median income. **Extremely low income** (ELI) families are **defined** as those whose incomes do not exceed the greater of either 30% of the MFI (or 60% of VLI **income** limit) or the federal poverty guideline published by the Department of Health and Human Services.

### **Exception Rent**

In the housing choice voucher program, the PHA may adopt a payment standard range of 90% to 110% of said payment standard.

### **Fair Market Rent (FMR)**

The rent, including the cost of utilities (except telephone), that would be required to be paid in the housing market area to obtain privately owned, existing, decent, safe and sanitary rental housing of modest (non-luxury) nature with suitable amenities. Fair market rents for existing housing are established by HUD for housing units of varying sizes (number of bedrooms), and are published in the **Federal Register** in accordance with 24 CFR part 888.

### **Familial Status**

A single, pregnant person which is considered as a family of two people. The pregnancy requires verification from a doctor that specifies the name of the applicant and must be furnished to the PHA. In addition, single persons in the process of securing custody through adoption and other means should be treated identically as a single pregnant woman but must provide evidence of a reasonable likelihood of success to be admitted for occupancy prior to obtaining custody by the following:

25. Adoption agency
26. Court order



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27. Certified legal document

**Family**

Family includes but is not limited to:

- A. A family with or without children (the temporary absence of a child from the home due to placement in foster care shall not be considered in determining family composition and family size);
- B. An elder family;
- C. A near-elderly family;
- D. A disabled family;
- E. A displaced family;
- F. The remaining member of a tenant family; and
- G. A single person who is not an elderly or displaced person, or a person with disabilities, or the remaining member of a tenant family.

**Family Self-Sufficiency Program (FSS Program)**

The program established by a PHA to promote self-sufficiency of assisted families, including the provision of supportive services (42 U.S.C. 1437uu). See 24 CFR part 984.

**Family Unit Size:**

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

**FMR**

Fair Market Rent.

**FMR/Exception Rent Limit**

The Housing Choice Voucher Housing fair market rent published by HUD Headquarters, or any exception rent. For a tenancy in the housing choice voucher program, the PHA may adopt a payment standard up to the FMR/Exception Rent Limit.

**Foster Children**

With the prior written consent of the PHA, a foster child may be added as a Housing Choice Voucher participant. It is a budget consideration and not the voucher itself that determines the approval of the addition of foster children.



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### **Full-Time Student**

A person who is carrying a subject load that is considered full-time for students under the standards and practices of the educational institution attended. An educational institution includes a vocational school with a diploma of certified program, as well as an institution offering a college degree.

### **Funding Increment**

Each commitment of budget authority by HUD to a PHA under the consolidated annual contributions contract for the PHA program.

### **Gender Identity**

The gender with which a person identifies, regardless of the sex assigned to that person at birth and regardless of the person's perceived gender identity. Perceived gender identity means the gender with which a person is perceived to identify based on that person's appearance, behavior, expression, other gender related characteristics, or sex assigned to the individual at birth or identified in documents.

### **Handicapped Assistance Expense**

Reasonable expenses that are anticipated, during the period for which Annual Income is computed, for attendant care and auxiliary apparatus for a disabled family member and that are necessary to enable a family member (including the disabled member) to be employed, provided that the expenses are neither paid to a member of the family or reimbursed by an outside source.

### **Handicapped Person and/or Disabled Person**

A person having a physical or mental impairment which:

- A. Is expected to be of long-continued and indefinite duration;
- B. Substantially impedes his/her ability to live independently; and
- C. Is of such nature that said disability could be improved by more suitable housing conditions.

**NOTE:** *All three conditions listed above must be met to qualify as handicapped. Also, a person who is under a disability as defined in Section 223 of the Social Security Act (42 U.S.C. 423) or in Section 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001(7)), or is handicapped as defined below:*

- D. Section 223 of the Social Security Act defines disability as:
  - 1. "Inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve (12) months; or



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2. In the case of any individual who has attained the age of fifty-five (55) and is blind (within the meaning of “blindness” as defined in Section 416(l) 1 of this title), inability by reason of such blindness to engage in substantial gainful activity requiring skills or abilities comparable to those of any gainful activity in which he/she has previously engaged with some regularity and over a substantial period of time.”
- E. Section 102(5) of the Development Disabilities Services and Facilities Construction Amendments of 1970 defines disability as:
- “A disability attributable to developmentally disabled, cerebral palsy, epilepsy or another neurological condition of an individual found by the Secretary (of Health and Human Resources) to be closely related to mental retardation or to require treatment similar to that required for mentally retarded individuals, which disability originates before such individual attains age eighteen (18), which has continued or can be expected to continue indefinitely, and which constitutes a substantial handicap to such individual.”

### **Head of Household**

Head of Household means the adult member of the family who is held primarily responsible and accountable for the family, particularly in regard to lease obligations.

### **Housing Agency**

Hereinafter referred to as a Public Housing Authority (PHA). A State, county, municipality or other governmental entity or public body (or agency or instrumentality thereof) authorized to engage in or assist in the development or operation of low-income housing, including an Indian Housing authority (IHA).

### **Housing Assistance Payment (HAP)**

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

- A. A payment to the owner for rent to owner under the family’s lease.
- B. An additional payment to assist with utilities to either the family or the utility provider if the total assistance payment exceeds the rent to the owner.

### **Housing Assistance Payments Contract (HAP Contract)**

A written contract between a PHA and an owner, in the form prescribed by HUD headquarters, in which the PHA agrees to make Housing Assistance Payments to the owner on behalf of an eligible family.

### **Housing Choice Voucher**

Housing Choice Vouchers allow very low-income families to choose and lease or purchase safe, decent, and affordable privately-owned rental housing.



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### **Housing Choice Voucher Holder**

A family holding a housing choice voucher with unexpired search time.

### **Housing Quality Standards (HQS)**

The HUD minimum quality standards for housing assisted under the HCV program.

### **HUD**

The U.S. Department of Housing and Urban Development.

### **HUD Requirements**

HUD requirements for the Housing Choice Voucher Program. HUD requirements are issued by HUD headquarters, as regulations, **Federal Register** notices or other binding program directives.

### **IHA**

Indian Housing Authority.

### **Indian Housing**

ONAP ensures that safe, decent and affordable housing is available to Native American families and creates economic opportunities for Tribes and Indian housing residents.

### **INS**

The U.S. Immigration and Naturalization Service.

### **Income Exclusions:**

Annual Income does not include such temporary, non-recurring or sporadic income as the following:

- A. **Temporary:** Casual, sporadic, temporary, non-recurring income, including gifts.
- B. **Medical Reimbursements:** Amounts that are specifically received from, or are a reimbursement of, the cost of illness or medical care.
- C. **Lump-Sum Additions to Family Assets:** Such as, but not necessarily limited to, inheritances, insurance payments, including payments under health and accident insurance and workmen's compensation, capital gains, and settlements for personal or property losses.
- D. **Scholarships:** Full amounts of educational scholarships paid directly to the student or to the educational institution and amounts paid by the United States Government to a veteran for use in meeting the cost of tuition, fees, books, equipment, materials, supplies, transportation, and miscellaneous personal expenses of the student.



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- E. **Relocation Payments:** Made pursuant to Title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4636).
- F. **Food Stamps:** The value of the coupon allotments for the purchase of food in excess of the amount actually charged an eligible household pursuant to the Food Stamp Act of 1973 (7 U.S.C. 2017(b)).
- G. **Domestic Volunteers Service Act:** Payments received by participants or volunteers in programs pursuant to the Domestic Volunteers Service Act of 1973 (42 U.S.C. 5044(g), 5058).
- H. **Income of a Live-In Aide:** (as defined in this policy).
- I. **Job Training Partnership Act:** Payments received from the Job Training Partnership Act (29 U.S.C. 1552(b))
- J. **Hazardous Duty Pay:** For a family member in the Armed Forces away from home and exposed to hostile fire.
- K. **Minor Income:** Income from employment of children (including foster children) under the age of eighteen (18).
- L. **Foster Care:** Payment received for the care of foster children.
- M. **Alaska Native Claims Settlement Act:** Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(a)), or reparation payments made by foreign governments in connection with the Holocaust.
- N. **Submarginal Land Income:** Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459(e)).
- O. **Home Energy Assistance Program:** Payments or allowances made under the Department of Health and Human Services Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f)).
- P. **Grand River Band of Ottawa Indians:** Income derived from the disposition of funds of the Grand River Band of Ottawa Indians (Pub. Law 94-540, 90 Stat. 2503-2504).
- Q. **Indian Claims Commission or the Court of Claims:** The first \$2,000.00 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the Court of Claims (25 U.S.C. 1407-1408), or from funds held in trust for an Indian tribe by the Secretary of Interior (25 U.S.C. 117(b), 1407).
- R. **Older Americans Act:** Payments from Programs under Title V of The Older Americans Act of 1965 (42 U.S.C. 3056(f)).
- S. **HUD Training:** Amounts received under training programs funded by the Department of Housing and Urban Development.



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- T. **Plan to Attain Self-Sufficiency:** Amounts received by a disabled person that is 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).
- U. **Other Publicly Assisted Programs:** Amounts received by a participant in other publicly assisted programs which is 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.
- V. **Earned Income Tax Credit Refund:** For taxable years after December 31, 1990, the earned income tax credit refund. Effective Date: July 25, 1994.
- W. **A Resident Service Stipend:** A resident stipend is a modest amount (i.e., \$200.00 or less 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. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiative coordination and resident management. No resident may receive more than one such stipend during the same period of time. The exclusion exempts resident service stipends from annual income, but only if the resident service stipend does not exceed \$200.00 per month.
- X. **Adoption Assistance Payments:** Income payments received for the care of adopted children to the extent that the payments exceed \$480.00 per adopted child.
- Y. **Student Financial Assistance:** This exclusion exempts from annual income all amounts received from student financial assistance. Student financial assistance is interpreted broadly to include various scholarships, educational entitlements, grants, work-study programs and financial aid packages.
- Z. **Earned Income of Full-Time Students:** This exclusion exempts earnings in excess of \$480.00 for each full-time student eighteen (18) years old or older, except for the head of household and spouse. The exemption only applies to earnings in excess of \$480.00 since the family already receives a \$480.00 deduction from income for any full-time student.
- AA. **Adult Foster Care Payments:** This exclusion removes from the computation of annual income payments the care of foster adults, usually individuals with disabilities, unrelated to the tenant family, who are unable to live alone. Currently, only payments for the care of foster children are excluded from annual income. In adding this exclusion, the Department is not requiring that housing authorities or owners permit foster adults in assisted housing.
- BB. **Compensation From State or Local Job Training Programs and Training of Resident Management Staff:** This exclusion exempts compensation received from qualifying employment training programs and the training of resident management staff. To qualify under this exclusion, the compensation received must be a component of a state or local Employment Training Program with clearly defined goals and objectives. Moreover, only the compensation received incident to the training program is excluded, (i.e., any additional



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income received during the training program, such as welfare benefits, will continue to be counted as income). In addition, this exclusion only covers compensation received while the resident participates in the employment-training program and the duration of participation must be for a limited period determined in advance. An example of compensation, which falls under this exclusion, is compensation received from on-the-job training and during apprenticeship programs.

- CC. **Property Tax Rebates:** This provision excludes state rent credits and rebates for property taxes paid on a dwelling unit.
- DD. **Home Care Payments for Developmentally Disabled Children or Adult Family Members:** This exclusion exempts amounts paid by a state agency to families who have developmentally disabled children or adult family members living at home. States that provide families with home care payments do so to offset the cost of services and equipment needed to keep a developmentally disabled family member at home.
- EE. **Deferred Periodic Payments:** Of supplemental security income and social security benefits that are received in a lump sum payment.
- FF. **Earned Income Disallowance for persons with disabilities** as defined by 24CFR5.617.
- GG. **Any allowance paid to a child suffering from Spina Bifida who is the child of a Vietnam Veteran** under the provisions of 38 USC 1805.
- HH. **Any amount of crime victim compensation** (under the Victims of Crime Act) received through crime victim assistance as determined under the Victims of Crime Act.

### **Indian**

Any person recognized as an Indian or Alaska Native by an Indian Tribe, the federal government, or any State.

### **Indian Housing Authority (IHA)**

A housing agency established either:

- A. By exercise of the power of self-government of an Indian Tribe, independent of State law; or
- B. By operation of State law providing specifically for housing authorities for Indians.

### **Initial Contract Rent**

In the housing choice voucher program, the contract rent at the beginning of the initial lease term.

### **Initial PHA**

In portability, the term refers to both:



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

**Initial Lease Term**

The initial term of the assisted lease. The initial lease term must be for at least one year.

**Initial Rent to Owner**

The rent to owner at the beginning of the initial lease term.

**Jurisdiction**

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

**Lease**

- A. A written agreement between an owner and a tenant for the leasing of a dwelling unit to the tenant. The lease establishes the conditions for occupancy of the dwelling unit by a family with Housing Assistance Payments under an HAP Contract between the owner and the PHA.
- B. In cooperative housing, a written agreement between a cooperative and a member of the cooperative. The agreement establishes the conditions for occupancy of the member's cooperative dwelling unit by the member's family with Housing Assistance Payments to the cooperative under an HAP Contract between the cooperative and the PHA. For purposes of part 982, the cooperative is the Housing Choice Voucher "owner" of the unit, and the cooperative member is the Housing Choice Voucher "tenant".

**Lease Addendum**

In the lease between the tenant and the owner, the lease language required by HUD.

**Live-In Aide**

A person who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who must meet the following criteria:

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



### **Low Income Family**

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

### **MSA**

Metropolitan statistical area.

### **Manufactured Homes**

A manufactured structure that is built on a permanent chassis, designed for use as a principle place of residence, and meets HQS.

### **Medical Expenses**

Medical expenses, including medical insurance premiums, that are anticipated during the period for which Annual Income is computed, and that are not covered by insurance. Medical expenses are allowed only if the head of household or spouse is elderly, disabled or handicapped. If they meet that criteria medical expenses for all household members can be counted in determining adjusted income.

### **Military Service**

Military service means the active military service of the United States, which includes the Army, Navy, Air Force, Marine Corps, Coast Guard, and since July 29, 1945, the commissioned corps of the United States Public Health Service.

### **Minimum Rent**

Families assisted under the Housing Choice Voucher program pay a monthly “minimum rent” of not more than \$50.00 per month. The PHA has the discretion to establish the “minimum rent” from \$0.00 up to \$50.00. The minimum rent established by the MHA is \$50.00.

### **Minimum Rent Hardship Exemptions**

The PHA shall immediately grant an exemption from application of the minimum monthly rent to any family making a proper request in writing who is unable to pay because of financial hardship for an initial period of 90 days.

### **Minor**

A “minor” is a person less than Eighteen (18) years of age. Provided, that a married person eighteen (18) years of age or younger shall be considered of the age of majority. (An unborn child may not be counted as a minor but is counted for eligibility of a single, pregnant female.)



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### **Mixed Family**

A family that includes members who are citizens or have eligible immigration status and members who do not contend to have eligible immigration status. A "**mixed family**" means a **family** whose members include those with citizenship or eligible immigration status and those without citizenship or eligible immigration status. **Mixed families** can, under certain conditions, receive prorated assistance.

### **Monthly Adjusted Income**

One-twelfth of Adjusted Income.

### **Monthly Income**

One-twelfth (1/12) of Annual Income. For purposes of determining priorities based on an applicant's rent as a percentage of monthly income.

### **Near Elderly Family**

A family whose head, spouse, or sole member is a person who is at least fifty (50) years of age but below the age of sixty-two (62); or two or more persons, who are at least fifty (50) years of age but below the age of sixty-two (62), living together; or one or more persons who are at least fifty (50) years of age but below the age of sixty-two (62) living with one or more live-in aides.

### **Near-Elderly Person**

A person who is at least fifty (50) years of age but below the age of sixty-two (62).

### **Net Family Assets**

Net cash value after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of capital investments, excluding, interests in Indian trust land and excluding equity accounts in HUD ownership programs. The value of necessary items of personal property such as furniture and automobiles shall be excluded. (In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the value of the trust fund will not be considered as an asset so long as the fund continues to be held in trust. Any income distributed from the trust fund shall be counted when determining Annual Income.) In determining Net Family Assets, the PHA shall include the value of any assets disposed of by an applicant or resident for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or re-examination, as applicable, in excess of the consideration received therefore. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or resident received important consideration not measurable in dollar terms.



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**Non-Citizen**

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

**ONAP**

Office of Native American Programs

**Participant (Participant Family)**

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

**Payment Standard**

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

**Portability**

Renting a dwelling unit with Housing Choice Voucher tenant-based assistance outside the jurisdiction of the initial PHA.

**Preference**

At the option of the PHA, a preference system can be used to place families on the waiting list ahead of other applicants who do not claim a preference.

**Premises**

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

**Program**

The tenant-based housing choice voucher program.

**Project-Based**

Rental assistance that is attached to the structure.

**Project-Based Voucher Program (PBV)**

Project-based assistance under 24 CFR part 983, using funding under the consolidated ACC for the PHA housing choice voucher program.



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### **Public Housing**

Providing decent and safe rental housing for eligible low-income families, the elderly, and persons with disabilities.

### **Public Housing Agency (PHA)**

Any State, county, municipality or other government entity or public body (or agency or instrumentality thereof) that is authorized to engage in or assist in the development or operation of housing for lower income families.

### **Reasonable Rent**

A rent to owner that is not more than either: 1) Rent charged for comparable units in the private unassisted market; or 2) Rent charged by the owner for a comparable assisted or unassisted unit in the building or premises.

### **Receiving PHA**

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

### **Re-Certification**

Re-certification is sometimes called re-examination. The process of securing documentation that indicates that tenants meet the eligibility requirements for continued occupancy.

### **Re-Examination Date**

The date on which any rent change is effective or would be effective if required as a result of the annual or interim re-examination of eligibility and rent.

### **Regular Tenancy**

In the Housing Choice Voucher program: a tenancy other than an over-FMR tenancy.

### **Remaining Member(s) of the Tenant Family**

The eligible person(s) of legal age remaining in the subsidized unit after the person(s) who signed the housing choice voucher has (have) left the premises, other than by eviction, who may or may not normally qualify for assistance on their own circumstances. This person must complete forms necessary for Housing Choice Voucher assistance within ten (10) calendar days from the departure of the leaseholder and may remain in the unit for a reasonable time (not more than sixty [60] calendar days from the date the individual requests head of household status) pending the verification and hearing process. This person must, upon satisfactory completion of the verification process, then execute all required Housing Choice Voucher subsidy documents and cure any monetary obligations



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in order to maintain assistance. Any person who claims him or herself as a remaining member shall, in the event that the PHA declares him or her ineligible for remaining member status, be entitled to an informal hearing.

### **Rent to Owner**

The monthly rent payable to the owner under the lease and only as allowed by HUD's Tenancy Addendum. Rent to owner includes payment for any services, maintenance and utilities to be provided by the owner in accordance with the lease.

### **Residency Preference**

A PHA preference for admission of families that reside anywhere in a specified area, including families with a member who works or has been hired to work in the area ("residency preference area").

### **Residency Preference Area**

The specified area or jurisdiction where families must reside to qualify for a residency preference.

### **Housing Choice Voucher Homeownership Program Option**

A voluntary program operated by a PHA whereby Tenant-based assistance to an eligible family that purchases a dwelling unit that will be occupied by the family.

### **Single Person**

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

### **Spouse**

Spouse means the husband or wife of the head of household.

### **Subsidy Standards**

Standards established by a PHA to determine the appropriate number of bedrooms and amount of subsidy for families of different sizes and compositions. See definition of "family unit size".

### **Suspension**

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

### **Tenant**

The person or persons (other than a Live-In Aide) who executes the lease as lessee of the dwelling unit.



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### **Tenant-Based**

Rental assistance that is not attached to the eligible family and not attached to the structure being rented by the family.

### **Tenant Rent**

The amount payable monthly by the family as rent to the owner, including a PHA. Where all utilities (except telephone) and other essential housing services are supplied by the owner, the Tenant Rent equals Total Tenant Payment. Where some or all utilities (except telephone) and other essential housing services are not supplied by the owner and the cost thereof is not included in the amount paid as rent, Tenant Rent equals Total Tenant Payment less the Utility Allowance. In the case of a family renting only a manufactured home space, Tenant Rent equals the space rental minus the Housing Assistance Payment, as defined in the applicable program regulations.

### **Total Tenant Payment (TTP)**

The TTP for families participating in the housing choice voucher and moderate rehabilitation programs must be at least \$50.00, which is the minimum rent established by the PHA.

A. For the Housing Choice Voucher Program, the TTP must be the greater of:

1. Thirty percent (30%) of family monthly adjusted income;
2. Ten percent (10%) of family monthly income;
3. Welfare rent (if applicable) in as-paid states; or
4. \$50.00, which is the minimum rent set by the PHA.

B. For the Housing Choice Voucher Program:

The TTP is the same as A. 1., 2., and 3. above. The utility allowance is applicable for the Housing Choice Voucher Program. Voucher families will pay the owner the difference between the monthly rent to the owner and the Housing Assistance Payment. Voucher families will also pay the cost of tenant-furnished utilities under the lease.

### **Utility**

The provision of general electricity, gas, heating fuel, cooking fuel, hot water, sewer, trash, range and refrigerator.

### **Utility Allowance**

An allowance for the cost of utilities (except telephone) for an assisted unit which are not provided by the landlord but are the responsibility of the family occupying the unit is called a utility allowance. This utility allowance is based upon building type and is determined by number of bedrooms and is equal to the estimate made by the PHA or HUD, of the monthly cost of a reasonable consumption of



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such utilities for the unit by an energy conservative household of modest circumstances consistent with the requirements of a safe, sanitary, and healthful living environment.

### **Utility Reimbursement**

The amount, if any, by which any utility allowance for family-paid utilities or other housing services exceeds the total tenant payment. This reimbursement will be made to the tenant and/or utility company of the tenant's choice.

### **Violence Against Women Act (VAWA)**

A Public Housing Agency (PHA), owner or landlord may not deny admission to an applicant (male or female) who has been a victim of domestic violence, dating violence or stalking if the applicant otherwise qualifies for assistance or admission which will include PHA staff.

The Monroe Housing Authority Section 8 Program has no preference regarding VAWA, but the Monroe Housing Authority Section 8 will inform all tenants and landlords regarding VAWA by signing a Lease Addendum, HUD form 91067 to assure them of VAWA Protection.

### **Very Low-Income Family**

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

### **Veteran**

Anyone who served or is currently serving in the military force.

### **Violent Criminal Activity**

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

### **Voucher**

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

### **Waiting List Admission**

An admission from the PHA waiting list.



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**Welfare Assistance**

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

**Worst Case Housing Needs**

Needs experienced by unassisted very low-income renters who either (1) pay more than one-half of their monthly income for rent; or (2) live in severely inadequate conditions, or both.



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## APPLICATIONS FOR ADMISSION TO HOUSING CHOICE VOUCHER PROGRAM

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All applications for the Housing Choice Voucher Program shall consist of a pre-application as is consistent with MHA's occupancy policies.

The following conditions shall govern the taking and processing of applications:

- A. The MHA **will not**, on account of race, age, color, creed, sex, religion, handicap, familial status, or national origin, deny or hinder any applicant family the opportunity to make application or lease a dwelling unit suitable to its needs.

The MHA does not discriminate in admission or access to its Federally assisted housing programs. Any individual eligible to be served who has a visual or hearing impairment will be provided with the information necessary to understand and participate in MHA's programs. The Executive Director has been designated as the responsible employee to coordinate the Authority's efforts to comply with the nondiscrimination based on handicap regulations.

- B. The MHA, with Board of Commissioners' approval, reserves the right to suspend taking applications for placement on the waiting list when the current supply of waiting list applications exceeds the number of families which could be reasonably expected to be housed within twelve (12) months.
- C. All applications must be made by a responsible adult member of the tenant family, who will reside in the household, or a minor person who, by virtue of court order has been determined to be an adult. He/She shall sign the application and certify, subject to civil and criminal penalties, to the accuracy of all statements made therein. MHA requires the signature of all adult members of the applicant household. No applications shall be accepted unsigned.
- D. The MHA will normally take applications from a central location, but reserves the right to establish satellite locations for application taking or to mail application to disabled persons.
- E. The MHA reserves the right to establish times for taking applications including by appointment. MHA's staff may, at its discretion, provide for application interviews outside normal hours when necessary for hardship reasons.
- F. Application interviews shall be conducted in privacy to the greatest extent possible.
- G. The MHA will request, but not mandate, information regarding the race or ethnic designation of the head of household must be included in the application. The application shall indicate the date and time of application and the Authority's determination of eligibility or ineligibility.
- H. Applications shall be updated as applicants report changes in income and family circumstances. All modifications to applications shall be properly documented.
- I. Annually, the MHA shall purge the waiting list application pool of applicants no longer actively seeking housing. Normally, this shall be performed by removing applicants who fail to respond to a "still interested" notice mailed to the last known address on the waiting list application.

It shall be the sole responsibility of the applicant to inform the MHA of changes in address and other family circumstances in writing which might affect the status of the application.

- J. The MHA shall maintain such records as are necessary to document the disposition of all applications and to meet U.S. Department of Housing and Urban Development audit requirements, which currently is for a period of three (3) years.
- K. All applicants for Housing Choice Voucher assistance are placed on a single waiting list according to the date, time of application and local preferences. Information on the program will be given to applicants.
- L. The MHA shall offer to cross list any applicant on its public housing wait list who has an interest in that program, at the time of application.
- M. The MHA will not remove without the families consent a family's name from the Housing Choice Voucher Housing Program wait list because the family has applied for, refused, or rented a subsidized unit, without the family's consent.
- N. Prior to admission into the program, MHA must search for each family member in the EIV Existing Tenant Search. The search will show if any family member is currently assisted by another public housing agency.
- O. All adult household members must sign the HUD-52675. The form is only required to be signed by each adult one time. The form notifies the adults that their debt and termination information will be shared with other PHAs and will be accessible by HUD staff, PHA staff, and contractors. Prior to admission to the program, MHA must search for each adult family member in the EIV Debts Owed to PHAs and Terminations database. If any information on debts or terminations is returned by the search, MHA will determine if the offenses violates admissions policies.
- P. EIV information is typically not available in EIV for applicant families. If information is not available at the time of income determination, MHA must review the family's EIV Income Report 120 days after the New Admission.



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*MISREPRESENTATION OF INFORMATION*

The MHA takes the position that:

“Any person who obtains or attempts to obtain, or who establishes or attempts to establish eligibility for, and any person who knowingly or intentionally aids or abets such person in obtaining or attempting to obtain or in establishing or attempting to establish eligibility for any assisted housing program or a reduction in tenant rent or any rent subsidy payment from a tenant in conjunction with assisted housing to which such person would not otherwise be entitled, by means of a false statement, failure to disclose information, impersonation, or other fraudulent scheme or device shall be guilty of a fraud.”

The MHA considers the misrepresentation of income and family circumstances to be a serious lease and policy violation, as well as a crime and will take appropriate action if apparent fraud is discovered. Specifically:

- A. An applicant family who has misrepresented income or family circumstances may be declared ineligible for housing assistance.
- B. If any examination of the tenant’s file discloses that the tenant made any misrepresentation (at the time of admission or any previous re-certification date) which resulted in his/her being classified as eligible when in fact he/she was ineligible, the tenant may have their assistance terminated, even though he/she may be currently eligible.
- C. A tenant family who has made misrepresentation of income or family circumstances is subject to termination from the program and being declared ineligible for future housing assistance.
- D. If it is found that the tenant’s misrepresentations resulted in his/her paying a lower tenant rent than he/she should have paid, he/she will be required to pay the difference between rent owed and the amount that should have been paid. This amount shall be paid whether or not the tenant remains on the Housing Choice Voucher Program but failure to pay under terms established by the MHA shall always result in immediate termination of assistance. The MHA reserves the right to demand full payment within ten (10) days.
- E. The MHA shall report apparent cases of tenant or applicant fraud to the HUD Inspector General’s Office. It shall be the policy of the MHA to press State and Federal authorities for prosecution of cases which, in the MHA’s judgment, appear to constitute willful and deliberate misrepresentation.
- F. The MHA will review all complaints of fraud to determine if a violation does exist.





## MISSED APPOINTMENTS FOR APPLICANT OR PARTICIPANT

- A. **Missed Appointment Without Notification:** An applicant or person receiving assistance who fails to keep an appointment without notifying the MHA and without re-scheduling the appointment, shall be sent a notice of termination of the process or assistance for failure to supply such certification, release of information or documentation as the MHA or HUD determines to be necessary (or failure to allow the MHA to inspect the dwelling unit at reasonable times and after reasonable notice, if applicable) in the following situations:
1. Complete Application;
  2. Bringing in Verification Information;
  3. Program Briefing;
  4. Leasing Signature Briefing;
  5. HQS Inspections;
  6. Re-certification;
  7. Interim Adjustment;
  8. Other Appointments or Requirements to Bring in Documentation as Listed in this Plan.
- B. **Process When Appointments are Missed:** For most of the functions above, the family may be given two appointments. If the family does not appear or call to reschedule the appointment(s) required, the MHA may begin the termination process. The applicant or participant will be given an opportunity for an informal review or hearing.

If the representative of the MHA makes a determination in favor of the applicant or participant, the MHA will comply with such decision unless the MHA is not bound by a hearing decision concerning a matter for which the MHA is not required to provide an opportunity for a hearing pursuant to 24 CFR 982.554(c) and 982.555(b).



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## ADMISSION TO HOUSING CHOICE VOUCHER PROGRAM HOUSING

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All families who are admitted to Housing Choice Voucher Housing Programs administered by MHA must be individually determined eligible under the terms of this Administrative Plan. In order to be determined eligible, will be examined for compliance with the following requirements:

- A. The applicant family must qualify as a very low-income family in accordance with the income limits established by the U.S. Department of Housing and Urban Development for Monroe, North Carolina.
- B. Qualifies as a lower income family (other than very low-income).
- C. If a prior tenant of public housing or Housing Choice Voucher housing programs and the family owes money to a PHA, the family will not be considered for re-admission until the account is paid in full.
- D. The applicant family must have properly completed all application requirements, including verifications. Misrepresentation of income, family composition or any other information affecting eligibility, rent, unit size, etc., will result in the family being declared ineligible. In the event the misrepresentation is discovered after admission, the family may be subsequently terminated from the program, even if the family meets current eligibility criteria at that time.
- E. The family must not engage in drug-related criminal activity or violent criminal activity, including criminal activity by a family member, or family member's guests.
- F. The MHA shall not deny admission to any applicant on the basis that the applicant is or has been a victim of domestic violence, or stalking if the applicant otherwise qualifies for admission.
- G. If the applicant is a student and is enrolled at an institution of higher education, is under the age of 24, is not a veteran, unmarried and does not have a dependent child, is individually ineligible for Housing Choice Voucher Program assistance, or the student's parents are, individually or jointly, ineligible for assistance, no Housing Choice Voucher Program assistance can be provided to the student. Unless the student is determined independent from his or her parents, the eligibility of a student seeking Housing Choice Voucher Program assistance will be based on both the student and the parents being determined income eligible for Housing Choice Voucher Program assistance.

Disabled persons receiving assistance before November 20, 2005, are excluded from this provision.

HUD regulations prohibit assistance to ineligible family members. A mixed family is a family that includes at least one U.S. citizen or eligible immigrant and any number of ineligible family members. MHA will prorate the assistance provided to a mixed family. MHA will first determine assistance as if all family members were eligible and then prorate the assistance based upon the percentage of family members that actually are eligible..

MHA will grant a temporary deferral of termination of assistance if the family provides documentation of eligible immigrant status and MHA is waiting for US Customs and Immigration Service verification, or if the family is currently participating in the hearing process in reference to their ineligible noncitizen status.

The total deferral period should not exceed 18 months. The initial deferral is granted for a period of 6 months, and renewed for 6 month periods thereafter.

Applicants are not automatically determined eligible to receive federal assistance. An applicant will not be placed on the waiting list or issued a housing choice voucher under the following circumstances:

- A. If the applicant's gross income exceeds the limits established by the U.S. Department of Housing and Urban Development, or if the Total Tenant Payment equals or exceeds the Fair Market Rent or Payment Standard applicable for the correct unit size, the applicant will be declared ineligible.
- B. If any adult family member refuses to sign or submit required consent forms (such as the authorization for release of information form or the declaration of citizenship and non-citizen status).
- C. If the applicant does not meet the definition of a family or an elderly family.
- D. If the applicant owes a prior debt to the MHA for any program operated by this PHA or owes another Housing Authority, State of North Carolina, or any other subsidy program administered by the State or HUD, the applicant will be declared ineligible. At MHA's discretion, the applicant may be declared eligible upon payment of the debt, with the date and time of application being the time of payment.
- E. If the applicant is a former Housing Choice Voucher Program participant who vacated a unit in violation of their lease, the applicant will be declared ineligible. The applicant may re-apply after one (1) year has passed since the violation.
- F. If the applicant as a former Housing Choice Voucher Program participant violated any family obligation under 24 CFR 982.552, the applicant may be declared to be ineligible.
- G. If the applicant or any member of the applicant's family was evicted from public housing, terminated from the Housing Choice Voucher Program or threatened or actually demonstrated abusive or violent behavior toward MHA or other MHA personnel.



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- H. If the applicant or any member of the applicant's family committed "illegal" drug-related or violent criminal activity without regard to whether the crime is technically classified as a felony.
- I. The MHA may deny assistance to an applicant because of past drug-related criminal activities. The MHA will consider documentation presented by applicant or family member that he or she is recovering or has recovered from such addiction and does not currently use or possess controlled substances, and has not for a period of at least one year.
- J. If the applicant has committed fraud in connection with any Federal housing program, the applicant may be declared ineligible.
- K. The MHA shall not deny admission to any applicant on the basis that the applicant is or has been a victim of domestic violence, or stalking if the applicant otherwise qualifies for admission.
- L. The Authority may elect to extend the period of ineligibility for violations involving criminal or drug related actions.

If the applicant is determined to be ineligible, he/she will be so informed and the reason stated in writing.

No applicant shall be admitted to the Housing Choice Voucher Program without a thorough investigation of income (income verification must be current within ninety [90] days before issuance of the housing choice voucher.), family composition and all other factors pertaining to the applicant's eligibility, rent, unit size and type, priority rating, etc. The same type of verifications is required to process any interim or regular re-examinations for the Housing Choice Voucher Program. Complete and accurate verification documentation will be maintained for each applicant and resident. Such documentation may include, but is not limited to the following:

- A. Letters or other statements from employers and other pertinent sources giving authoritative information concerning all items and amounts of income and deductions, together with other eligibility and priority determinations;
- B. Verification forms supplied by MHA and properly completed by employers, public welfare agencies, etc.;
- C. Originals, photocopies, or carbon copies of documents in the applicant's possession which substantiate his/her statements, or a brief summary of the pertinent contents of such documents signed and dated by the staff member who views them;
- D. Statements from self-employed persons, and from persons whose earnings are irregular, such as a salesman, etc., sworn before a Notary, setting forth gross receipts, itemized expenses and net income;



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- E. Memoranda of verification data obtained by personal interviews, home visits, telephone or other means, with source, date received, name and title of person receiving the information clearly indicated, and a summary of the information received;
- F. Copies of income tax returns filed with Federal and State governments;
- G. Certified birth certificates, or other substantial proof of age, to support claims to the various entitlements in the Administrative Plan for each member of the household;
- H. Verification of evidence of citizenship and/or eligible immigration status or a citizen of the Republic of Marshall Islands, the Federated States of Micronesia, or the Republic of Palau. However people in the last category are not entitled to housing assistance in preference to any United States citizen or national resident within Guam.;
- I. Proof of disability, or of physical impairment, if necessary to determine the applicant's eligibility as a family or entitlement for consideration under the criteria established in this Administrative Plan, provided in written from a qualified person or agency;
- J. Social security card from a legal entity for each household member.

Any family issued a housing choice voucher that did not live in MHA jurisdiction at the time the family applied for assistance must lease a unit in the jurisdiction of the MHA for at least twelve (12) months from the beginning of the initial lease term. The MHA will require families to furnish proof of residency at the time of application (copies of lease or utility bills) to determine the accuracy of family statements concerning residency.

The jurisdiction of the Authority is confined to the City of Monroe.

Because eligibility for housing assistance is not based on a "declaration system" but upon verification of actual income and family circumstances, the MHA is not limited to verification of data supplied by applicants or participants. ***Failure of an applicant to cooperate with the Housing Authority in obtaining verifications will result in the application being declared incomplete.*** A participant who fails to cooperate or to release information will have their participation terminated. In addition, interim rent reduction will not be made for participants until all required verifications are received. In consideration of the privacy rights of participants and applicants, the MHA will restrict its requests to those matters of income, family composition and other family circumstances which it deems are related to eligibility, rent, unit size and type admission priority rating, or other lawful determinations made by the Housing Authority.

If the verified data as listed in this Administrative Plan are less than ninety (90) days old at the time an applicant is selected for participation the data will be considered as reflecting the applicant family's status at the time of being selected as a participant. If the data (other than income verifications) is more than one hundred and twenty (120) days old, all factors are to be re-verified and findings recorded.



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## DENIAL OR TERMINATION OF ASSISTANCE

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### GENERAL POLICY

The MHA may deny or terminate housing assistance for the following reasons:

- A. Applicants who owe rent or other amounts to this or another PHA in connection with Housing Choice Voucher Program or other Public Housing assistance under the United States Housing Act of 1937;
- B. Applicants (as a previous tenant in a Housing Choice Voucher Program) or tenants that have not reimbursed this or another PHA for any amounts paid to a landlord under a Contract for rent or other amounts owed by the family under the lease or for a vacated unit;
- C. Tenants who are guilty of program abuse or fraud in any Federal housing assistance program;
- D. Tenants who owe MHA money or breached a Repayment Agreement will not be issued another Housing Choice Voucher to move to another unit;
- E. Tenants who are in default of an executed Repayment Agreement must pay their remaining outstanding balance prior to issuance of a Housing Choice Voucher to move. Tenants will be able to remain in their current unit.
- F. Tenants whose Total Tenant Payment is sufficient to pay the full gross rent and 180 days has elapsed since the MHA's last Housing Assistance Payment was made.
- G. Tenants whose appropriate members do not provide their Social Security numbers and documentation within the time required and specified by MHA.
- H. Tenants who have violated one of their family obligations as listed in 24 CFR 982.551 through 982.553.
- I. If a present participant, under lease in the Housing Choice Voucher Program, owes the MHA any outstanding debt, a payment agreement may be executed. Time frame on the debt is determined by the amount owed the MHA, however, the debt should be paid in full within twelve (12) months or before the issuance of a new housing choice voucher.
- J. If the family has signed an agreement to pay money owed the MHA and they breach the agreement, the MHA may terminate assistance for the breach of agreement.
- K. Any member of a tenant family that commits a criminal activity that threatens health, safety, or right to peaceful enjoyment of premises by other tenants or persons residing in the immediate vicinity of premises.
- L. Housing assistance may also be terminated or denied for any drug crime whether on or near premises by a family member, guest, or relatives.

- M. Housing Assistance may also be terminated or denied for illegal use of a controlled substance or alcohol abuse when such use or abuse leads to behavior that threatens the health, safety or right to peaceful enjoyment of the premises by other residents.
- N. Housing assistance may be terminated for failure to pay rent, maintain utilities and/or because of damage to the premises.
- O. If any member of the family has ever been evicted from public housing.
- P. If MHA has ever terminated assistance under the housing choice voucher program for any member of the family.
- Q. If a family participating in the FSS program fails to comply, without good cause, with the family's FSS contract of participation.
- R. If the family has engaged in or threatened abusive violent behavior toward MHA personnel.
- S. MHA may only deny admission to household members that are currently engaging in the use of illegal use of a controlled substance. MHA may require each person who applies for admission to sign one or more forms of written consent authorizing the agency to receive information from a drug treatment facility to ascertain whether the applicant is currently engaging in the use of illegal use of a controlled substance.
- T. The family has violated program obligations.
- U. Any member of the family has committed fraud, bribery, or any other corrupt or criminal act related to any federal housing program.

## TIME FRAMES FOR DENIAL

As a general rule, applicants may be denied admission to the Housing Choice Voucher Program for the following time frames, which shall begin on the date of application, unless otherwise provided herein below:

- A. Denied admission for one (1) year for violation of illegal use, or possession for personal use, of a controlled substance or alcohol.
- B. Denied admission for three (3) years for the following:
  - 1. Persons evicted from public housing, Indian Housing, Housing Choice Voucher, because of drug-related criminal activity are ineligible for admission to Housing Choice Voucher Program for a three-year period beginning on the date of such eviction.
  - 2. The MHA can waive this requirement if the person demonstrates to the MHA's satisfaction successful completion of a rehabilitation program approved by the MHA, or the circumstances leading to the eviction no longer exist.



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- C. Denied admission for five (5) years for the following:
  - 1. Fraud (giving false information on the application is considered fraud);
  - 2. An arrest or conviction record that indicates that the applicant may be a threat and/or negative influence on other residents. The five (5) years shall begin on the date of the last reported act, completion of sentence and/or probation period.
- D. Denied admission for ten (10) years for a conviction of Drug Trafficking.
- E. Denied admission for life to any household that includes any individual who is subject to a lifetime registration requirement under a state sex offender registration program.
- F. Denied admission for life to any applicant who has been convicted of manufacturing or producing methamphetamine (commonly referred to as “speed”) on the premises of the assisted housing. Premises is defined as the building or complex in which the dwelling unit is located, including common areas and grounds.

### **GENERAL POLICY FOR DENIAL OF A LANDLORD/OWNER**

- A. The landlord/owner has violated obligations of a Housing Assistance Payments contract under Section 8 of the 1937 act.
- B. The landlord/owner has committed fraud, bribery or any other corrupt or criminal act in connection with **any** federal housing program.
- C. The landlord/owner has engaged in drug-trafficking.
- D. The landlord/owner has a history of practice of non-compliance with the HQS for units leased under any Housing Choice Voucher Program or leased under any other federal housing program.
- E. The landlord/owner has a history of practice or renting units that fail to meet State or local housing codes.

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### **DETERMINING PROPER SIZE UNITS**

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The following general principles will be used to determine the proper bedroom size for each applicant and participant:

- A. The head-of-household is usually assigned a separate bedroom.
- B. Family members are generally assigned to bedrooms on the basis of two of the same sex per bedroom or of opposite sex up to the age of six (6).
- C. The MHA will assign a separate bedroom to any family member with a documented medical need.



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- D. The MHA will allow a child under four (4) years of age to share a bedroom with a parent(s).
- E. The MHA shall not require children of opposite sex, over the age of six (6) to share a bedroom. The family shall have the opportunity to use the living room as a sleeping area, should they so desire.
- F. The MHA will treat a single pregnant woman as a two-person family.
- G. Families may select a larger or smaller unit than listed on the Housing Choice Voucher, but the Payment Standard for the size Housing Choice Voucher, to which they are entitled, shall be used in rent calculation.
- H. The MHA shall use the following Occupancy Standards in determining the bedroom size Housing Choice Voucher the family shall be issued:

Housing Choice Voucher Size	Minimum # of Persons in Household	Maximum # of Persons in Household
0	1	1
1	1	2
2	2	4
3	4	6
4	6	8
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## HOUSING CHOICE VOUCHER APPLICANT SELECTION PROCESS

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### A. Housing Choice Voucher Selection and Participation Process:

1. Equal Opportunity: The Fair Housing Act makes it illegal to discriminate on the basis of race, color, religion, sex, handicap, familial status or national origin. This MHA shall not deny any family the opportunity to apply for a Housing Choice Voucher.
2. Types of Selection: The MHA may admit an applicant for participation in the program:  
  
As a waiting list admission. Also, a Housing Choice Voucher participant is responsible for finding an existing housing unit suitable to the holder's needs and desires. (Reference 24 CFR 982.353, Where family can lease a unit)

### B. Organization of the Waiting List

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

1. Applicant name;
2. Family unit size (number of bedrooms for which family qualifies under MHA occupancy guidelines);
3. Date and time of application;
4. Local preferences, if applicable.

### C. Order of Selection from the Waiting List:

1. When a Housing Choice Voucher is available, the MHA will select the family at the top of the waiting list in accordance with "B" (*Organization of the Waiting List*) in the section above. The order of admission from the waiting list **MAY NOT** be based on family size, or on the family unit size for which the family qualifies for under the MHA occupancy guidelines. If the MHA does not have sufficient funds to subsidize the family unit size of the family at the top of the waiting list, the MHA **MAY NOT** skip the top family to admit an applicant with a smaller family unit size. Instead, the family at the top of the waiting list will be admitted when sufficient funds are available.
2. Provided, however, the provisions of the Deconcentration Rule, contained within this policy, shall supercede the selection of applicants based on date, time and local preference points, if applicable, and allow the MHA to skip families on the waiting list to accomplish this goal.

**D. Maintaining the Waiting List:**

The MHA will remove an applicant's name from the waiting list for the following:

1. The MHA will remove names of applicants who do not respond to the MHA's request for information or updates; and/or
2. The MHA will remove the names of applicants who refuse the MHA's offer of tenant-based assistance.

**NOTE:** *An applicant on the MHA's Housing Choice Voucher waiting list may refuse the MHA's initial offering of a housing choice voucher if the family is unable to look for housing. The family does not lose its place on the waiting list because of its refusal. If the family refuses the second form of assistance, the MHA will remove the family from the waiting list (as outlined below).*

**E. Procedure for Removing an Applicant's Name from the Waiting List:**

The applicant will be notified by the MHA, in writing, that they have thirty (30) calendar days from the date of the written correspondence to respond to the MHA's request. The correspondence will also indicate that their name will be removed from the waiting list if they fail to respond within the specified time frame. The MHA's system of removing applicants' names from the waiting list **WILL NOT** violate the rights of a disabled person(s). If an applicant's failure to respond to a request from MHA for information or updates was caused by the applicant's disability, the MHA will provide reasonable accommodations and give the applicant an opportunity to respond. An example of a reasonable accommodation would be to allow an applicant to be reinstated on the waiting list based on the original date and time of their application, provided the applicant indicates that they did not respond due to a disability. If the disability is not apparent, the MHA may request that the applicant submit a written physician statement indicating that the applicant's response was affected by their disability.

**F. Purging the Waiting List:**

To ensure that the MHA's waiting list reflects the most current applicant information, the waiting list will be updated and purged annually.

**G. Verification of Preference (Timing), if applicable:**

At the time of application, initial determinations of an applicant's entitlement to a Preference may be made on the basis of an applicant's certification of their qualification for that preference. Before selection is made, this qualification must be verified.



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## HOUSING QUALITY STANDARDS

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The MHA will use the Housing Quality Standards (HQS) as set forth in 24 CFR 982.401 in the operation of its Housing Choice Voucher Programs. The acceptability criteria as listed in the above referenced regulations and the HUD Inspection Booklet will be used in the inspections for HQS.

HQS inspections will be performed by the Housing Choice Voucher staff or its designee. In addition, other MHA staff will periodically perform or assist in inspections to maintain familiarity with those aspects of the program. Inspection expertise will be maintained through periodic training and workshops.

In addition to using the HUD Housing Quality Standards in inspecting and approving units, the Authority requires the installation of smoke detectors on every floor (including basements) except crawl spaces and unfinished attics, per dwelling unit. Failure to comply with this section will result in a failure of the unit for occupancy by a person/family receiving Housing Choice Voucher assistance. Below are the current minimum performance requirements:

- A. Sanitary facilities
- B. Food preparation and refuse disposal
- C. Space and security
- D. Thermal environment
- E. Illumination and electricity
- F. Structure and materials
- G. Interior air quality
- H. Water supply
- I. Lead-based paint
- J. Access
- K. Site and neighborhood
- L. Sanitary conditions
- M. Smoke detectors
- N. Infestation

All program housing must meet the HQS performance requirements, both at commencement of assisted occupancy and throughout the assisted tenancy.

**Types of HQS Inspections:**

- A. Initial Inspections: Performed by the HCV Manager after receiving the Request for Tenancy Approval from the applicant.
- B. Bi-Annual Inspections: MHA will inspect on a bi-annual basis for tenants continuing to receive assistance and remaining in the same unit.
- C. Re-Inspections: Inspections that are performed by MHA staff for the purpose of verifying that deficiencies noted in the previous inspection have been corrected and meet HQS. For owner fail items, the owner must notify the MHA when repairs are completed. If such repairs have not been made in 30 days, the MHA will abate the HAP effective the first of the month following the expiration of the correction period. Where inspection deficiencies are the owner's responsibility the MHA will charge the owner a non-refundable \$25 trip fee. For participant fail items the MHA MHA will send a Termination of Assistance notice to the family after the second fail.
- D. Quality Control Inspections: The MHA Staff will inspect five percent (5%) or a minimum sample size as per HUD regulations, based on a random sample, of the total number of Housing Choice Voucher units under HAP Contract to insure that inspections are being performed in compliance with HQS standards. Other MHA staff qualified in HQS inspections may perform the re-inspections. The Housing Choice Voucher Manager will maintain a file that documents the quality control inspections.
- E. Special Inspections: These types of inspections may be necessary when a Federal Official visits the MHA to perform a compliance review of the MHA, the Owner and/or tenant may request a special inspection be performed to document the condition to the unit.
- F. The landlord/owner or a landlord/owner representative must be present during all inspections. If the owner or a representative is not present, the unit will be failed and the rent abated until the unit passes inspection.

Clarifications of HUD Requirements:

The MHA has adopted the following specific requirements that elaborate on HUD standards:

- Windows and doors are required to be weather-tight.
- The following minimum standard must be met for bedroom classification:
- Every bedroom must contain at least 70 square feet of floor space; and
- Three-quarters (75 percent) of the bedroom must have a floor-to-ceiling height of seven feet or more.
- At least one smoke detector must be installed on every level that contains a habitable room or a heating plant and within 15 feet of any area used for sleeping purposes.
- Locks operated with skeleton keys are not allowed on any dwelling unit or building entrance or exit door.



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- All dwelling unit entrance and exit doors must have a single cylinder deadbolt (a deadbolt that does not require a key to be operated from the interior of the unit).

Life Threatening Conditions:

The MHA will define life threatening conditions and notify the owner or the family (whichever is responsible) of the corrections required. The responsible party must correct life threatening conditions within 24 hours of the notification date.

The following are considered emergency fail items because of life threatening conditions:

- Any property determined uninhabitable by a city agency, including uninhabitable units due to fire, flood or other natural disasters;
- Any condition that jeopardizes the security of the unit (e.g., missing or broken locks on exterior doors);
- Major plumbing leaks, waterlogged ceiling or floor in imminent danger of falling;
- Natural or LP gas leaks or fuel oil leaks;
- Any electrical problem or condition that could result in shock or fire;
- A heating system that cannot maintain a minimum of 55 degrees between September 15th and June 1<sup>st</sup>.
- Utilities not in service;
- Conditions that present the imminent likelihood of injury;
- Unmovable obstacles that prevent safe entrance or exit from the unit;
- Absence of a functioning toilet in the unit;
- Backed up sewer system in the unit;
- Lack of at least one working smoke detector on each level of the unit; and
- Lack of a working carbon monoxide detector in an area with fossil fuel burning system and on each level used for sleeping.

If an owner fails to correct life threatening conditions as required by the MHA, the HAP will be abated and the HAP contract will be terminated.

If a family fails to correct a family-caused life threatening condition the MHA may terminate the family's assistance.

8-I.D. Owner and Family Responsibilities

[24 CFR 982.404]

Family Responsibilities:

The family is responsible for correcting the following HQS deficiencies:

- Tenant-paid utilities not in service;



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- Failure to provide or maintain family-supplied appliances; and
- Damage to the unit or premises caused by a household member or guest beyond normal wear and tear. “Normal wear and tear” is defined as items which the owner could not assess against the tenant's security deposit under state law or court practice.

**Owner Responsibilities:**

The owner is responsible for all HQS violations not listed as a family responsibility above, even if the violation is caused by the family's living habits.

**Notice and Scheduling:**

Both the family and the owner will be given reasonable notice (not less than 48 hours) of all inspections, except in the case of a life threatening emergency. In the case of a life threatening emergency the MHA will give as much notice as possible, given the nature of the emergency.

The MHA will schedule an initial inspection within 15 calendar days after the following conditions are met:

- The MHA receives the completed Request for Tenancy Approval (RTA);
- Owner verification screening is complete; and
- The MHA is notified by the owner that the property is available and ready for inspection.

**Owner and Family Inspection Attendance:**

When a family occupies the unit at the time of inspection an adult must be present for the inspection. The presence of the owner or the owner's representative is required during annual inspection and/or during an owner-initiated special inspection. At initial inspection of a vacant unit the MHA will inspect the unit in the presence of the owner or owner's representative. The presence of a family representative is permitted, but is not required.

**Enforcing Owner Compliance:**

If an owner fails to correct HQS deficiencies by the time specified by the MHA, HUD requires abatement of HAP no later than the first of the month following the specified correction period (including any approved extension) [24 CFR 985.3(f)]. No retroactive payments will be made to the owner for the period of time the rent was abated. Owner rents are not abated as a result of HQS failures that are the family's responsibility. The maximum length of time that a HAP may be abated is 60 calendar days. If the owner does not make the necessary corrections by the end of the abatement period the MHA will terminate the HAP contract and the participant will be required to move.

If an owner has a history or practice of non-compliance with their obligations, the MHA may impose consequences, up to and including terminating the owner's participation in the program.



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## Special Purpose Programs

The Mainstream Voucher Program provides tenant based vouchers for low-income households that include a person with disabilities. Mainstream Voucher program provides vouchers to homeless families that include a non-elderly person with a disability between the ages of 18 - 61. The non-elderly person with a disability can be any household member.

**Administration:** Applicants for the Mainstream Voucher Program will be selected MHA's tenant HCV waiting list. If MHA has a closed list or has exhausted their waiting list of applicants targeted for Mainstream, MHA will open their waiting list solely for non-elderly persons with disabilities who are transitioning out of institutional or other segregated settings, at serious risk of institutionalization, homeless, or at risk of becoming homeless, and provide public notice advising the same

**Eligible household:** A household composed of one or more non-elderly person(s) with disabilities between the ages of 18-61. The household may include additional household members who are elderly persons with disabilities.

**Non-elderly person:** Must be at least 18 years of age or older and less than 62 years of age on the date of the initial HAP Contract signing and the submission of action type 1 (New Admission) to HUD.

**Non-elderly person with disabilities (for purposes of determining eligibility):** An eligible non-elderly person who:

- i. Has a disability, as defined in 42 U.S.C. 423;
- ii. Is determined, pursuant to HUD regulations, to have a physical, mental, or emotional impairment that:
  - a. Is expected to be of long-continued and indefinite duration;
  - b. Substantially impedes his or her ability to live independently, and
  - c. Is of such a nature that the ability to live independently could be improved by more suitable housing conditions; or as a developmental disability as defined in 42 U.S.C. 6001.



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## SECURITY DEPOSITS

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The owner establishes the amount of the security deposit to be charged. The security deposit must be consistent with private market practice, or security deposits for the owner's unassisted units. When the tenant moves out of the dwelling unit, the owner, subject to State and local law, may use the security deposit, including any interest on the deposit, in accordance with the lease, as reimbursement for any unpaid rent payable by the tenant, damages to the unit or for other amounts the tenant owes under the lease. The owner must give the tenant a written list of all charges against the security deposit, and the amount of each item within 30 days of unit being vacated. After deducting the amount, if any, used to reimburse the owner, the owner must promptly refund the full amount of the unused balance to the tenant.

**NOTE:** If the security deposit is not sufficient to cover amounts the tenant owes under the lease, the owner may seek to collect the balance from the tenant. **The MHA is not responsible for any damages to the unit.**

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## Reasonable Accommodations

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A family may always request a reasonable accommodation to program rules, policies, practices, or services, including to the live-in aide policy, to permit program participation by individuals with disabilities. A family's composition or circumstances may warrant the provision of an additional bedroom to permit disability-related overnight care and allow the family equal use and enjoyment of the unit. Such limited exceptions to the established subsidy standards are permitted under 24 CFR § 982.402(b)(8). A reasonable accommodation request may only be denied if it would impose an undue financial and administrative burden on the housing provider or fundamentally alter the nature of the provider's operations. MHA will document the justification for all granted exceptions.

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## Violence Against Women

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The Violence Against Women Act (VAWA) is a federal law that protects victims (both men and women) of domestic violence, dating violence, sexual assault or stalking who apply for or live in private housing with a voucher. The law covers the head of household and household members. In Illinois, victims of domestic violence are also covered by the Safe Homes Act.

### A. Protections for Victims

The MHA provides the following protections for victims who are HCV applicants or participants:

1. The MHA may not deny admission to the HCV program if a victim of domestic violence, dating violence, sexual assault or stalking can show that the reason for the denial is connected to domestic violence, dating violence, sexual assault or stalking.
2. The MHA may not terminate a participant because he/she is a victim or threatened victim of domestic violence, dating violence, sexual assault or stalking.
3. If a domestic violence victim leaves the unit because of domestic violence, dating violence, sexual assault or stalking, the MHA will not consider him or her in violation of the lease or HCV program requirements.

4. The MHA can 'seperate' the family by terminating the abuser from the HCV program while protecting the victim and other household members. The abuser will NOT be issued a separate voucher.

5. The MHA may provide an emergency termination of the HAP contract and issue the participant expedited moving papers.

#### Limitations of VAWA Protections

1. The MHA has the authority to terminate any participant, including the victim, if it can demonstrate a threat to other tenants or to staff.

2. The MHA can terminate a participant for any violation of the program or the lease that was not based on domestic violence, dating violence, sexual assault or stalking.

#### VAWA Documentation

The MHA accepts the following documentation as verification of domestic violence, dating violence, sexual assault or stalking.

1. An active Order of Protection (emergency, interim or plenary);
2. A police report;
3. A letter from a professional with knowledge of the abuse, signed under penalty of perjury, from whom the victim has sought assistance;
4. A record from an administrative agency; or
5. A completed HUD form 50066 - Certification of Domestic Violence, Dating Violence or Stalking.

#### Notice of VAWA

The MHA will provide a VAWA notice to applicants and participants:

1. At the time an applicant is denied residency;
2. At the time the individual is admitted; and
3. With any notification of eviction or termination of assistance.

The HUD notice must be available in multiple languages and be consistent with HUD guidance concerning language access for individuals with limited English proficiency.

#### Confidentiality:

All domestic violence, dating violence, sexual assault or stalking documentation and information will be kept confidential by the MHA. As such, the MHA will not:

1. Enter domestic violence information into any shared database; or
2. Disclose domestic violence information to anyone outside MHA, unless:
  - a. The victim makes a request in writing;
  - b. The information is required for an eviction or termination proceeding, or
  - c. Otherwise required by law.



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## ISSUING, EXTENDING AND DENYING HOUSING CHOICE VOUCHERS

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The MHA will select families for participation in the Housing Choice Voucher Program in accordance with the procedures outlined in this Administrative Plan and HUD regulations. Housing choice vouchers will be issued to families in accordance with the Occupancy Standards as outlined herein and consistently applied for all families of like composition.

Section 24 CFR 982.551 and 982.553 outline the grounds for denial or termination of assistance. In cases where assistance is either denied or terminated the informal review or hearing requirements as outlined in Section 24 CFR 982.554 and 982.555 shall apply.

The following shall be taken into consideration when requests for an Extension of the Housing Choice Voucher is made, however, the initial term plus any extensions may not exceed a total period of one hundred and twenty (120) days from the beginning of the initial term:

- A. The degree to which the family has made an effort to locate an acceptable unit by contacting landlords, real estate companies, etc.
- B. The support services requested and provided.
- C. The family's participation in supplemental briefing sessions.
- D. Extenuating circumstances, such as hospitalization, family emergencies, etc., which affected the family's ability to locate an acceptable unit during the first sixty (60) day period but are not expected to affect their search during the additional period, if granted.
- E. Whether the family's size or need for barrier-free housing has affected their success in finding an acceptable house within the initial sixty (60) day period but that a reasonable chance for success would exist if the family was awarded additional time; and
- F. Whether the family has submitted any previous Request for Tenancy Approval which, although not approvable, has demonstrated their efforts to locate a unit.

If the Housing Choice Voucher expires at the end of the initial sixty (60) day period without an extension or if it expires after any additional term requested and approved by MHA, the participant will be removed from the Housing Choice Voucher Program Application List. The family may re-apply for the program if they so desire and be placed back on the wait list according to the date and time of their re-application and any other relevant factors.

The MHA may not determine the family to be ineligible for the programs based on the grounds that it was not able to utilize a previously issued Housing Choice Voucher. Any expired Housing Choice Voucher will be re-issued to the next eligible applicant on the waiting list.



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Section 24CFR 982.306 outlines the grounds for denial participation of an owner in the Housing Choice Voucher Program. The MHA may deny participation by an owner if the owner has:

- A. Violated obligations under any Housing Choice Voucher HAP Contract.
- B. Committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing programs.
- C. Manufactured, sold or distributed illegal drugs.
- D. Has a history of non-compliance of HQS or similar standard in any federal housing program.
- E. Has a history of leasing units that fail State or local housing codes.
- F. Has not paid State or local real estate taxes, fines or assessments.



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## RE-EXAMINATIONS FOR CONTINUED OCCUPANCY

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MHA will complete an annual reexamination for each HCV participant family at least once every 12 months. MHA aligns a family's annual reexamination effective date with the anniversary of the family's HAP contract.

MHA has implemented streamlined requirements for verifying and adjusting fixed income sources over a three-year cycle for families with an unadjusted income consisting of 90 percent or more from fixed income sources as defined in section below:

For the purposes of streamlined income determinations for fixed income families, HUD defines fixed income to mean periodic payments at reasonably predictable levels from one or more of the following sources:

- Social Security, Supplemental Security Income, Supplemental Disability Insurance
- Federal, state, local, or private pension plans
- Annuities or other retirement benefit programs, insurance policies, disability or death benefits, or other similar types of periodic receipts.

In the initial year of a three-year cycle, MHA completes an annual income determination consistent with all applicable HUD regulations and guidance. In the second and third year of the three-year cycle, MHA obtains from the family a certification that their fixed income sources have not changed, and that the family's income is still made of at least 90 percent from fixed income sources.

If the family provides that certification in years two and three, MHA will adjust the family's fixed income sources by the Cost of Living Adjustment (COLA) that is applicable to that fixed income source instead of fully reverifying and recalculating the income source. MHA may rely on either public information related to a specific COLA or they must obtain third-party documentation of the applicable COLA. For example, for Social Security income, a MHA may rely on the publicly available COLA, rather than relying on third-party documentation. MHA must properly document any fixed source of income, and the applicable COLA or interest adjustment for each specific fixed source of income.

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|-----------|---|
| Year 1    | MHA completes an annual reexamination with a full income determination (including third party verification) of all income sources   |
| Years 2&3 | MHA completes an annual reexamination with the following streamlined income determination for each type of source: <ul style="list-style-type: none"><li>• Fixed Income – Applies inflation adjustment factor; does not collect third party verification</li><li>• Non-fixed Income – Use previous year's calculation. PHAs are still responsible for reviewing and following up on discrepancies regarding income sources in EIV.</li><li>• Assets and Deductions – Completes verification and calculation of assets and deductions.</li></ul> |

- Year 4      Cycle begins again. MHA completes an annual reexamination with a full income determination (including third party verification) of all income sources, assets, and deductions.
- A.      After proper notice, each tenant will be interviewed and all required information on income and family composition will be gathered. The family will be required to sign the necessary forms and to provide information which the MHA deems necessary to determine eligibility. Failure to report for re-examination or to cooperate in supplying required information will lead to termination of assistance. Failure to complete re-examination includes:
- a.      Failure to appear for a scheduled re-examination interview without making prior alternative arrangements with MHA;
  - b.      Failure to supply or cooperate in the verification process pertaining to income, family composition and eligibility, or unit inspection;
  - c.      Refusal to properly execute required documents; and/or
  - d.      Failure to have an HQS Inspection.
2.      To assure that the data upon which determinations of eligibility for continued occupancy, rents to be paid, and size of dwelling required are to be based are true and complete, the information submitted by each tenant will be verified. Acceptable methods of verifications are the same as for admission, including, but not limited to UIV report, employers' reports, award letters, reliable oral third party verification where proper documentation is recorded by a staff person and dated, Internal Revenue data, data notarized statements or signed affidavits. Notarized statements will not be heavily relied on since they are self-serving documents and therefore are not acceptable in lieu of other verification methods.
3.      All documentation must reflect the gross amount of income, i.e., wages plus tips, commissions or gratuities. If current checks or copies of recent checks with information such as date, amount and check number are obtained, the gross amount must also be reflected.
4.      Verification data will be reviewed and evaluated as received for completeness, accuracy, and conclusiveness. Where information is not conclusive, follow-up to obtain such information is to be made and carried through to conclusion. As all necessary items are verified, verification is to be recorded in the tenant's file. As part of the record, all adult household member(s) shall sign and date the re-examination



application. Where required, a duly authorized representative of the MHA shall also sign the required forms.

- B. Based on verified data on income and family composition, each family will have eligibility re-determined in accordance with applicable HUD regulations with respect to:
1. Eligibility as a family or residual of a family;
  2. Eligibility with respect to income, Total Tenant Payment and Net Assets;
  3. Eligibility for the size of dwelling unit required;
  4. Eligibility with respect to compliance with program requirements; and
  5. Eligibility as a citizen and/or eligible immigrant.

Each tenant family will be advised in writing of the results of any re-examinations, including their right to a grievance hearing, if required, if they disagree with the actions of the MHA.

- C. Follow-up actions after re-examinations will be taken as follows:
1. If the re-examination discloses that the tenant, at any time made a misrepresentation that resulted in the tenant's classification as eligible, when in fact the tenant was ineligible, the Housing Assistance Payments will be discontinued immediately. If it is determined that at any time the tenant made a misrepresentation which resulted in a lower rent than should have been paid, the difference will be paid by the tenant to the MHA in full and assistance may also be terminated if fraud was involved. In the event that the falsification of income or family composition is discovered by the MHA, at any time of the year, a re-examination will be immediately scheduled, and the tenant will be required to pay the full amount of back rent owed in the form of a repayment agreement or paid in full, and may be terminated from the Housing Choice Voucher Program if fraud was involved.
  2. If at the time of re-examination it is determined the subsidy size of the current unit occupied has changed based on a change in family composition, a new Housing Choice Voucher of appropriate size will be issued to the tenant and the HAP and tenant rent will be recalculated based on the new voucher size/payment standard. Both the family and owner will be given at least 30 days notice of new rent amounts and effective date. If the family is considered to be overcrowded based on the PHA's subsidy standards, they will be issued a new voucher and be required to move in order to retain rental assistance.

Families will be counseled on the possibility of an increase in their portion of the rent and, in instances where the family moves to another unit, the 40% rule will be fully explained to the family.



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3. If a tenant is required to move due to the condition of the unit because the landlord refuses to correct the deficiencies, the MHA will terminate the HAP Contract with the owner. Affected tenants will be issued a new Housing Choice Voucher in advance of the termination date, if at all possible.
  4. If the owner does not wish to renew the lease, and there are such provisions for the termination in the lease, tenant eligibility is re-determined as discussed above and a new Housing Choice Voucher is issued. If the tenant is evicted by the owner and any incurred expenses are the tenant's responsibility.
- D. Interim re-examinations may be initiated by either the MHA or the tenant under the following circumstances.
1. As part of this streamlined interim reexamination, MHA is still required to verify eligibility of a new member, including social security number, criminal background, and citizenship, and submit a HUD-50058, including any applicable deductions, with the new household member's information. However, MHA does not have to collect and verify the new family member's Income information until the next scheduled annual reexamination.
  2. The MHA reserves the right, at any time, to require that a tenant report for a special re-examination or be re-examined every ninety (90) days.
  3. When a tenant reports no income, they will receive a special re-examination every ninety (90) days.
  4. When it is impossible to project a tenant's income with any accuracy, special re-examinations may be conducted at intervals to be decided by the MHA until a reasonable projection can be made.
  5. When a tenant reports loss of income, a re-examination will be held to recalculate the Total Tenant Payment. All reductions in Total Tenant Payment shall be effective on the first day of the month following the date in which all required documents are received.
  6. When the household's income increases.  
  
Increases will be effective on the first day of the second month after the change occurred. The Housing Choice Voucher Holder will not be required to retroactively repay in full any difference between the original Total Tenant Payment unless the change was not reported with 10 days of the change. Interim changes will be processed on increases over \$200 per month.
  7. When the source of income has changed.



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## **ADJUSTMENT TO UTILITY ALLOWANCES AND CONTRACT RENTS, PLUS MONTHLY HOUSING ASSISTANCE PAYMENTS**

### **Utility Allowances**

At least annually, the MHA shall determine whether there has been a substantial change in utility rates or other change of general applicability, and whether an adjustment is required in the **Allowance of Utilities and Other Services** by reason of such changes or because of errors in the original determination. If the MHA determines that an adjustment should be made, the MHA shall establish a schedule of adjustments taking into account size and type of dwelling units and other pertinent factors.

## **EXAMINATION OF INCOME AND FAMILY CIRCUMSTANCES**

Rent, as initially determined or at annual re-examination, will remain in effect for the period between regular re-examination of family income and composition unless the following changes in family circumstances occur. Also, Housing Choice Voucher participants agree to report, in writing, and provide certification following any change in annual income within ten (10) calendar days of the occurrence.

Loss or addition to family composition of any kind through birth, death, marriage, divorce, removal or other continuing circumstances, and the amount, if any, of such family member's income; any addition to the family, other than by birth, must be approved and must meet all screening guidelines by MHA and landlord;

Employment, unemployment, or changes in employment of a permanent nature of the family head, spouse, or other wage earner that is eighteen (18) years of age; or

To correct errors made when determining eligibility or at re-examination.

**NOTE:** *If an error results in a retroactive rent payment due to the participant not providing correct information concerning annual income, the Housing Choice Voucher participant must make the request, in writing, to the MHA representative. The amount of the repayment will be the higher of \$10.00 per month or 10% of the monthly-adjusted income. The MHA representative will provide the Housing Choice Voucher participant with a written response to their request and if approved, the written notification will include the amount of the monthly repayment plus the due date of the first payment.*

The final estimate of Family Income will be made by the MHA on the basis of verified information regarding income.

There is no minimum income requirement, but the staff should use good interviewing skills and the zero income worksheet to determine whether there is income.



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Families may not be required to apply for public assistance, but it may be suggested to them. If the family reports zero income, the MHA will have all adult household members complete the zero income worksheet.

Families will be required to report any changes in their income status within ten (10) calendar days of the occurrence of employment and/or any other type of income is received. Families with zero income **may** be requested to re-certify more frequently.

**A. Annual Re-Examination:**

1. Once each year, or as required by this MHA, the Housing Authority must re-examine the income and family composition of all families participating in the Housing Choice Voucher Program in accordance with 24 CFR 982.516. Verifications acceptable to the MHA shall be obtained and determinations made. In the event of failure or refusal of the family to report the necessary information, the MHA may terminate the assistance.
2. Records shall be maintained by the MHA to insure that every participant's income and family composition has been re-examined within a twelve (12) month period.
3. Upon completion of re-examination and verification, the participant shall be notified, in writing, no later than thirty (30) days prior to the effective date of the following:
  - a. Any change in rent and the date on which it becomes effective; and/or
  - b. Any change required because of a change in the composition of the family.

(A copy of such notification is to be retained in the participants' file.)

**B. Interim Re-determination of Rent**

Rent, as set at admission or annual re-examination, will remain in effect for the period between regular rent determinations unless changes in family circumstances occur. The participant is required and agrees to report, in writing, the following specified changes in family income and composition within ten (10) calendar days of occurrence.

1. Loss or addition to family composition of any kind through birth, death, marriage, divorce, removal or other continuing circumstance and the amount, if any, of such family member's income. Any such additions, other than birth, must be approved by the MHA in advance, and must qualify under the same guidelines as an applicant or any prospective participant.
2. Employment, unemployment or changes in income for employment of a permanent nature of the family head, spouse, or other wage earner eighteen (18) years of age or older.



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3. The starting or stopping of, or an increase or decrease in any benefits or payments received by any member of the family or household from Old Age Pension, Aid for Dependent Children, Black Lung, Railroad Retirement, Private Pension Fund, Disability Compensations, Veterans Administration, Child Support, Alimony, Regular Contributions or Gifts. Lump sum payments or retroactive payments of benefits from any of the above sources which constitute the sum of monthly payments for a preceding period paid in a lump sum must be reported and rent adjusted retroactively on such income to date of eligibility for any family member residing in the household for that period of time.
4. Cost of living increases in Social Security or public assistance grants need not be reported until next re-examination and re-determination of rent.
5. Errors of omission made at admission or re-examination made by MHA shall be corrected by the MHA. Retroactive payments will be made to the participant if the error is in his/her favor.
6. A participant who has had a rent reduction/increase after initial occupancy or after annual re-examination must report all changes in income within ten (10) calendar days regardless of the amount or source.

**C. The Effective Dates of Interim Re-Determination of Rent**

1. Any decrease in rent resulting from any decreases in family income will be made effective the first of the month following the date the decrease in family income was reported and verified in writing.
2. The participant agrees to pay any increase in rent resulting from an increase in family income (of greater than \$200 per month) the first of the second month following the date in which such increase in family income occurred, and also to pay any back rent due because of failure to report such increase in family income.
  - a. Any interim change in rent will require re-verification of all family income that has not been verified within ninety (90) calendar days of the previous rent determination.
  - b. Participant agrees to pay any increase in rent resulting from the implementation of changes in rent computation or increases due to changes in regulations, policies or procedures requiring implementation by the United States Department of Housing and Urban Development.
  - c. Temporary employment/unemployment or increases and decreases in wages **“for any reason”** of less than thirty (30) days will not constitute a rent adjustment.



- d. If it is found that a participant has misrepresented or failed to report facts upon which rent is based so that the participant is paying less than they should be, the increase in rent shall be made retroactive to the date the increase would have taken effect. The participant will be required to pay the difference between the rent paid and the amount that should have been paid. In addition, the participant may be subject to civil and criminal penalties. Misrepresentation is a serious program violation, which may result in termination.
- e. MHA must approve a live-in aide if needed as a reasonable accommodation in accordance with 24 CFR part 8 to make the program accessible to and usable by a family member with a disability. MHA may disapprove a particular person as a live-in aide if s/he has:
  - (1) committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;
  - (2) committed drug-related criminal activity or violent criminal activity; or
  - (3) currently owes rent or other amounts to the PHA or to another PHA in connection with Section 8 or public housing assistance under the 1937 Act.

MHA may not approve an unidentified live-in aide, nor a larger unit than the family qualifies for under the MHA subsidy standards for an unidentified live-in aide. Occasional, intermittent, multiple or rotating care givers typically do not reside in the unit and would not qualify as live-in aides. Therefore, an additional bedroom will not be approved for a live-in aide under these circumstances.

Although a live-in aide may have PHA-approved family member/s live with him/her in the assisted unit, no additional bedrooms will be provided for the family members of the live-in aide. MHA will ensure that housing quality standards (HQS) will not be violated and that there will be no more than two people per bedroom or living/sleeping space in the unit in accordance with 24 CFR § 982.401(d)(2)(ii). If the approval of additional family members of a live-in aide would result in the violation of HQS, the additional family members of the live-in aide may not be approved.

#### D. **Special Re-Examinations**

Special re-examinations are pre-scheduled extensions of admission or continued occupancy determinations, and will be considered for the following reasons:

- 1. If it is impossible to determine annual family income accurately due to instability of family income and/or family composition, a temporary determination of income and rent is to be made, and a special re-examination shall be scheduled for sixty (60), days,



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depending on circumstances. The participant shall be notified, in writing, of the date of the special re-examination.

2. If the family income can be anticipated at the scheduled time, the re-examination shall be completed and appropriate actions taken. If a reasonable anticipation of income cannot be made, another special re-examination shall be prescribed and the same procedure followed as stipulated in the preceding paragraph until a reasonable estimate can be made.
3. Rents determined at special re-examinations shall be made effective as noted in D 1 and 2 above.



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**E. Minimum Rent Hardship Exemptions**

1. The MHA shall immediately grant an exemption from application of the minimum monthly rent to any family making a proper request in writing who is unable to pay because of financial hardship, which shall include:
  - a. The family has lost eligibility for, or is awaiting an eligibility determination from a federal, state, or local assistance program, including a family that includes a member who is an alien lawfully admitted for permanent residence under the Immigration and Naturalization Act who would be entitled to public benefits but for Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.
  - b. The family would be evicted as a result of the implementation of the minimum rent (this exemption is only applicable for the initial implementation of a minimum rent or increases to the existing minimum rent).
  - c. The income of the family has decreased because of changed circumstance, including loss of employment.
  - d. A death in the family has occurred that affects the family circumstances.
  - e. Other circumstances which may be decided by the MHA on a case by case basis.

All of the above must be proven by the Resident supplying written verifiable information to the MHA prior to the rent becoming delinquent and before the lease is terminated by the Housing Authority.

2. If a resident requests a hardship exemption (**prior to the rent being delinquent**) under this section and the MHA reasonably determines the hardship to be of a temporary nature, exemption shall be granted during a ninety (90) day period beginning upon the making of the request for the exemption. A resident may not be evicted during the ninety (90) day period for non-payment of rent. In such a case, if the resident thereafter demonstrates that the financial hardship is of a long term nature, the MHA shall retroactively exempt the resident from the applicability of the minimum rent requirement for such ninety (90) day period. This paragraph does not prohibit the MHA from taking eviction action for other violations of the lease.



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**F. Reduction of Welfare Benefits**

If the Housing Choice Voucher participant requests an income re-examination and the rent reduction is predicated on a reduction in tenant income from welfare, the request will be denied, but only after obtaining written verification from the welfare agency that the families' benefits have been reduced because of the following:

1. Noncompliance with Economic Self-Sufficiency Program;
2. Work activities requirements; or
3. Because of fraud.



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## BRIEFING OF FAMILIES

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When the MHA selects a family to participate in a tenant-based program, it must provide an oral briefing of the following subjects:

1. A description of how the program works;
2. Family and owner responsibility;
3. Where the family may lease a unit, including renting a dwelling unit inside or outside the MHA's jurisdiction;
4. When a family qualifies to lease a unit outside the MHA jurisdiction under portability procedures, the briefing will include an explanation of how portability works. In addition, the MHA may not discourage the family from choosing to live anywhere in the MHA jurisdiction or outside the MHA jurisdiction under portability procedures;
5. If a family is currently living in a high poverty census tract in MHA jurisdiction, the briefing will also explain the advantages of moving to an area that does not have a high concentration of poor families; and
6. In the briefing process if a family includes a disabled person, the MHA will take appropriate steps to ensure effective communication in accordance with 24 CFR 8.6.

In addition, the MHA will give the family a packet that contains information on all aspects of the Housing Choice Voucher Program. (See Appendix V.) A packet containing all items as required and related to information about the Housing Choice Voucher Housing Programs will be given to eligible families at the time of issuing the Housing Choice Voucher. Individual or group briefing sessions will be conducted to relay pertinent information to the eligible family, including information about fair housing rights. A listing of owners and rental agents that are actively participating in the program will be given to each Housing Choice Voucher Holder. Telephone and mail contact with the Housing Choice Voucher Holder are used to relay information on the availability of new units. Families with special problems will be given individual counseling if requested.

The landlord must provide a lease. The lease must not contain any clause adversely affecting the family's rights under the lease. The Program Manager will review the lease. The Landlord and tenant must sign a HUD Tenancy Addendum in addition to the Landlord Lease. The HUD Tenancy addendum will describe the types of lease provisions that are prohibited.



Information on Housing Quality Standards, inspection process, fair market rents, payment standards and availability of units will be discussed.

**The family must:**

28. Supply such certification, release, information or documentation as the MHA or HUD determines to be necessary, including submission of required evidence of citizenship or eligible alien status, and submissions required for an annual or interim re-examination of family income and composition.
29. Allow the MHA to inspect the dwelling unit at reasonable times and after reasonable notice.
30. Notify the MHA before vacating the dwelling unit.
31. Use the dwelling unit solely for residence by the family, and as the family's principal place of residence.
32. Report any changes in income and/or family composition within ten (10) days of the change.

**The family must not:**

33. Own or have any interest in the dwelling unit (other than in a manufactured home assisted under 24 CFR Subpart F). If the Owner is a cooperative, the family may be a member of the cooperative.
34. Commit any fraud in connection with the Housing Choice Voucher Program.
35. Receive housing assistance under the Housing Choice Voucher Program while occupying, or receiving housing assistance for occupancy of, any other unit assisted under any Federal housing assistance program (including any Housing Choice Voucher Program).
36. Sublease or assign the lease or transfer the unit.
37. Engage in drug-related criminal activity or violent criminal activity, including criminal activity by any family member, guests or visitors.

The Housing Choice Voucher information packet will contain a combination of information for the following items:

- A. The term of the housing choice voucher, and MHA policy on any extensions or suspensions of the term.
  1. How the MHA determines the Housing Assistance Payment for a family;
  2. For the housing choice voucher program, information on the payment standard and the MHA utility allowance schedule;
- B. How the MHA determines the maximum rent for an assisted unit;
- C. What the family should consider in deciding whether to lease a unit, including:



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1. The condition of a unit;
  2. Whether the rent is reasonable;
  3. The cost of any tenant-paid utilities and whether the unit is energy-efficient; and
  4. The location of the unit, including proximity to public transportation, center of employment, schools and shopping;
- D. Where the family may lease a unit;
- E. The HUD-required “lease addendum”;
- F. The form of Request for Tenancy Approval, and an explanation of how to request MHA approval to lease a unit;
- G. A statement of the MHA’s policy on providing information about a family to prospective owners;
- H. MHA subsidy standards, including when the MHA will consider granting exceptions to the standards;
- I. The HUD brochure on how to select a unit;
- J. The HUD lead-based paint (LBP) brochure;
- K. Information on Federal, State and local equal opportunity laws, and a copy of the housing discrimination complaint form;
- L. A list of landlords or other parties known to the MHA who may be willing to lease a unit to the family, or help the family find a unit;
- M. Notice that if the family includes a disabled person, the family may request a current listing of accessible units known to the MHA that may be available;
- N. Family obligations under the program;
- O. The grounds on which the MHA may terminate assistance for a participant family because of family action or failure to act; and
- P. MHA informal hearing procedures.



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## PORTABILITY

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The MHA will act as a receiving Housing Authority for portability under the Housing Choice Voucher Program except in cases in which the Authority has entered into agreements with other agencies to exchange one of its own housing choice vouchers. The MHA has elected to retain the one (1) year residency in the jurisdiction of the Initial PHA as required of all families prior to relocation to another area except for Mainstream Voucher families. Mainstream Voucher holders may port-out immediately. In all other cases, the MHA will administer tenant-based program from the initial Housing Authority. The MHA will require families to furnish proof of residency at the time of application (copies of lease or utility bills to determine the accuracy of family statements concerning residency).

The following portability procedures shall be administered by either the initial PHA or the receiving PHA as indicated per PIH Notice 2008-43 and 24 CFR 982.353 and 385:

- A. It is the responsibility of the initial PHA to determine if a family is income eligible in the area where the family wants to lease.
- B. It is the initial PHA's responsibility to advise the family on how to contact and request assistance from the receiving Housing Authority. In addition, at the same time the initial PHA should notify the receiving PHA of the family's expected arrival.
- C. It is the family's responsibility to promptly contact the PHA and comply with all of PHA's procedures for incoming portable families.
- D. It is the initial PHA's responsibility to provide the receiving PHA with the family's most recent Family Report (HUD Form 50058) and the Family Portability Information Report (HUD Form 52665), as well as all related verification information. The PHA has the option to conduct a new re-examination. However, this process may not delay issuing the family a housing choice voucher unless the re-certification is necessary to determine income eligibility.
- E. It is the PHA's responsibility to promptly inform the initial PHA whether MHA will bill the initial PHA for assistance or will absorb the family into its own program.
- F. The MHA must issue a housing choice voucher to the family and the term of the MHA housing choice voucher cannot expire before the expiration date of the initial PHA housing choice voucher.
- G. It is the responsibility of MHA to determine the family unit size for the portable family and the family unit size will be determined by the MHA's existing subsidy standards.
- H. It is the responsibility of MHA to notify the initial PHA if the family has either leased an eligible unit or that the family failed to submit a Request for Tenancy Approval within the term of the housing choice voucher.

- I. It is the responsibility of the MHA to provide all MHA program functions. However, either the initial PHA or MHA may, at any time, make a determination to deny or terminate assistance to the family.
- J. **Portability Billing** The receiving PHA may bill the initial PHA for housing assistance payment and administrative fees. The initial PHA must promptly reimburse the receiving PHA for the full amount of the Housing Assistance Payments made by the receiving PHA for the portable family. The amount of the Housing Assistance Payment for a portable family in the receiving PHA's program is determined in the same manner as for other families in the receiving PHA's program. The initial PHA must promptly reimburse the receiving PHA for eighty percent (80%) of the initial PHA's on-going administrative fee for each unit month that the family receives assistance under the tenant-based programs from the receiving PHA. HUD may reduce the administrative fee to an initial PHA if that PHA does not promptly reimburse the receiving PHA for Housing Assistance Payments or fees on behalf of portable families.

Within the limitations of the regulations and this plan, a participant family or an applicant family that has been issued a voucher has the right to use tenant-based voucher assistance to lease a unit anywhere in the United States provided that the unit is located within the jurisdiction of a public housing authority (PHA) administering a tenant-based voucher program [24 CFR 982.353(b)]. The process by which a family obtains a voucher from one PHA and uses it to lease a unit in the jurisdiction of another PHA is known as portability.

#### **Families Moving from the MHA's Jurisdiction to Another PHA's Jurisdiction**

Both participant families and applicant families that have been issued vouchers may qualify to lease a unit outside the MHA's jurisdiction under portability. A formal briefing is required for a participant family wishing to move outside the MHA's jurisdiction under portability. The MHA will provide the family with the same oral and written explanation of portability that it provides to applicant families selected for admission to the program.

#### **Families Moving from Another PHA's Jurisdiction to the MHA's Jurisdiction**

The MHA will require families moving into its jurisdiction under portability to attend a briefing. In determining income eligibility, the MHA will rely upon the income information provided by the initial MHA and will not conduct a new re-examination of income and composition. However, if the family has been pulled off the waiting list and ported to the MHA's jurisdiction without ever being a participant on the program, then the MHA will conduct its own income eligibility determination. For any family moving into its jurisdiction under portability, the MHA will conduct a criminal background check for each family member age 18 and older. The criminal background screening will be conducted in accordance with the applicant screening procedures for MHA. Families relocating to the MHA's jurisdiction under portability who are participants in the Family Self-Sufficiency (FSS) program should be advised MHA does not have the FSS program at this time.



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### **Voucher Extensions and Expiration**

The MHA will not approve extensions to a voucher issued to an applicant or participant family porting out of the MHA's jurisdiction except under the following circumstances:

- The initial term of the voucher will expire before the portable family will be issued a voucher by the receiving PHA;
- The family decides to return to the MHA's jurisdiction and search for a unit there; or
- The family decides to search for a unit in a third PHA's jurisdiction.



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

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### **A. Negotiating Rent to Owner**

The owner and the family are to negotiate the rent to owner. At the family's request, the MHA must help the family negotiate the rent to owner.

### **B. Methodology of Rent Reasonableness**

#### **Purpose**

The purpose of the Rent Reasonableness test is to assure that:

38. Rents paid for units selected for the Housing Choice Voucher Program are not excessive; and

39. That the program does not have the effect of inflating rents in the community.

For every unit in the Housing Choice Voucher Program the MHA will certify and document that the contract rent charged by the owner is reasonable in relation to rents currently being charged for comparable unassisted units.

Rent reasonableness determinations are made at initial HAP Contract execution and when owner's request annual contract rent adjustments.

#### **Conducting Market Surveys**

The MHA will update the data annually by documenting rental listings in the classified section of the newspaper and by contacting local Realtors and apartment owners by telephone or in writing.

#### **Documenting and Certifying Rent Reasonableness**

When MHA receives a Request for Tenancy Approval or is considering an owner's request for an annual contract rent adjustment, rent reasonableness is documented by completing the Rent Reasonableness form.

The certification process will ensure that the rent for each unit for which the MHA approves a lease is comparable to units in the private unassisted market; taking into account the location, size, type, quality, amenities, facilities, and management/maintenance services of such unit, as well as, not in excess of rents currently being charged by the owner for comparable unassisted units.

The information used to complete the certification is obtained from MHA's market survey data or by collecting additional information if comparable data is not available.

If MHA determines that the proposed rent is reasonable, a copy of the completed Certification will be placed in the file.

On a new lease, if MHA determines that the proposed rent is reasonable, but the gross rent is higher than the tenant's allowable maximum gross rent, the difference shall be deducted from the owner's requested contract rent. The owner will be notified of the allowed amount and given the option to accept or deny.

On a new lease, if MHA determines that the proposed rent is not reasonable, the owner will be notified and given the option to accept or deny the determined reasonable rent for the unit. If the owner appeals this decision, they must provide documentation regarding other rents charged for non-assisted units and/or documentation of improvements to the property and/or other related expenses, which could affect the contract rent. If the MHA can document that their request is reasonable a variance up to \$25.00 may be allowed.

If MHA determines that the proposed rent is unreasonable and the owner is unwilling to accept a lower rent, the owner will be sent the Notice of Disapproval.

**C. Housing Choice Voucher Tenancy-How to Calculate Housing Assistance Payment**

1. Use of payment standard: For a voucher tenancy, the lesser of the payment standard or the gross rent is used to calculate the monthly Housing Assistance Payment for a family. The "payment standard" is the maximum monthly subsidy payment for a family.
2. Housing Choice Voucher program—Amount of Assistance:
  - a. Voucher payment standard—Maximum and Minimum:
    - 1) The MHA must adopt a payment standard schedule that establishes payment standards for the MHA voucher program. For each FMR area and for each exception rent area, the MHA must establish voucher payment standard amounts by unit size (zero-bedroom, one-bedroom, etc.)
    - 2) For a voucher tenancy, the payment standard for each unit size may be established:
      - a) Within the "basic range", which is between 90 to 110 percent of the 40th percentile FMR;
      - b) Between 90 and 110 percent of the 50th percentile FMR if the MHA is within a 50th percentile FM area;
      - c) Between 90 and 110 percent of the 50th percentile FMR if the MHA has obtained HUD approved for "success rate" payment standard amounts; or



- d) As exception payment standard amounts below 90 percent of the 40th or 50th percentile FMR with HUD approval.
- b. Voucher assistance formula
- 1) For a voucher tenancy, the Housing Assistance Payment for a family equals the lesser of:
    - a) The applicable payment standard minus the total tenant payment (TTP); or
    - b) the monthly gross rent minus the total tenant payment.
  - 2) Payment standard amounts on the payment standard schedule must be within the maximum and minimum limits (stated in paragraph A. 2, a., 2), b) of this section). Within these limits, payment standard amounts on the schedule may be adjusted annually, at the discretion of the MHA, if necessary to assure continued affordability of units in the MHA's jurisdiction.
  - 3) To calculate the Housing Assistance Payment for a family, the MHA must use the applicable payment standard from the MHA payment standard schedule for the fair market rent area (including the applicable payment standard for any HUD-approved exception rent area) where the unit rented by the family is located.
3. Payment standard for family
- a. The payment standard for a family is the lower of:
    - 1) The payment standard for the family unit size; or
    - 2) The payment standard for the unit size rented by the family,
    - 3) The gross rent.
  - b. During the HAP Contract term for a unit, the amount of the payment standard for a family is the higher of:
    - 1) The initial payment standard (at the beginning of the lease term) minus any amount by which the initial rent to owner exceeds the current rent to owner; or
    - 2) The payment standard as determined at the most recent regular re-examination of family income and composition effective after the beginning of the HAP Contract term.





**D. Limit on Initial Rent to Owner**

The initial gross rent for any unit must be rent reasonable and the total tenant payment may not exceed 40 percent of the tenant’s monthly adjusted income.

Reasonable Rent: The initial rent to owner may not exceed a reasonable rent as determined in accordance with Sec. 982.507 and the MHA.

The amount requested by the owner.

1. In making the annual adjustment, the pre-adjustment rent to owner does not include any previously approved special adjustments.
2. The rent to owner may be adjusted up or down in accordance with this section.
3. Notwithstanding paragraph A. 2. a. the rent to owner for a unit must not be increased at the annual anniversary date until after the first anniversary unless:
  - a. The owner requests the adjustment by giving notice to the tenant and MHA; and
  - b. During the year before the annual anniversary date, the owner has complied with all requirements of the HAP Contract, including compliance with the HQS.
4. The rent to owner will only be increased for Housing Assistance Payments covering months commencing on the later of:
  - a. The contract anniversary date; or
  - b. At least sixty (60) days after the MHA receives the owner’s request.
5. To receive an increase on the annual anniversary date, the owner must request the increase at least sixty (60) days before the next annual anniversary date. The MHA must utilize the rent reasonableness test before approving the rent increase. The MHA must then notify the tenant of the new rent amount so the tenant can determine if they can still afford the unit.

**E. Rent to Owner—In Subsidized Projects**

Other subsidy: MHA discretion to reduce rent. In the case of a regular tenancy, the MHA may require the owner to reduce the initial rent to owner because of other governmental subsidies; including tax credit or tax exemption, grants or other subsidized financing.



**F. Other Fees and Charges**

1. The cost of meals or supportive services may not be included in the rent to owner, and the value of meals or supportive services may not be included in the calculation of reasonable rent.
2. The lease may not require the tenant or family members to pay charges for meals or supportive services. Non-payment of such charges is not grounds for termination of tenancy.
3. The owner may not charge the tenant extra amounts for items customarily included in rent in the locality, or provided at no additional cost to unsubsidized tenants in the premises.

**G. Distribution of Housing Assistance Payment**

The monthly Housing Assistance Payment is distributed as follows:

1. The MHA pays the owner the lesser of the Housing Assistance Payment or the rent to owner.
2. If the Housing Assistance Payment exceeds the rent to owner, the MHA may pay the balance of the Housing Assistance Payment either to the family or directly to the utility supplier of the family's choice to go towards the utility bill on behalf of the family.

**H. Family Share—Family Responsibility**

1. The family share is calculated by subtracting the amount of the Housing Assistance Payment from the gross rent.
2. The MHA may not use Housing Assistance Payments or other program funds (including any administrative fee reserve) to pay any part of the family share. Payment of the family share is the sole responsibility of the family.

**I. Family Income and Composition—Regular and Interim Examinations:**

1. MHA responsibility for re-examination and verification:
  - a. The MHA's responsibilities for reexamining family income and composition are specified in 24 CFR part 5, subpart F.
  - b. The MHA must obtain and document in the tenant file third party verification of the following factors, or must document in the tenant file why third party verification was not available:
    - 1) Reported family annual income;
    - 2) The value of assets;



- 3) Expenses related to deductions from annual income; and
  - 4) Other factors that affect the determination of adjusted income.
2. When MHA conducts interim re-examination
    - a. At any time, the MHA may conduct an interim re-examination of family income and composition.
    - b. At any time, the family may request an interim determination of family income or composition because of any changes since the last determination. The MHA must make the interim determination within a reasonable time after the family request.
    - c. Interim examinations must be conducted in accordance with policies in the MHA administrative plan.
  3. Family reporting of change: The MHA must adopt policies prescribing when and under what conditions the family must report a change in family income or composition.
  4. Effective date of re-examination:
    - a. The MHA must adopt policies prescribing how to determine the effective date of a change in the Housing Assistance Payment resulting from an interim re-determination.
    - b. At the effective date of a regular or interim re-examination, the MHA must make appropriate adjustments in the Housing Assistance Payment and unit subsidy size.
  5. Family member income: Family income must include income of all family members, including family members not related by blood or marriage. If any new family member is added, family income must include any income of the additional family member. The MHA must conduct a re-examination to determine such additional income, and must make appropriate adjustments in the Housing Assistance Payment and unit subsidy size.

**J. Utility Allowance Schedule**

1. Maintaining schedule:
  - a. The MHA must maintain a utility allowance schedule for all tenant-paid utilities (except telephone), for cost of tenant-supplied refrigerators and ranges, and for other tenant-paid housing services (e.g., trash collection [disposal of waste and refuse]).



- b. At HUD's request, the MHA also must provide any information or procedures used in preparation of the schedule.
- c. How allowances are determined:
  - 1) The utility allowance schedule must be determined based on the typical cost of utilities and services paid by energy-conservative households that occupy housing of similar size and type in the same locality. In developing the schedule, the MHA must use normal patterns of consumption for the community as a whole and current utility rates.
    - a) A MHA utility allowance schedule, and the utility allowance for an individual family, must include the utilities and services that are necessary in the locality to provide housing that complies with the housing quality standards. However, the MHA may not provide any allowance for non-essential utility costs, such as costs of cable or satellite television, telephone or internet services.
    - b) In the utility allowance schedule, the MHA must classify utilities and other housing services according to the following general categories: space heating; air conditioning; cooking; water heating; water; sewer; trash collection (disposal of waste and refuse); other electric; refrigerator (cost of tenant-supplied refrigerator); range (cost of tenant-supplied range); and other specified housing services. The MHA must provide a utility allowance for tenant-paid air-conditioning costs if the majority of housing units in the market provide centrally air-conditioned units or there is appropriate wiring for tenant-installed air conditioners.
  - 2) The cost of each utility and housing service category must be stated separately. For each of these categories, the utility allowance schedule must take into consideration unit size (by number of bedrooms), and unit types (e.g., apartment, row-house, townhouse, single-family detached, and manufactured housing) that are typical in the community.
  - 3) The utility allowance schedule must be prepared and submitted in accordance with HUD requirements on the form prescribed by HUD.



2. Revisions of utility allowance schedule
  - a. The MHA must review its schedule of utility allowances each year, and must revise its allowance for a utility category if there has been a change of ten percent (10%) or more in the utility rate since the last time the utility allowance schedule was revised. The MHA must maintain information supporting its annual review of utility allowances and any revisions made in its utility allowance schedule.
  - b. At HUD's direction, the MHA must revise the utility allowance schedule to correct any errors, or as necessary, to update the schedule.
3. Use of utility allowance schedule
  - a. The MHA must use the appropriate utility allowance for the size of dwelling unit actually leased by the family (rather than the family unit size as determined under the MHA subsidy standards).
  - b. At re-examination, the MHA must use the Housing Authority's current utility allowance schedule.
4. Higher utility allowance as reasonable accommodation for a person with disabilities: On request from a family that includes a person with disabilities, the MHA must approve a utility allowance which is higher than the applicable amount on the utility allowance schedule if a higher utility allowance is needed as a reasonable accommodation in accordance with 24 CFR part 8 to make the program accessible to and usable by the family member with a disability.



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## **AFFORDABILITY ADJUSTMENT DETERMINATIONS UNDER THE HOUSING CHOICE VOUCHER PROGRAM**

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MHA's current Payment Standard shall apply to families assisted under MHA's Housing Choice Voucher Program. The current Payment Standard is based on 100% of the 2011 Fair Market Rent.

The Housing Choice Voucher Department will review the affordable payment standard yearly using the factors below for analysis in determining affordability adjustments.

- A. Participant rent burden (percent of tenant rent to adjusted household income of participants).
- B. Participant rent burden relative to the quality of units selected by participant families.
- C. Participant rent burden relative to availability of units by bedroom size.
- D. Actual contract rents for specific bedroom sizes.
- E. Actual rent increases for participating households.
- F. The average time period for finding eligible housing.
- G. Rent reasonableness data used for the HCV Program.
- H. The local vacancy rate.

## HOUSING CHOICE VOUCHER PROGRAM

PAYMENT STANDARD	EFFECTIVE: _____
	PAYMENT STANDARDS
0 Bedrooms	\$
1 Bedrooms	\$
2 Bedrooms	\$
3 Bedrooms	\$
4 Bedrooms	\$
5 Bedrooms	\$

The Payment Standard remains in effect until changed by the Authority.

The Payment Standard for unit sizes larger than four bedrooms shall be calculated by adding 15 percent to the four bedroom Payment Standard for each additional bedroom. The calculation of the Payment Standard for a five bedroom unit would be 1.15 times the four bedroom Payment Standard, and the calculation of the Payment Standard for a six bedroom unit would be 1.3 times the four bedroom Payment Standard, etc.



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**SUBSIDY STANDARDS**

The following subsidy standards shall determine the number of bedrooms required to accommodate each family without overcrowding or over-housing:

**Subsidy Standard Chart**

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

Housing Choice Voucher participants shall be issued a Housing Choice Voucher based on the subsidy standard listed above. In determining family unit size for a particular family, the MHA may grant an exception to the above subsidy standard if the MHA determines that the exception is justified by the age, sex, health, handicap, or relationship of family members or other personal circumstances.

The family unit size for any family consisting of a single person must be either a zero or one-bedroom unit, unless a live-in aide resides with the family. Any live-in aide must be approved by the MHA, in advance, and reside in the unit to care for a family member who is disabled or is at least 50 years of age. A live-in aide must be counted in determining the family unit size.

A family that consists of a pregnant woman (with no other persons) must be treated as a two-person family.

A child who is temporarily away from the home because of placement in foster care is considered a member of the family in determining the family unit size.



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## HOUSING CHOICE VOUCHER OPERATING RESERVES

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The MHA will expend its Housing Choice Voucher Operating Reserve funds for other housing purposes consistent with authority under State and local law, provided that the amounts used for other housing purposes are not required for projected Housing Choice Voucher administrative expenses through remaining Annual Contributions Contract (ACC) terms. If the MHA anticipates that ongoing fees will not be sufficient for ongoing administrative costs through its ACC terms, an appropriate amount will be retained in the Operating Reserve for project administrative costs.

The expenditures for housing purposes must be approved by the MHA's Board of Commissioners. The Board of Commissioners, as part of the approval of expenditures, will make a determination that the expenditures are necessary and reasonable for other housing purposes consistent with authority under State and local law.

Only special funds will be treated in accordance with their special purpose.

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## **OWNER OR FAMILY DEBTS TO MHA/PAYMENT AGREEMENTS<sup>1</sup>**

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### **Policy**

Any amount due to the PHA by an owner must be repaid by the owner within 30 days of the PHA determination of the debt.

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

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

Any amount due to the MHA by an HCV participant must be repaid by the family. If the family is unable to repay the debt within 30 days the PHA will offer to enter into a repayment agreement in accordance with MHA policies.

### **File Documentation**

Before a debt is assessed against a participant or owner, MHA's claim that a debt is owed must be properly documented, which shall include a clear written explanation of the method used to calculate the debt. The debt file, with all supporting documentation, shall be made available to the owner or the participant who owes the debt.

### **Payment Thresholds**

Amounts over \$1,000.00 will be referred to the U.S. Department of Housing and Urban Development (HUD) Office of Inspector General and/or the appropriate law enforcement agency for collection.

Amounts between \$550.00 and \$1,000.00 for which the MHA will enter into a payment agreement, must be repaid within 12 months.

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<sup>1</sup> [24 CFR 982.453 (b), 982.552] [24 CFR 792.103, 982.552 (c)(v-vii)]

## Methods of Debt Collection

Every effort shall be made to collect all debts owed, which includes, but is not limited to:

1. Demands for lump sum payments;
2. Execution of a payment agreement;
3. Partial abatements when appropriate;
4. Reductions in HAP to owner;
5. Use of collection agencies; and
6. Securing judgments.

### 1. **Payment Agreement for Participants** <sup>2</sup>

A payment agreement is a written agreement entered into between MHA and a person who is indebted to MHA. It shall contain a promise to repay the debt, details regarding the nature of the debt, the terms of payment, any special provisions, and the remedies available to MHA in the event of a default by the debtor.

#### **MHA May Decline to Enter Into a Payment Agreement**

MHA, in its sole discretion, may enter into payment agreements with owners or participants. MHA will generally not enter into payment agreements when:

- A. There is an existing payment agreement between MHA and the participant;
- B. The participant has already had two payment agreements in the past (even if they are both paid in full);
- C. MHA determines that the participant has committed or has attempted to commit program fraud;

or

- D. MHA determines that the amount owed is more than the participant can repay in a reasonable period of time.

#### **Terms and Conditions of Payment Agreements**

MHA shall prescribe the terms and conditions of any payment agreement.

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<sup>2</sup> [24 CFR 982.552 (c)(v-vii)]



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### **Term**

The payment agreement term shall range from 2 to 24 months, but shall in any event be the minimum time period in which the participant can be reasonably expected to repay the debt owed. Written requests to the Section 8 Manager for a term longer than 24 months will be reviewed on a case-by-case basis.

### **Monthly Payments**

The monthly payment shall be the greater of \$50 or the total amount due divided by the number of months in the term of the payment agreement, up to 24 months (1/12<sup>th</sup> of the total amount owing for a 12 month payment plan, 1/18<sup>th</sup> for an 18 month payment plan, etc.).

The Section 8 Manager may approve a decrease or temporary (up to 6 months) deferral of the monthly payment for participants who experience a hardship (such as loss of income or a medical situation), provided that the participant requests a hardship in a reasonable time, provides verification of the hardship, and has been in compliance with the terms of the agreement up until the hardship. The change in monthly payment shall be made an attachment to the payment agreement and shall be signed by the Section 8 Manager and the participant(s). The term of the payment agreement shall be lengthened accordingly.

### **Execution**

Payment agreements shall be executed by the head of household and spouse/co-head (if applicable). The payment agreement shall be executed for MHA by the Executive Director or designee.

### **Due Dates**

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

### **Cashier Check or Money Order Only**

Payments shall be made by money order or cashier's check.



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### **Late Payments/Default/Termination of Assistance**

If payment is not received by the end of the business day on the due date, and prior approval for the missed payment has not been given by the MHA, the MHA will send a the family a delinquent notice giving the family ten (10) business days to make the late payment. If the payment is not received by the due date of the delinquency notice, it will be considered a breach of the agreement and the MHA will terminate assistance upon written notification to the family.

If a family receives three (3) delinquency notices for unexcused late payments in a 12 month period, the repayment agreement will be considered in default, and the MHA will terminate assistance upon written notification to the family.

When a payment is delinquent the participant's assistance may be terminated and MHA may pursue any available remedy, including filing a civil action, to collect the balance owing.

### **Referrals**

When fraud is involved, MHA may refer a participant's or owner's case to the HUD Inspector General, the U.S. Attorney, the City Prosecutor, or the City Attorney, in addition to pursuing any available civil remedy against the participant or owner.

### **Requests to Move**

No move will be approved until the debt is paid in full or the family is current in their payment agreement, unless the move is the result of one of the following causes:

- A. Family size exceeds the HQS maximum occupancy standards;
- B. The HAP Contract is terminated due to owner non-compliance or opt-out;
- C. A man-made or natural disaster;
- D. The move is pursuant to a reasonable accommodation approved by MHA; or
- E. The move is necessary as a result of domestic violence, with documentation of police reports and a court-ordered restraining order.

MHA may require that a payment agreement be current before issuing a voucher to move in these cases.



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**2. Owner Debts to MHA<sup>3</sup>**

If an owner has received Housing Assistance Payments or claim payments to which the owner is not entitled, MHA may recover such amounts from future Housing Assistance Payments or claim payments owed the owner.

If future housing assistance or claim payments are insufficient to recover the amounts owed in a reasonable time, MHA may:

- A. Demand that the owner pay the amount in full within 30 days;
- B. Enter into a payment agreement with the owner for the amount owed;
- C. Refer the debt to a collection agency;
- D. File a lawsuit to recover the debt; or
- E. Prohibit the owner's future participation in the program.

**3. Writing Off Debts**

Debts that are uncollected after six years from the date the debt was due, or from the date of execution of a payment agreement, will be written off. Debts that are reduced to judgment shall be written off when the judgment can no longer be collected legally. MHA shall keep a record of all debts owing for reference in reviewing applications for participation in the Section 8 program or other housing programs administered by MHA.

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<sup>3</sup> [24 CFR 982.453(b)]



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## **ORGANIZATIONAL STRUCTURE AND PROGRAM OPERATIONS**

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The Housing Choice Voucher Program as administered by MHA has two full-time employees including the HCV Inspector. The person assigned to oversee all contracts and operations will be the Executive Director or his/her designee.

The Housing Choice Voucher Staff will be utilized for the Housing Choice Voucher Program. The following is a summary of the staff responsibilities. All positions are currently filled.

A. Housing Choice Voucher Program Manager

This individual is generally responsible for the total day-to-day administration of the Housing Choice Voucher Housing Assistance Programs. This individual reports directly to the Deputy Director.

B. Additional staffing support is provided by the administrative staff of the Monroe Housing Authority.

Allocations of administrative staff time by positions are listed in the Operating Budget. Actual prorations may vary from year to year as submitted in the Monroe Housing Authority's Housing Choice Voucher Operating Budget.

The MHA has a total Annual Contributions Contract (ACC) of 318 housing choice vouchers in its Housing Choice Voucher Program. This is overseen by the Department of Housing and Urban Development's Local Area Office which holds scheduled audits on fiscal matters, program performance and compliance.

### **DECONCENTRATION RULE**

The objective of the deconcentration rule for Housing Choice Voucher tenant-based assistance is to admit no less than seventy-five percent (75%) of its new admissions to the program to families that have income at or below thirty percent (30%) of the area median income. The MHA will track the status of all new admissions monthly by utilizing income reports generated by the MHA's computer system. The goal will be tracked semi-annually. The practice will continue until the MHA achieves its goal. The MHA's Housing Choice Voucher applicant selection process, which is contained in the Housing Choice Voucher Administrative Plan, provides for no utilization of local preference to accomplish this goal.

## ADMINISTRATIVE FEE RESERVE EXPENDITURES

Single expenditures from the administrative fee reserve of the Housing Choice Voucher Program in excess of \$10,000.00 will be approved by the Board Of Commissioners of the MHA.

## SPECIAL HOUSING TYPES

**NOTE:** *The MHA must select one of the following:*

- This Housing Authority has elected not to permit use of an SRO, Congregate housing, Group homes, shared housing and Cooperative housing types in its program unless a special housing type is needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities in accordance with 24 CFR part 8; or
- This Housing Authority has elected to permit the use of Special Housing Types as listed below:

### Overview

- A. Special housing types: This subpart describes program requirements for special housing types. The following are the special housing types:
1. Single room occupancy (SRO) housing;
  2. Congregate housing;
  3. Group home;
  4. Shared housing;
  5. Cooperative (including mutual housing); and
  6. Manufactured home.
- B. MHA choice to offer special housing type:
1. In general, the MHA is not required to permit use of any of these special housing types in its program.
  2. The MHA must permit use of any special housing type if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities in accordance with 24 CFR part 8.
  3. For occupancy of a manufactured home, see Sec. 982.620(a). Family choice of housing and housing type: The MHA may not set aside program funding for special housing



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types, or for a specific special housing type. The family chooses whether to rent housing that qualifies as a special housing type under this subpart, or as any specific special housing type, or to rent other eligible housing in accordance with requirements of the program. The MHA may not restrict the family's freedom to choose among available units in accordance with Sec. 982.353.

C. Applicability of requirements: Except as modified by this subpart, requirements in the other subparts of this part apply to the special housing types. Provisions in this subpart only apply to a specific special housing type. The housing type is noted in the title of each section.

D. **Single Room Occupancy (SRO)**

1. Who may reside in an SRO? Sec. 982.602 SRO:

A single person may reside in an SRO housing unit.

2. Lease and HAP contract. Sec. 982.603 SRO:

For SRO housing, there is a separate lease and HAP contract for each assisted person.

3. Voucher housing assistance payment. Sec. 982.604 SRO:

(a) For a person residing in SRO housing, the payment standard is 75 percent of the zero-bedroom payment standard amount on the PHA payment standard schedule. For a person residing in SRO housing in an exception area, the payment standard is 75 percent of the HUD-approved zero-bedroom exception payment standard amount.

(b) The utility allowance for an assisted person residing in SRO housing is 75 percent of the zero bedroom utility allowance.

4. SRO: Housing quality standards. Sec. 982.605

(a) HQS standards for SRO. The HQS in Sec. 982.401 apply to SRO housing. However, the standards in this section apply in place of Sec. 982.401(b) (sanitary facilities), Sec. 982.401(c) (food preparation and refuse disposal), and Sec. 982.401(d) (space and security). Since the SRO units will not house children, the housing quality standards in Sec. 982.401(j), concerning lead-based paint, do not apply to SRO housing.

(b) Performance requirements.

(1) SRO housing is subject to the additional performance requirements in this paragraph (b).

(2) Sanitary facilities, and space and security characteristics must meet local code standards for SRO housing. In the absence of applicable local code standards for SRO housing, the following standards apply:

(i) Sanitary facilities.



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- (A) At least one flush toilet that can be used in privacy, lavatory basin, and bathtub or shower, in proper operating condition, must be supplied for each six persons or fewer residing in the SRO housing.
  - (B) If SRO units are leased only to males, flush urinals may be substituted for not more than one-half the required number of flush toilets. However, there must be at least one flush toilet in the building.
  - (C) Every lavatory basin and bathtub or shower must be supplied at all times with an adequate quantity of hot and cold running water.
  - (D) All of these facilities must be in proper operating condition, and must be adequate for personal cleanliness and the disposal of human waste. The facilities must utilize an approvable public or private disposal system.
  - (E) Sanitary facilities must be reasonably accessible from a common hall or passageway to all persons sharing them. These facilities may not be located more than one floor above or below the SRO unit. Sanitary facilities may not be located below grade unless the SRO units are located on that level.
- (ii) Space and security.
- (A) No more than one person may reside in an SRO unit.
  - (B) An SRO unit must contain at least one hundred ten square feet of floor space.
  - (C) An SRO unit must contain at least four square feet of closet space for each resident (with an unobstructed height of at least five feet). If there is less closet space, space equal to the amount of the deficiency must be subtracted from the area of the habitable room space when determining the amount of floor space in the SRO unit. The SRO unit must contain at least one hundred ten square feet of remaining floor space after subtracting the amount of the deficiency in minimum closet space.
  - (D) Exterior doors and windows accessible from outside an SRO unit must be lockable.



- (3) Access.
  - (i) Access doors to an SRO unit must have locks for privacy in proper operating condition.
  - (ii) An SRO unit must have immediate access to two or more approved means of exit, appropriately marked, leading to safe and open space at ground level, and any means of exit required by State and local law.
  - (iii) The resident must be able to access an SRO unit without passing through any other unit.
- (4) Sprinkler system. A sprinkler system that protects all major spaces, hard wired smoke detectors, and such other fire and safety improvements as State or local law may require must be installed in each building. The term "major spaces" means hallways, large common areas, and other areas specified in local fire, building, or safety codes.

#### E. Congregate Housing

1. Who may reside in congregate housing. Sec. 982.606
  - (a) An elderly person or a person with disabilities may reside in a congregate housing unit.
  - (b)
    - (1) If approved by the PHA, a family member or live-in aide may reside with the elderly person or person with disabilities.
    - (2) The PHA must approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities in accordance with 24 CFR part 8. See Sec. 982.316 concerning occupancy by a live-in aide.
2. Congregate housing: Lease and HAP contract. Sec. 982.607

For congregate housing, there is a separate lease and HAP contract for each assisted family.
3. Congregate housing: Voucher housing assistance payment. Sec. 982.608
  - (a) Unless there is a live-in aide:
    - (1) For a family residing in congregate housing, the payment standard is the zero-bedroom payment standard amount on the PHA payment standard schedule. For a family residing in congregate housing in an exception area, the payment standard is the HUD-approved zero-bedroom exception payment standard amount.



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- (2) However, if there are two or more rooms in the unit (not including kitchen or sanitary facilities), the payment standard for a family residing in congregate housing is the one-bedroom payment standard amount.
  - (b) If there is a live-in aide, the live-in aide must be counted in determining the family unit size.
- 4. Congregate housing: Housing quality standards. Sec. 982.609
  - (a) HQS standards for congregate housing. The HQS in Sec. 982.401 apply to congregate housing. However, the standards in this section apply in place of Sec. 982.401(c) (food preparation and refuse disposal). Congregate housing is not subject to the HQS acceptability requirement in Sec. 982.401(d)(2)(i) that the dwelling unit must have a kitchen area.
  - (b) Food preparation and refuse disposal: Additional performance requirements. The following additional performance requirements apply to congregate housing:
    - (1) The unit must contain a refrigerator of appropriate size.
    - (2) There must be central kitchen and dining facilities on the premises. These facilities:
      - (i) Must be located within the premises, and accessible to the residents;
      - (ii) Must contain suitable space and equipment to store, prepare, and serve food in a sanitary manner;
      - (iii) Must be used to provide a food service that is provided for the residents, and that is not provided by the residents; and
      - (iv) Must be for the primary use of residents of the congregate units and be sufficient in size to accommodate the residents.
    - (3) There must be adequate facilities and services for the sanitary disposal of food waste and refuse, including facilities for temporary storage where necessary.

**F. Group Home**

- 1. Who may reside in a group home. Sec. 982.610
  - (a) An elderly person or a person with disabilities may reside in a State-approved group home.
  - (b) (1) If approved by the PHA, a live-in aide may reside with a person with disabilities.



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- (2) The PHA must approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities in accordance with 24 CFR part 8. See Sec. 982.316 concerning occupancy by a live-in aide.
  - (c) Except for a live-in aide, all residents of a group home, whether assisted or unassisted, must be elderly persons or persons with disabilities.
  - (d) Persons residing in a group home must not require continual medical or nursing care.
  - (e) Persons who are not assisted under the tenant-based program may reside in a group home.
  - (f) No more than 12 persons may reside in a group home. This limit covers all persons who reside in the unit, including assisted and unassisted residents and any live-in aide.
2. Sec. 982.611 Group home: Lease and HAP contract.  

For assistance in a group home, there is a separate HAP contract and lease for each assisted person.
  3. Sec. 982.612 Group home: State approval of group home.  

A group home must be licensed, certified, or otherwise approved in writing by the State (e.g., Department of Human Resources, Mental Health, Retardation, or Social Services) as a group home for elderly persons or persons with disabilities.
  4. Sec. 982.613 Group home: Rent and voucher housing assistance payment.
    - (a) Meaning of pro-rata portion. For a group home, the term "pro-rata portion" means the ratio derived by dividing the number of persons in the assisted household by the total number of residents (assisted and unassisted) residing in the group home. The number of persons in the assisted household equals one assisted person plus any PHA-approved live-in aide.
    - (b) Rent to owner: Reasonable rent limit.
      - (1) The rent to owner for an assisted person may not exceed the pro-rata portion of the reasonable rent for the group home.
      - (2) The reasonable rent for a group home is determined in accordance with Sec. 982.507. In determining reasonable rent for the group home, the PHA must consider whether sanitary facilities, and facilities for food preparation and service, are common facilities or private facilities.
    - (c) Payment standard.
      - (1) Family unit size.



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- (i) Unless there is a live-in aide, the family unit size is zero or one bedroom.
    - (ii) If there is a live-in aide, the live-in aide must be counted in determining the family unit size.
  - (2) The payment standard for a person who resides in a group home is the lower of:
    - (i) The payment standard amount on the PHA payment standard schedule for the family unit size; or
    - (ii) The pro-rata portion of the payment standard amount on the PHA payment standard schedule for the group home size.
    - (iii) If there is a live-in aide, the live-in aide must be counted in determining the family unit size.
  - (d) Utility allowance. The utility allowance for each assisted person residing in a group home is the pro-rata portion of the utility allowance for the group home unit size.
- 5. Sec. 982.614 Group home: Housing quality standards.
  - (a) Compliance with HQS. The PHA may not give approval to reside in a group home unless the unit, including the portion of the unit available for use by the assisted person under the lease, meets the housing quality standards.
  - (b) Applicable HQS standards.
    - (1) The HQS in Sec. 982.401 apply to assistance in a group home. However, the standards in this section apply in place of Sec. 982.401(b) (sanitary facilities), Sec. 982.401(c) (food preparation and refuse disposal), Sec. 982.401(d) (space and security), Sec. 982.401(g) (structure and materials) and Sec. 982.401(l) (site and neighborhood).
    - (2) The entire unit must comply with the HQS.
  - (c) Additional performance requirements. The following additional performance requirements apply to a group home:
    - (1) Sanitary facilities.
      - (i) There must be a bathroom in the unit. The unit must contain, and an assisted resident must have ready access to:
        - (A) A flush toilet that can be used in privacy;
        - (B) A fixed basin with hot and cold running water; and
        - (C) A shower or bathtub with hot and cold running water.



- (ii) All of these facilities must be in proper operating condition, and must be adequate for personal cleanliness and the disposal of human waste. The facilities must utilize an approvable public or private disposal system.
  - (iii) The unit may contain private or common sanitary facilities. However, the facilities must be sufficient in number so that they need not be shared by more than four residents of the group home.
  - (iv) Sanitary facilities in the group home must be readily accessible to and usable by residents, including persons with disabilities.
- (2) Food preparation and service.
- (i) The unit must contain a kitchen and a dining area. There must be adequate space to store, prepare, and serve foods in a sanitary manner.
  - (ii) Food preparation and service equipment must be in proper operating condition. The equipment must be adequate for the number of residents in the group home. The unit must contain the following equipment:
    - (A) A stove or range, and oven;
    - (B) A refrigerator; and
    - (C) A kitchen sink with hot and cold running water. The sink must drain into an approvable public or private disposal system.
  - (iii) There must be adequate facilities and services for the sanitary disposal of food waste and refuse, including facilities for temporary storage where necessary.
  - (iv) The unit may contain private or common facilities for food preparation and service.
- (3) Space and security.
- (i) The unit must provide adequate space and security for the assisted person.
  - (ii) The unit must contain a living room, kitchen, dining area, bathroom, and other appropriate social, recreational or community space. The unit must contain at least one bedroom of appropriate size for each two persons.
  - (iii) Doors and windows that are accessible from outside the unit must be lockable.



- (4) Structure and material.
- (i) The unit must be structurally sound to avoid any threat to the health and safety of the residents, and to protect the residents from the environment.
  - (ii) Ceilings, walls, and floors must not have any serious defects such as severe bulging or leaning, loose surface materials, severe buckling or noticeable movement under walking stress, missing parts or other significant damage. The roof structure must be firm, and the roof must be weather tight. The exterior or wall structure and exterior wall surface may not have any serious defects such as serious leaning, buckling, sagging, cracks or large holes, loose siding, or other serious damage. The condition and equipment of interior and exterior stairways, halls, porches, walkways, etc., must not present a danger of tripping or falling. Elevators must be maintained in safe operating condition.
  - (iii) The group home must be accessible to and usable by a resident with disabilities.
- (5) Site and neighborhood. The site and neighborhood must be reasonably free from disturbing noises and reverberations and other hazards to the health, safety, and general welfare of the residents. The site and neighborhood may not be subject to serious adverse environmental conditions, natural or manmade, such as dangerous walks or steps, instability, flooding, poor drainage, septic tank back-ups, sewage hazards or mud slides, abnormal air pollution, smoke or dust, excessive noise, vibrations or vehicular traffic, excessive accumulations of trash, vermin or rodent infestation, or fire hazards. The unit must be located in a residential setting.

**G. Shared housing**

1. Sec. 982.615 Shared housing: Occupancy.
- (a) Sharing a unit. An assisted family may reside in shared housing. In shared housing, an assisted family shares a unit with the other resident or residents of the unit. The unit may be a house or an apartment.
  - (b) Who may share a dwelling unit with assisted family?
    - (1) If approved by the HA, a live-in aide may reside with the family to care for a person with disabilities. The PHA must approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities in accordance with 24 CFR part 8. See Sec. 982.316 concerning occupancy by a live-in aide.



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- (2) Other persons who are assisted under the tenant-based program, or other persons who are not assisted under the tenant-based program, may reside in a shared housing unit.
  - (3) The owner of a shared housing unit may reside in the unit. A resident owner may enter into a HAP contract with the PHA. However, housing assistance may not be paid on behalf of an owner. An assisted person may not be related by blood or marriage to a resident owner.
2. Sec. 982.616 Shared housing: Lease and HAP contract.  
For assistance in a shared housing unit, there is a separate HAP contract and lease for each assisted family.
3. Sec. 982.617 Shared housing: Rent and voucher housing assistance payment.
  - (a) Meaning of pro-rata portion. For shared housing, the term "pro-rata portion" means the ratio derived by dividing the number of bedrooms in the private space available for occupancy by a family by the total number of bedrooms in the unit. For example, for a family entitled to occupy three bedrooms in a five bedroom unit, the ratio would be 3/5.
  - (b) Rent to owner: Reasonable rent.
    - (1) The rent to owner for the family may not exceed the pro-rata portion of the reasonable rent for the shared housing dwelling unit.
    - (2) The reasonable rent is determined in accordance with Sec. 982.507.
  - (c) Payment standard. The payment standard for a family that resides in a shared housing is the lower of:
    - (1) The payment standard amount on the PHA payment standard schedule for the family unit size; or
    - (2) The pro-rata portion of the payment standard amount on the PHA payment standard schedule for the size of the shared housing unit.
  - (d) Utility allowance. The utility allowance for an assisted family residing in shared housing is the pro-rata portion of the utility allowance for the shared housing unit.
4. Sec. 982.618 Shared housing: Housing quality standards.
  - (a) Compliance with HQS. The PHA may not give approval to reside in shared housing unless the entire unit, including the portion of the unit available for use by the assisted family under its lease, meets the housing quality standards.
  - (b) Applicable HQS standards. The HQS in Sec. 982.401 apply to assistance in shared housing. However, the HQS standards in this section apply in place of Sec. 982.401(d) (space and security).



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- (c) Facilities available for family. The facilities available for the use of an assisted family in shared housing under the family's lease must include (whether in the family's private space or in the common space) a living room, sanitary facilities in accordance with Sec. 982.401(b), and food preparation and refuse disposal facilities in accordance with Sec. 982.401(c).
- (d) Space and security: Performance requirements.
  - (1) The entire unit must provide adequate space and security for all its residents (whether assisted or unassisted).
  - (2)
    - (i) Each unit must contain private space for each assisted family, plus common space for shared use by the residents of the unit. Common space must be appropriate for shared use by the residents.
    - (ii) The private space for each assisted family must contain at least one bedroom for each two persons in the family. The number of bedrooms in the private space of an assisted family may not be less than the family unit size.
    - (iii) A zero or one bedroom unit may not be used for shared housing.

**H. Cooperative Housing. Sec. 982.619**

- (a) Assistance in cooperative housing. This section applies to rental assistance for a cooperative member residing in cooperative housing. However, this section does not apply to:
  - (1) Assistance for a cooperative member under the homeownership option pursuant to Secs. 982.625 through 982.641; or
  - (2) Rental assistance for a family that leases a cooperative housing unit from a cooperative member (such rental assistance is not a special housing type, and is subject to requirements in other subparts of this part 982).
- (b) Rent to owner.
  - (1) The reasonable rent for a cooperative unit is determined in accordance with Sec. 982.507. For cooperative housing, the rent to owner is the monthly carrying charge under the occupancy agreement/lease between the member and the cooperative.
  - (2) The carrying charge consists of the amount assessed to the member by the cooperative for occupancy of the housing. The carrying charge includes the member's share of the cooperative debt service, operating expenses, and necessary payments to cooperative reserve funds.



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However, the carrying charge does not include down-payments or other payments to purchase the cooperative unit, or to amortize a loan to the family for this purpose.

- (3) Gross rent is the carrying charge plus any utility allowance.
  - (4) For a regular tenancy under the certificate program, rent to owner is adjusted in accordance with Sec. 982.519 (annual adjustment) and Sec. 982.520 (special adjustments). For a cooperative, adjustments are applied to the carrying charge as determined in accordance with this section.
  - (5) The occupancy agreement/lease and other appropriate documents must provide that the monthly carrying charge is subject to Section 8 limitations on rent to owner.
- (c) Housing assistance payment. The amount of the housing assistance payment is determined in accordance with subpart K of this part.
- (d) Maintenance.
- (1) During the term of the HAP contract between the PHA and the cooperative, the dwelling unit and premises must be maintained in accordance with the HQS. If the dwelling unit and premises are not maintained in accordance with the HQS, the PHA may exercise all available remedies, regardless of whether the family or the cooperative is responsible for such breach of the HQS. PHA remedies for breach of the HQS include recovery of overpayments, abatement or other reduction of housing assistance payments, termination of housing assistance payments and termination of the HAP contract.
  - (2) The PHA may not make any housing assistance payments if the contract unit does not meet the HQS, unless any defect is corrected within the period specified by the PHA and the PHA verifies the correction. If a defect is life-threatening, the defect must be corrected within no more than 24 hours. For other defects, the defect must be corrected within the period specified by the PHA.
  - (3) The family is responsible for a breach of the HQS that is caused by any of the following:
    - (i) The family fails to perform any maintenance for which the family is responsible in accordance with the terms of the cooperative occupancy agreement between the cooperative member and the cooperative;
    - (ii) The family fails to pay for any utilities that the cooperative is not required to pay for, but which are to be paid by the cooperative member;



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- (iii) The family fails to provide and maintain any appliances that the cooperative is not required to provide, but which are to be provided by the cooperative member; or
- (iv) Any member of the household or guest damages the dwelling unit or premises (damages beyond ordinary wear and tear).
- (4) If the family has caused a breach of the HQS for which the family is responsible, the PHA must take prompt and vigorous action to enforce such family obligations. The PHA may terminate assistance for violation of family obligations in accordance with Sec. 982.552.
- (5) Section 982.404 does not apply to assistance for cooperative housing under this section.
- (e) Live-in aide.
  - (1) If approved by the PHA, a live-in aide may reside with the family to care for a person with disabilities. The PHA must approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities in accordance with 24 CFR part 8. See Sec. 982.316 concerning occupancy by a live-in aide.
  - (2) If there is a live-in aide, the live-in aide must be counted in determining the family unit size.

## I. **Manufactured Home**

- 1. Applicability of requirements. Sec. 982.620
  - (a) Assistance for resident of manufactured home.
    - (1) A family may reside in a manufactured home with assistance under the program.
    - (2) The PHA must permit a family to lease a manufactured home and space with assistance under the program.
    - (3) The PHA may provide assistance for a family that owns the manufactured home and leases only the space. The PHA is not required to provide such assistance under the program.
  - (b) Applicability.



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- (1) The HQS in Sec. 982.621 always apply when assistance is provided to a family occupying a manufactured home (under paragraph (a)(2) or (a)(3) of this section).
  - (2) Sections 982.622 to 982.624 only apply when assistance is provided to a manufactured home owner to lease a manufactured home space.
- (c) Live-in aide.
- (1) If approved by the PHA, a live-in aide may reside with the family to care for a person with disabilities. The PHA must approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities in accordance with 24 CFR part 8. See Sec. 982.316 concerning occupancy by a live-in aide.
  - (2) If there is a live-in aide, the live-in aide must be counted in determining the family unit size.

2. Housing quality standards. Sec. 982.621

A manufactured home must meet all the HQS performance requirements and acceptability criteria in Sec. 982.401. A manufactured home also must meet the following requirements:

- (a) Performance requirement. A manufactured home must be placed on the site in a stable manner, and must be free from hazards such as sliding or wind damage.
- (b) Acceptability criteria. A manufactured home must be securely anchored by a tie-down device that distributes and transfers the loads imposed by the unit to appropriate ground anchors to resist wind overturning and sliding.

3. Space Rental: Rent to owner. Sec. 982.622

- (a) What is included.
  - (1) Rent to owner for rental of a manufactured home space includes payment for maintenance and services that the owner must provide to the tenant under the lease for the space.
  - (2) Rent to owner does not include the costs of utilities and trash collection for the manufactured home. However, the owner may charge the family a separate fee for the cost of utilities or trash collection provided by the owner.



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(b) Reasonable rent.

- (1) During the assisted tenancy, the rent to owner for the manufactured home space may not exceed a reasonable rent as determined in accordance with this section. Section 982.503 is not applicable.
- (2) The PHA may not approve a lease for a manufactured home space until the PHA determines that the initial rent to owner for the space is a reasonable rent. At least annually during the assisted tenancy, the PHA must redetermine that the current rent to owner is a reasonable rent.
- (3) The PHA must determine whether the rent to owner for the manufactured home space is a reasonable rent in comparison to rent for other comparable manufactured home spaces. To make this determination, the PHA must consider the location and size of the space, and any services and maintenance to be provided by the owner in accordance with the lease (without a fee in addition to the rent).
- (4) By accepting each monthly housing assistance payment from the PHA, the owner of the manufactured home space certifies that the rent to owner for the space is not more than rent charged by the owner for unassisted rental of comparable spaces in the same manufactured home park or elsewhere. The owner must give the PHA information, as requested by the PHA, on rents charged by the owner for other manufactured home spaces.

4. Manufactured home space rental: Housing assistance payment. Sec. 982.623<sup>1</sup>

(a) Housing assistance payment: For certificate tenancy.

- (1) During the term of a certificate tenancy (entered prior to the merger date), the amount of the monthly housing assistance payment equals the lesser of the amounts specified in paragraphs (b)(1)(i) or (b)(1)(ii) of this section:
  - (i) Manufactured home space cost minus the total tenant payment.
  - (ii) The rent to owner for the manufactured home space.
- (2) "Manufactured home space cost" means the sum of:
  - (i) The amortization cost,
  - (ii) The utility allowance, and

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<sup>1</sup> 24 CFR CH. IX (4-1-03 Edition)



- (iii) The rent to owner for the manufactured home space.
- (3) Amortization cost,
- (i) The amortization cost may include debt service to amortize cost (other than furniture costs) included in the purchase price of the manufactured home. The debt service includes the payment for principal and interest on the loan. The debt service amount must be reduced by 15 percent to exclude debt service to amortize the cost of furniture, unless the PHA determines that furniture was not included in the purchase price.
  - (ii) The amount of the amortization cost is the debt service established at time of application to a lender for financing purchase of the manufactured home if monthly payments are still being made. Any increase in debt service due to refinancing after purchase of the home is not included in amortization cost.
  - (iii) Debt service for set-up charges incurred by a family that relocates its home may be included in the monthly amortization payment made by the family. In addition, set-up charges incurred before the family became an assisted family may be included in the amortization cost if monthly payments are still being made to amortize such charges.
- (b) Housing assistance payment for voucher tenancy.
- (1) There is a separate fair market rent for a manufactured home space. The FMR for a manufactured home space is determined in accordance with §888.113(e) of this title. The FMR for a manufactured home space is generally 40 percent of the published FMR for a two-bedroom unit.
  - (2) The payment standard shall be determined in accordance with §982.505.
  - (3) The PHA shall pay a monthly housing assistance payment on behalf of the family that is equal to the lower of:
    - (i) The payment standard minus the total tenant payment; or
    - (ii) The rent paid for rental of the real property on which the manufactured home owned by the family is located ("space rent") minus the total tenant payment.



- (4) The space rent is the sum of the following as determined by the PHA:
- (i) Rent to owner for the manufactured home space;
  - (ii) Owner maintenance and management charges for the space;
  - (iii) The utility allowance for tenant-paid utilities.

5. Space Rental: Utility allowance schedule. Sec. 982.624<sup>2</sup>

The PHA must establish utility allowances for manufactured home space rental. For the first twelve months of the initial lease term only, the allowances must include a reasonable amount for utility hook-up charges payable by the family if the family actually incurs the expenses because of a move. Allowances for utility hook-up charges do not apply to a family that leases a manufactured home space in place. Utility allowances for manufactured home space must not cover costs payable by a family to cover the digging of a well or installation of a septic system.



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## **FAMILY SELF-SUFFICIENCY PROGRAMS (If Applicable)**

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### **The MHA does not have a Family Self-Sufficiency Program**

The purpose of the family self-sufficiency (FSS) program is to promote the development of local strategies to coordinate the use of public housing assistance and assistance under the Housing Choice Voucher program with public and private resources, to enable families eligible to receive assistance under these programs, and to achieve economic independence and self sufficiency.

This MHA has developed an action plan and policy and procedures to implement the requirements of this program. A copy of this plan; policy and procedure is attached to this document and is incorporated by reference as if fully set out herein. The FSS plan includes the following and meets the requirements of Interim HUD Notice 93-24, issued May 27, 1993:

Eligible FSS Participants: Description of how current Housing Choice Voucher participants (Families currently receiving Housing Choice Voucher assistance are the only families eligible to participate in the FSS Program) will be selected to participate in the FSS Program; (Reference Action Plan and Policy and Procedures to Implement the FSS Program for specific guidelines on selecting participants for the FSS Program). The basis selection criteria is listed below:

- A. Fifty percent (50%) of the MHA's slots will be allocated to Housing Choice Voucher participants with one or more family members currently enrolled in, or on the waiting list for, one or more FSS related service programs such as Job Opportunities and Basic Skills Training (JOBS) and/or Job Training Partnership Act (JTPA).
- B. The remaining fifty percent (50%) of the MHA's slots will be filled based on the date and time a family expresses interest in the FSS Program. The MHA will notify each Housing Choice Voucher participant of the availability of the FSS Program, in writing, and inform the families that eligibility for participation will be based on the date and time the MHA is contacted by the family and an interest is expressed in the program.



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## SET ASIDE VOUCHER PROGRAMS (If Applicable)

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### VASH Program/Mainstream Voucher Program

**The MHA does not administer a VASH program.**

In cooperation with the Veterans Administration, the **VASH Program** provides rental vouchers to homeless veterans with psychiatric and/or substance abuse disorders. Applicants to the VASH Program will be referred by the Veteran's Administration Homeless Program . administrator. Applicants will have been homeless for six months and received continuing treatment before becoming eligible for referral by the VA. All other rules of the Voucher Program will apply to determine eligibility and continued assistance, whether or not the applicant remains with the counseling services of the VASH program.

The **Mainstream Voucher Program** is for families where the head of household or spouse is disabled and under 62 years of age. Families will be selected by the date and time of their application and local preference from the Housing Choice Voucher and Public Housing Waiting lists. If there is not an adequate supply of applicants, the PHA will open applications.

Families who are on the wait list and also qualify for the mainstream program, will be selected by the normal process from the wait list if there are no more mainstream vouchers available.

## RENTAL ASSISTANCE DEMONSTRATION (RAD) PROGRAM

### General

The Monroe Housing Authority will administer the Rental Assistance Demonstration Program in accordance with the provisions set forth in the Consolidated and Further Continuing Appropriations Act of 2012; HUD Notice PIH 2019-23 and subsequent guidance notices issued by the U. S. Department of Housing and Urban Development; the plan set forth herein; and any further notices issued by HUD.

This chapter outlines MHA policies regarding the Rental Assistance Demonstration Program

### Tenant Based Versus Project Based Vouchers

Except as otherwise noted in this chapter, or unless specifically prohibited by PBV program regulations, the PHA policies for the tenant-based voucher program contained in this administrative plan also apply to the RAD PBV program and its participants. This chapter is intended to address requirements specific to the RAD PBV program only.

## Relocation Requirements

In some developments, in-place residents may need to be relocated as a result of properties undergoing repairs, being demolished and rebuilt, or when assistance is transferred from one site to another. RAD program rules prohibit the permanent, involuntary relocation of residents as a result of conversion. Residents that are temporarily relocated retain the right to return to the project once it has been completed.

Relocation assistance provided to residents will vary depending on the length of time relocation is required. Residents will be properly notified in advance of relocation requirements in accordance with RAD program rules and Uniform Relocation Act (URA) requirements.

Alternative housing options may involve a variety of housing options, including but not limited to:

- Transfers to public housing
- Admission to other affordable housing properties subject to the applicable program rules
- Housing choice voucher (HCV) assistance
- Other options identified by the PHA

## Equal Opportunity Requirements

RAD conversions are governed by the same civil rights authorities that govern HUD-assisted activities in general. MHA will comply with all applicable fair housing and civil rights laws when conducting relocation planning and providing relocation assistance.

## PBV Project Selection

Projects selected for assistance under RAD PBV are selected in accordance with the provisions in Notice PIH 2012-32, REV-3. Therefore, 24 CFR 983.51 does not apply since HUD selects RAD properties through a competitive selection process.

## Ownership and Control

Except where permitted to facilitate the use of low-income housing tax credits, during both the initial term and renewal terms of the HAP contract, ownership must be by a public or non-profit entity. The requirement for a public or non-profit entity is satisfied if a public or non-profit entity (or entities), directly or through a wholly-owned affiliate (1) holds a fee simple interest in the property; (2) is the lessor under a ground lease with the property owner; (3) has the direct or indirect legal authority to direct the financial and legal interest of the property owner with respect to the RAD units, (4) owns 51 percent or more of the general partner interests in



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a limited partnership or 51 percent or more of the managing member interests in a limited liability company with all powers of a general partner or managing member, as applicable; (5) owns a lesser percentage of the general partner or managing member interests and holds certain control rights as approved by HUD; (6) owns 51 percent or more of all ownership interests in a limited partnership or limited liability company and holds certain control rights as approved by HUD; or (7) other ownership and control arrangements approved by HUD.

If low-income housing tax credits will be used, HUD may allow ownership of the property to be transferred to a tax credit entity controlled by a for-profit entity if HUD determines that the PHA preserves its interest in the property. Preservation of PHA interest in the property includes but is not limited to the following:

- The PHA, or an affiliate under its sole control, is the general partner or managing member;
- The PHA retains fee ownership and leases the real estate to the tax credit entity pursuant to a long-term ground lease;
- The PHA retains control over leasing the property and determining program eligibility;
- The PHA enters into a control agreement by which the PHA retains consent rights over certain acts of the project owner and retains certain rights over the project;
- Other means that HUD finds acceptable

### **PHA-Owned Units**

If the project is PHA-owned, rent-setting and inspection functions set out in 24 CFR 983.59 must be conducted by an independent entity approved by HUD.

The independent entity that performs these program services may be the unit of general local government for the PHA jurisdiction (unless the PHA is itself the unit of general local government or an agency of such government), or another HUD-approved public or private independent entity.

The PHA may compensate the independent entity from PHA ongoing administrative fee income (including amounts credited to the administrative fee reserve). The PHA may not use other program receipts to compensate the independent entity for its services. The PHA, and the independent entity, may not charge the family any fee for the services provided by the independent entity.

### **Subsidy Layering Requirements**

In the case of a PHA that is converting all of its ACC units, there is no restriction on the amount of public housing funds that may be contributed to the covered project at closing; the PHA may convey all program funds to the covered projects. In order to cover the cost of



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administrative activities required to terminate the ACC, once it no longer has units under the ACC and has no plans to develop additional public housing, the PHA may:

- Designate that a reserve associated with the project be available to fund any public housing closeout costs (such as an operating deficit reserve or a specific PHA close-out reserve). Any funds not needed for public housing close-out costs would remain in such reserve or may be transferred to another reserve associated with the project (such as the replacement reserve). Thereafter, these funds may be used at the project pursuant to the authorized use of the applicable reserve; or
- Retain funds under the public housing program for this purpose. However, HUD will recapture any public housing funds that a PHA does not expend for closeout costs.

In the case where the PHA will continue to maintain other units in its inventory under a public housing ACC, a contribution of operating funds to the covered project that exceeds the average amount the project has held in operating reserves over the past three years will trigger a subsidy layering review under 24 CFR 4.13. Similarly, any contribution of capital funds, including Replacement Housing Factor (RHF) or Demolition Disposition Transitional Funding (DDTF), will trigger a subsidy layering review. Notwithstanding the subsidy layering review, PHAs should be mindful of how the capital funds or operating reserves used in the financing of its RAD properties may impact the physical and financial health of properties that will remain in its public housing inventory.

In addition, following execution of the HAP contract, PHAs are authorized to use operating and capital funds to make HAP payments for the remainder of the first calendar year in which the HAP contract is effective. Otherwise, a PHA may not contribute public housing program funds to the covered project unless such funding has been identified in the approved financing plan and included in the approved “sources and uses” attached to the RCC.

### **PBV Percentage Limitation**

Covered projects do not count against the maximum amount of assistance a PHA may utilize for the PBV program

There is no cap on the number of units that may receive PBV assistance in a project.

### **Site Selection Standards**

Site selection requirements set forth in 24 CFR 983.57 apply to RAD PBV, with the exception of 983.57(b)(1) and (c)(2). HUD waives the provisions regarding deconcentration of poverty and expanding housing and economic opportunity for existing housing sites.



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HUD will conduct a front-end civil rights review of the PHA's proposed site in certain circumstances. For RAD PBV conversions that involve new construction located in an area of minority concentration (whether on the existing public housing site or on a new site) HUD will determine whether it meets one of the exceptions that would allow for new construction in an area of minority concentration.

The PHA must ensure that its RAD PBV conversion, including any associated new construction, is consistent with its certification to affirmatively further fair housing and complies with civil rights laws.

### **Environmental Review**

HUD cannot approve an applicant's financing plan submission unless and until the required environmental review has been completed for the applicant's proposed conversion project and found to meet environmental review requirements. Environmental documents must be submitted as part of the financing plan. HUD will not issue a RAD Conversion Commitment (RCC) if the project plan does not meet the environmental review requirements described in Attachment 1A of Notice PIH 2012-32, REV-3.

### **Dwelling Units**

This part identifies the special housing quality standards that apply to the RAD PBV program, housing accessibility for persons with disabilities, and special procedures for conducting housing quality standards inspections.

### **Inspections**

#### **Initial Inspection**

Under RAD, all units must meet HQS no later than the date of completion of the work as indicated in the RCC.

Before providing assistance to a new family in a contract unit, the PHA must inspect the unit. The PHA may not provide assistance on behalf of the family until the unit fully complies with HQS.

#### **Annual Inspections**

The PHA will inspect on an annual basis a random sample consisting of at least 20 percent of the contract units in each building to determine if the contract units and the premises are maintained in accordance with HQS.



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If more than 20 percent of the sample of inspected contract units in a building fail the initial inspection, the PHA must reinspect 100 percent of the contract units in the building.

### **Other Inspections**

The PHA must inspect contract units whenever needed to determine that the contract units comply with HQS and that the owner is providing maintenance, utilities, and other services in accordance with the HAP contract. The PHA must take into account complaints and any other information coming to its attention in scheduling inspections.

The PHA must conduct follow-up inspections needed to determine if the owner (or, if applicable, the family) has corrected an HQS violation, and must conduct inspections to determine the basis for exercise of contractual and other remedies for owner or family violation of HQS.

In conducting PHA supervisory quality control HQS inspections, the PHA should include a representative sample of both tenant-based and project-based units.

### **Inspecting PHA-Owned Units**

In the case of PHA-owned units, the inspections must be performed by an independent agency designated by the PHA and approved by HUD. The independent entity must furnish a copy of each inspection report to the PHA and to the HUD field office where the project is located. The PHA must take all necessary actions in response to inspection reports from the independent agency, including exercise of contractual remedies for violation of the HAP contract by the PHA-owner.

### **HAP Contract**

Public housing projects converting under RAD do not employ the PBV Agreement to Enter into a Housing Assistance Payments (AHAP) contract. Instead, following the execution of all requirements contained in the Commitment to Enter into a HAP (CHAP) contract and the RAD Conversion Commitment (RCC), a project is converted immediately to the RAD PBV HAP contract following the closing of any construction financing. Owners of public housing projects converted to PBV assistance via RAD enter into a HAP contract with the PHA that will administer the PBV assistance. Units assisted under a RAD PBV HAP contract must be subject to long-term, renewable use and affordability restrictions.



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## **Contract Information**

The RAD PBV program uses the PBV HAP contract for new construction or rehabilitated housing (Form HUD-52530A), as modified by the RAD rider (Form HUD-52621). The distinction between “existing housing” and “rehabilitated and newly constructed housing” is overridden by RAD requirements. The RAD rider must be attached to the PBV HAP contract and effectuates the conversion of public housing to PBV under RAD PBV. The project must also have an initial RAD use agreement. All public housing RAD conversion properties financed with LIHTC are also required to include an LIHTC rider.

## **Execution and Effective date of the HAP Contract**

RAD PBV projects do not employ an Agreement to Enter into a Housing Assistance Payments (AHAP) contract like in the standard PBV program. Rather, when the conditions of the CHAP and the RCC are met and the conversion has closed, the PHA executes the HAP contract. Project owners may select the effective date of the HAP contract as the first day of either of the two months following the completed closing.

## **Term of HAP Contract**

The initial term of the HAP contract may not be for less than 15 years, and may be for a term of up to 20 years upon request of the owner and with approval of the administering voucher agency. Upon expiration of the initial term of the contract, and upon each renewal term of the contract, the owner must accept each offer to renew the contract, subject to the terms and conditions applicable at the time of each offer, and further subject to the availability of appropriations for each year of each such renewal. To implement this provision, HUD is waiving section 8(o)(13)(F) of The United States Housing Act of 1937, which established a maximum term of 15 years, as well as 24 CFR 983.205(a), which governs the contract term.

## **Agreement to Enter into a HAP (AHAP) Contract**

For public housing conversions to PBV, there will be no agreement to enter into a Housing Assistance Payments (AHAP) contract. Therefore, all regulatory references to the Agreement (AHAP), including regulations under 24 CFR Part 983 Subpart D, are waived. The definitions for proposal selection date, new construction, rehabilitation, and existing housing are not applicable.

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## **Mandatory Contract Renewal**

By statute, upon contract expiration, the agency administering the vouchers will offer, and the PHA will accept, renewal of the contract subject to the terms and conditions applicable at the time of renewal and the availability of appropriations each year for such renewal. Consequently 24 CFR 983.205(b), governing the PHA discretion to renew the contract for term of up to 15 years, will not apply.

In the event that the HAP contract is removed due to breach, non-compliance or insufficiency of appropriations, for all units previously covered under the HAP contract, new tenants must have incomes at or below 80 percent of the area median income at the time of admission and rents may not exceed 30 percent of 80 percent of median income for an appropriate size unit for the remainder of the term of the RAD use agreement.

## **Remedies for HQS Violations**

The PHA will abate and terminate PBV HAP contracts for noncompliance with HQS in accordance with the policies used in the tenant-based voucher program.

## **HAP Contract Amendments**

### **Floating Units**

The PHA may float assistance among unoccupied units within the project. Tracking of the number and type of units at the property, as well as identification of comparable units when assistance is floated will be maintained by each property.

## **HAP Contract Anniversary Date**

The HAP contract year is the period of 12 calendar months preceding each annual anniversary of the HAP contract during the HAP contract term. The initial contract year is calculated from the first day of the first calendar month of the HAP contract term.

The annual anniversary of the HAP contract is the first day of the first calendar month after the end of the preceding contract year. There is a single annual anniversary date for all units under a particular HAP contract.

## **Vacancy Payments**

MHA will provide vacancy payments under the PBV contract for up to 60 days provided that the vacancy is not the fault of the owner and the owner has taken every reasonable action to minimize the likelihood and extent of vacancies.



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## **Selection of PBV Program Participants**

### **A. Rescreening of Existing Public Housing Residents Upon Conversion**

Current households will not be excluded from occupancy at the covered project based on any rescreening, income eligibility, or income targeting provisions. Consequently, current households will be grandfathered for application of any eligibility criteria to conditions that occurred prior to conversion but will be subject to any ongoing eligibility requirements for actions that occur after conversion.

### **B. Waiting List**

The PHA will establish and manage separate waiting lists for individual projects or buildings that are receiving RAD PBV assistance.

After conversion to RAD PBV, applicants who will occupy units with RAD PBV assistance must be selected from the MHA's PBV Waiting list.

### **Income Targeting**

At least 75 percent of the families admitted to the PHA's tenant-based and project-based voucher programs during the PHA fiscal year from the waiting list must be extremely-low income families. The income targeting requirement applies to the total of admissions to both programs.

Families in place at the time of the conversion are exempt from income targeting requirements. New admissions follow standard PBV requirements.

### **Units with Accessibility Features**

When selecting families to occupy PBV units that have special accessibility features for persons with disabilities, MHA will first refer families who require such features to the owner.

### **Disapproval by Landlord**

If a PBV owner rejects a family for admission to the owner's units, such rejection may not affect the family's position on the tenant-based voucher waiting list.



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## **Owner Selection of Tenants**

The owner is responsible for developing written tenant selection procedures that are consistent with the purpose of improving housing opportunities for very low-income families and reasonably related to program eligibility and an applicant's ability to fulfill their obligations under the lease. An owner must promptly notify in writing any rejected applicant of the grounds for any rejection.

## **Leasing**

During the term of the HAP contract, the owner must lease contract units to eligible families that are selected and referred by the PHA from the PHA's waiting list. The contract unit leased to the family must be the appropriate size unit for the size of the family, based on the PHA's subsidy standards.

## **Filling Vacancies**

The owner must notify the PHA in writing (mail, fax, or e-mail) within five business days of learning about any vacancy or expected vacancy.

The PHA will make every reasonable effort to refer families to the owner within 10 business days of receiving such notice from the owner.

## **Tenant Screening**

The PHA will not conduct screening to determine a PBV applicant family's suitability for tenancy.

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

## **Occupancy**

After an applicant has been selected from the waiting list, determined eligible by the PHA, referred to an owner, and determined suitable by the owner, the family will sign the lease and occupancy of the unit will begin.



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## Initial Term and Lease Renewal

Leases for residents who will remain in place (i.e., who will not be relocated solely as a result of conversion) must have an effective date that coincides with—and must be signed on or before—the effective date of the RAD PBV HAP contract.

The initial lease term must be for at least one year. The lease must provide for automatic renewal after the initial term of the lease in either successive definitive terms (e.g., month-to-month or year-to-year) or an automatic indefinite extension of the lease term. For automatic indefinite extension of the lease term, the lease terminates if any of the following occur:

- The owner terminates the lease for good cause
- The tenant terminates the lease
- The owner and tenant agree to terminate the lease
- The PHA terminates the HAP contract
- The PHA terminates assistance for the family

## Owner Termination of Tenancy

With two exceptions, the owner of a PBV unit may terminate tenancy for the same reasons an owner may in the tenant-based voucher program (see Section 12-III.B. and 24 CFR 982.310). In the PBV program, terminating tenancy for “good cause” does not include doing so for a business or economic reason, or a desire to use the unit for personal or family use or other non-residential purpose.

Projects converting from public housing to PBV under RAD have additional procedural rights that do not apply to the standard PBV program. These procedural rights must be included in the owner’s lease as well as the PHA’s administrative plan. In addition to the regulations at 24 CFR 983.257 related to project owner termination of tenancy and eviction (which MTW agencies may not alter) the termination procedure for RAD conversions to PBV will require that PHAs provide adequate written notice of termination of the lease which may not be less than:

- A reasonable period of time, but not to exceed 30 days:
  - If the health or safety of other tenants, PHA employees, or persons residing in the immediate vicinity of the premises is threatened; or
  - In the event of any drug-related or violent criminal activity or any felony conviction
- 14 days in the case of nonpayment of rent



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- 30 days in any other case, except that if a state or local law provides for a shorter period of time, such shorter period will apply

Unlike in the standard PBV program, residents in converted projects have the right to request an informal hearing for issues that adversely affect the resident's rights, obligations, welfare, or status with both the PHA and the project owner.

### **Continuation of Housing Assistance Payments**

If a participating family who was admitted after the RAD conversion receive zero assistance and subsequently experiences a change in circumstances that would result in a HAP payment to the owner, the family must notify the PHA of the change and request an interim reexamination before the expiration of the 180-day period.

### **Resident Participation and Funding**

Residents of covered projects converting assistance to PBVs will have the right to establish and operate a resident organization for the purpose of addressing issues related to their living environment and be eligible for resident participation funding.

### **Resident Moves**

### **Overcrowded, Under-Occupied, and Accessible Units**

All in-place tenants at the time of conversion are eligible to remain in the project. Over-housed families should be moved into appropriately sized units if such units are available in the new or rehabbed project. If appropriately sized units are not available, the existing tenants may continue to be over-housed until an appropriately sized unit becomes available or until the tenant leaves the project. Once the unit turns over, it must be leased to an appropriately sized family.

Following conversion, the standard PBV regulations apply. If the PHA determines that a family is occupying a wrong-size unit, based on the PHA's subsidy standards, or a unit with accessibility features that the family does not require, and the unit is needed by a family that does require the features, the PHA must promptly notify the family and the owner of this determination, and the PHA must offer the family the opportunity to receive continued housing assistance in another unit.

MHA will notify the family and the owner of the family's need to move based on the occupancy of a wrong-size or accessible unit within 10 business days of the PHA's determination. The PHA will offer the family the following types of continued assistance in the following order, based on the availability of assistance:



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PBV assistance in the same building or project  
PBV assistance in another project  
Tenant-based voucher assistance

If the PHA offers the family a tenant-based voucher, the PHA must terminate the housing assistance payments for a wrong-size or accessible unit at the earlier of the expiration of the term of the family's voucher, including any extension granted by the PHA, or the date upon which the family vacates the unit. If the family does not move out of the wrong-size unit or accessible unit by the expiration of the term of the family's voucher, the PHA must remove the unit from the HAP contract.

If the PHA offers the family another form of assistance that is not a tenant-based voucher, and the family does not accept the offer, does not move out of the PBV unit within a reasonable time as determined by the PHA, or both, the PHA must terminate the housing assistance payments for the unit at the expiration of a reasonable period as determined by the PHA and remove the unit from the HAP contract.

When the PHA offers a family another form of assistance that is not a tenant-based voucher, the family will be given 30 days from the date of the offer to accept the offer and move out of the PBV unit. If the family does not move out within this 30-day time frame, the PHA will terminate the housing assistance payments at the expiration of this 30-day period.

The PHA may make exceptions to this 30-day period if needed for reasons beyond the family's control such as death, serious illness, or other medical emergency of a family member.

### **Choice Mobility**

Prior to providing notice to the owner to terminate the lease, the family may submit a written request to the PHA for a choice mobility voucher at any time after completing the 12-month occupancy requirement.

The family will remain eligible to request a choice mobility voucher as long as they continue living at the same covered project. If a family moves from one covered project to another covered project prior to completing their 12-month occupancy requirement, their 12-month clock will reset. The family must wait 12 months from the date of move at the new property before they may request another choice mobility voucher. If a family transfers to a different unit within the same covered project, the 12-month clock does not reset.



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The PHA will maintain a combined, agency-wide waiting list for all standard PBV and RAD PBV families wishing to exercise mobility after one year of tenancy. This list will be maintained separately from the tenant-based HCV list. Families on the choice mobility waiting list will be given priority over families on the tenant-based waiting list. The choice mobility waiting list will be organized by date and time of the family's written request to exercise choice mobility. The list will also identify whether families live in standard or RAD PBV units.

## **Resident Rights**

Additional termination notification requirements for public housing projects that convert assistance under RAD to PBV beyond those for the standard PBV program. In addition to the regulations at 24 CFR 983.257 related to owner termination of tenancy and eviction the termination procedure for RAD conversions to PBV require that PHAs provide adequate written notice of termination of the lease, which is no less than:

- A reasonable period of time, but not to exceed 30 days:
  - If the health or safety of other tenants, project owner employees, or persons residing in the immediate vicinity of the premises is threatened; or
  - In the event of any drug-related or violent criminal activity or any felony conviction.
- Not less than 14 days in the case of nonpayment of rent
- Not less than 30 days in any other case, except that if a state or local law provides for a shorter period of time, such shorter period will apply

## **Informal Reviews and Hearings**

Unlike in the standard PBV program, residents in converted projects have the right to request an informal hearing for issues that adversely affect the resident's rights, obligations, welfare, or status with MHA and the project owner.

An opportunity for an informal hearing will be given to residents for any dispute that a resident may have with respect to an owner action in accordance with the individual's lease or the contract administrator in accordance with RAD PBV requirements that adversely affect the resident's rights, obligations, welfare, or status.

An informal hearing will not be required for class grievances or for disputes between residents not involving the PHA (as owner) or contract administrator. This hearing requirement does not apply to and is not intended as a forum for initiating or negotiating policy changes between a group or groups of residents and the PHA (as owner) or contract administrator.



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## Phase-In of Tenant Rent Increases

The PHA will implement a three-year phase-in for in-place families whose rent increases by more than the greater of 10 percent or \$25 as a result of the conversion as follows:

Year 1: Any recertification (interim or annual) performed prior to the second annual recertification after conversion: 33 percent of the difference between the most recently paid TTP and the calculated PBV TTP

Year 2: Year 2 annual recertification (AR) and any interim recertification (IR): 50 percent of the difference between the most recently paid TTP and the calculated PBV TTP

Year 3: Year 3 AR and all subsequent recertifications: Full calculated TTP

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



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## LANDLORD REQUIREMENTS TO EXECUTE A HAP CONTRACT

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In order to execute a HAP Contract with the PHA each landlord must submit the following to the Housing Choice Voucher Manager or his/her/their designee.

Request for Tenancy Approval with the following attachments:

1. Housing Choice Voucher Landlord Certification Form.
2. Form W-9, Request for Taxpayer Identification and Certification.
3. Landlord Certification regarding rent approvals and leasing to relatives prohibition.
4. Proof of Ownership.
5. Tax Status Verification from the City of Monroe.
6. Verification of Property Management Services for absentee landlords.

The unit must also pass a HUD Housing Quality Standards inspection before approval and execution of the Contract.

All documents must be submitted to this office before the proposed contract date.

Landlords whose taxes are delinquent, but are on a repayment agreement with the City of Monroe, will be allowed to participate in the program as long as the agreement is in good standing. If the agreement is not maintained the PHA will terminate the contract with sixty day notice to the landlord and tenant.

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## APPENDIX I, INFORMAL REVIEW FOR APPLICANTS

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### INFORMAL REVIEW FOR APPLICANTS

1. **Notice to Applicant** - The MHA will give an applicant for participation prompt written notice of a decision denying assistance to the applicant within 30 days. The notice will contain a brief statement of the reasons for the MHA's decision. The notice will also state that the applicant may request an informal review of the decision and the notice will describe how to obtain the informal review.
  
2. **Informal Review Process** - The MHA will give an applicant an opportunity for an informal review of the MHA's decision denying assistance to the applicant. The MHA review procedures will be as follows:
  - A. The review will be conducted by a person designated by the MHA, other than a person who made or approved the decision under review or a subordinate of this person.
  - B. The applicant will be given an opportunity to present written or oral objections to the MHA's decision.
  - C. The MHA will notify the applicant of the final decision after the informal review, including a brief statement of the reasons for the final decision.
  
3. **When Informal Review is not Required** - The MHA is not required to provide an applicant an opportunity for an informal review for any of the following:
  - A. Discretionary administrative determinations by the MHA.
  - B. General policy issues or class grievances.
  - C. A determination of the family unit size under the MHA subsidy standards.
  - D. An MHA determination not to approve an extension or suspension of voucher term.
  - E. An MHA determination not to grant approval to lease a unit under the program or to approve a proposed lease.
  - F. An MHA determination that a unit selected by the applicant is not in compliance with HQS.
  - G. An MHA determination that the unit is not in accordance with HQS because of the family size or composition.
  - H. Established by the MHA schedule of utility allowances for families in the program.

## **MONROE HOUSING AUTHORITY**

### **HOUSING ASSISTANCE PAYMENTS PROGRAM**

#### **ELIGIBILITY OF HOUSING CHOICE VOUCHER PARTICIPANT FOR REQUESTING AN INFORMAL HEARING**

The Housing Assistance Payments Program of the Monroe Housing Authority (MHA) **MUST** provide an opportunity for an INFORMAL HEARING if requested by the family, to consider whether the following decisions or determinations relating to the individual circumstances of the family are in accordance with the law, the U.S. Department of Housing and Urban Development's regulation and the rules and regulations of the MHA.

#### **1. *When a Hearing is Required***

- A. The MHA must give a participant family an opportunity for an informal hearing to consider whether the following MHA decisions relating to the individual circumstances of a participant family are in accordance with the law, HUD regulations and MHA policies:
  - i. MHA's determination of the family's annual or adjusted income, and the use of such income to compute the Housing Assistance Payment.
  - ii. MHA's determination of the appropriate utility allowance (if any) for tenant-paid utilities from the MHA utility allowance schedule.
  - iii. MHA's determination of the family unit size under the MHA subsidy standards.
  - iv. MHA's determination that a Housing Choice Voucher program family is residing in a unit with a larger number of bedrooms than appropriate for the family unit size under the MHA subsidy standards, or the MHA determination to deny the family's request for an exception from the standards.
  - v. MHA's determination to terminate assistance for a participant family because of the family's action or failure to act.

- vi. MHA's determination to terminate assistance because the participant family has been absent from the assisted unit for longer than the maximum period permitted under MHA policy and HUD rules.
- B. In the cases described in paragraphs iv., v., and vi. above, the MHA must give the opportunity for an informal hearing before the MHA terminates Housing Assistance Payments for the family under an outstanding HAP Contract.

**2. *When Hearing is not Required***

The MHA is not required to provide a participant family an opportunity for an informal hearing for any of the following:

- A. Discretionary administrative determinations by the MHA.
- B. General policy issues or class grievance.
- C. Establishment of the MHA schedule of utility allowances for families in the program.
- D. An MHA determination not to approve an extension or suspension of a housing choice voucher term.
- E. An MHA determination not to approve a unit or lease.
- F. An MHA determination that an assisted unit is not in compliance with HQS. (However, the MHA must provide the opportunity for an informal hearing for a decision to terminate assistance for a breach of the HQS caused by the family.
- G. An MHA determination that the unit is not in accordance with HQS because of the family size.
- H. A determination to exercise or not to exercise any right or remedy against the owner under an HAP Contract.

**3. *Notice to Family***

- A. In cases described in 1.i., ii. and iii., the MHA shall notify the family that the family may ask for an explanation of the basis of the MHA's determination, and that if the family does not agree with the determination, the family may request an informal hearing on the decision. Request for a hearing must be in written form and received within five (5) days of MHA Notice to the family.
- B. In cases described in paragraphs 1A, v. and vi. of this section, the MHA must give the family prompt written notice that the family may request a hearing. The notice must:

- i. Contain a brief statement of reasons for the decision,
- ii. State that if the family does not agree with the decision, the family may request an informal hearing on the decision, and
- iii. State the deadline for the family to request an informal hearing.

**4. *Expeditious hearing process***

Where a hearing for a participant family is required under this section, the MHA must proceed with the hearing in a reasonably expeditious manner upon the request of the family.

**5. *Hearing Procedures***

A. *Administrative Plan* - The administrative plan must state the MHA's procedures for conducting informal hearings for participants.

B. *Discover*

i. *By family* - The family must be given the opportunity to examine before the MHA hearing any documents that are directly relevant to the hearing. The family must be allowed to copy any such document at the family's expense. If the MHA does not make the document available for examination on request of the family, the MHA may not rely on the document at the hearing.

ii. The MHA hearing procedures may provide that the MHA must be given the opportunity to examine at MHA offices before the MHA hearing any family documents that are directly relevant to the hearing. the MHA must be allowed to copy any such document at the MHA expense. If the family does not make the document available for examination on request of the MHA, the family may not rely on the document at the hearing.

iii. *Documents* - The term "documents" includes records and regulations.

C. *Representation of family*

At its own expense, the family may be represented by a lawyer or other representative.

D. *Hearing Officer. Appointment and authority.*

i. The hearing may be conducted by any person or persons designated by the MHA, other than a person who made or approved the decision under review or a subordinate of this person.

- ii. The person who conducts the hearing may regulate the conduct of the hearing in accordance with the MHA's hearing procedures.
- E. *Evidence* - The MHA and the family must be given the opportunity to present evidence, and may question any witnesses. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.
- F. *Issuance of decision* - The person who conducts the hearing must issue a written decision, stating briefly the reasons for the decision. Factual determinations relating to the individual circumstances of the family shall be based on a preponderance of the evidence presented at the hearing. A copy of the hearing decision shall be furnished within 10 days of hearing to the family.

**6. *Effect of decision* -**

The MHA is not bound by a hearing decision.

- A. Concerning a matter for which the MHA is not required to provide an opportunity for an informal hearing under this section, or that otherwise exceeds the authority of the person conducting the hearing under the MHA's hearing procedures.
- B. Contrary to HUD regulations or requirements, or otherwise contrary to federal, State or local law.
- C. If the MHA determines that it is not bound by a hearing decision, the MHA must promptly notify the family of the determination, and of the reasons for the determination.

**7. *Restrictions on assistance for non-citizens***

The informal hearing provisions for the denial of assistance on the basis of ineligible immigration status are contained in 24 CFR Part 5.

# APPENDIX III, EQUAL OPPORTUNITY CERTIFICATION

**Equal Opportunity Certifications**  
 Section 8 Certificate Program and  
 Section 8 Housing Voucher Program

**U.S. Department of Housing  
 and Urban Development**  
 Office of Fair Housing  
 and Equal Opportunity

The Housing Agency certifies that:

- |   |  |
|---|--|
| <p>(1) The Housing Agency will comply with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) and regulations issued pursuant thereto (24 CFR Part 1) which state that no person in the United States shall, on the ground of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the applicant receives financial assistance; and will take any measures necessary to effectuate this agreement.</p> <p>(2) The Housing Agency will comply with the Fair Housing Act (42 U.S.C. 3601-19) and regulations issued pursuant thereto (24CFR Part 100) which prohibit discrimination in housing on the basis of race, color, religion, sex, handicap, familial status, or national origin, and administer its programs and activities relating to housing in a manner to affirmatively further fair housing.</p> <p>(3) The Housing Agency will comply with Executive Order 11063 on Equal Opportunity in Housing which prohibits discrimination because of race, color, creed, or national origin in housing and related facilities provided with Federal financial assistance and HUD regulations (24 CFR Part 107).</p> | <p>(4) The Housing Agency will comply with Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and regulations issued pursuant thereto (24 CFR Part 8) which state that no otherwise qualified individual with handicaps in the United States shall solely by reason of the handicap be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving Federal financial assistance.</p> <p>(5) The Housing Agency will comply with the provisions of the Age Discrimination Act of 1975 (42 U.S.C. 6101-07) and regulations issued pursuant thereto (24 CFR Part 146) which state that no person in the United States shall on the basis of age be excluded from participation in, be denied the benefits of, or be subjected to discrimination under a program or activity receiving Federal financial assistance.</p> <p>(6) The Housing Agency will comply with the provisions of Title II of the Americans with Disabilities Act (42 USC 12131) and regulations issued pursuant thereto (28 CFR Part 35) which state that subject to the provisions of Title II, no qualified individual with a disability shall, by reason of such disability, be excluded from participation in or be denied the benefits of the services, programs or activities of a public entity, or be subjected to discrimination by any such entity.</p> |
|---|--|

**The following provisions apply only to housing assisted with Project-Based Certificates:**

- |   |   |
|---|---|
| <p>(7) The Housing Agency will comply with Executive Order 11246 and all regulations pursuant thereto (41 CFR Chapter 60-1) which state that no person shall be discriminated against on the basis of race, color, religion, sex or national origin in all phases of employment during the performance of Federal contracts and shall take affirmative action to ensure equal employment opportunity.</p> | <p>(8) The Housing Agency will comply with Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u) and regulations issued pursuant thereto (24 CFR Part 135), which require that, to the greatest extent feasible, opportunities for training and employment be given to lower-income persons residing within the unit of local government or the metropolitan area (or nonmetropolitan county) in which the project is located.</p> |
|---|---|

Name of Housing Agency	Date
Signature of Agency Representative	Title



form HUD-916 (4/95)  
 ref. Handbook 7420.3

**MONROE HOUSING AUTHORITY****BRIEFING ITEMS EXPLANATION AND PACKET**

1. Information and Explanation for Prospective Tenants
2. Housing Choice Voucher
3. Utility Schedule
4. Housing Choice Voucher Lease Addendum
5. Request for Tenancy Approval
6. Subsidy Standard with Explanation
7. A Good Place to Live
8. Lead Base Paint Brochure
9. Housing Discrimination Complaint Form
10. Equal Opportunity Certification
11. Landlord Listing
12. Family Obligations
13. Denial or Termination of Assistance
14. Informal Hearing Procedure
15. Progress Report on Lease Approval
16. Information Sheet on Landlord
17. Model Lease
18. What you should know about EIV

**Signature Certification**

**I have received the packet that contains the above items. These items were discussed with me in the briefing.**

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**Applicant**

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**Date**



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**Staff**

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**Date**

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## **APPENDIX V, OWNER'S GUIDE**

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**MONROE HOUSING AUTHORITY**  
**HOUSING CHOICE VOUCHER**  
**HOUSING ASSISTANCE PAYMENTS PROGRAM**

**OWNER'S GUIDE**

The Housing Choice Voucher Housing Assistance Payments (HAP) Program is a federally funded program administered by your local Housing Authority (HA); it provides housing assistance to eligible very low income families. The program enables families to obtain decent, safe and sanitary housing by subsidizing a portion of each tenant's monthly rent and paying it directly to the property owner. Single-family dwellings, apartment buildings, legal accessory apartments, and townhouses/condominiums are eligible. The owner retains the normal management rights and responsibilities including tenant screening and selection, rent collection, property maintenance and lease termination.

**WHO PARTICIPATES IN THE HOUSING CHOICE VOUCHER HAP PROGRAM?**

The Housing Choice Voucher Program assists very low income households. The Housing Authority selects families who meet income and eligibility requirements. A participating family may choose to remain in its current unit or move to another unit.

**HOW IS RENTAL ASSISTANCE PROVIDED?**

The Housing Authority calculates the amount of assistance each family receives.

Under the Housing Choice Voucher Program, the maximum subsidy is calculated by subtracting the Payment Standard from 30% of the family's adjusted income. The minimum rental portion a family will pay under the Voucher Program is 10% of its adjusted gross income.

After the approval of a prospective rental unit, this office will prepare the leasing documents. The landlord and tenant sign the Lease and Lease Addendum. The HA and owner will sign a Housing Assistance Payment (HAP) Contract. Each month the HA will make housing assistance payments directly to the owner. These payments are made as long as the family continues to be eligible and as long as the unit meets program requirements.

## **SECURITY DEPOSITS**

An owner may collect a security deposit in conformance with private market practice and in accordance with the security deposits he/she collects from non-subsidized tenants, not to exceed two month’s contract rent.

When the tenant moves out of the unit, the owner may use the security deposit as reimbursement for any unpaid tenant rent, tenant caused damages or any other amounts the tenant owes under the lease. The owner must give the tenant a written list of all items charged against the security deposit and the amount of each item within thirty days. After deducting the amount, if any, used to reimburse the owner, the owner must refund the full amount of the unused balance to the tenant in accordance with state and local law.

## **THE LEASE**

An initial written lease for a minimum of one year is required. The Monroe Housing Authority provides a Lease Addendum that contains mandated HUD language. If the owner uses their own lease it must be approved by the Housing Authority prior to signing. The HUD Lease Addendum takes precedence over the owner’s lease should there be a conflict.

## **HOUSING CONDITION**

All units in the Housing Choice Voucher Program must meet the health, safety, security and occupancy standards of the program and must comply with all local codes and/or ordinances. The unit must pass inspection before the tenant moves in. If the unit fails the initial inspection, the owner has the choice to comply with the repairs or select a non-assisted tenant.

## **HOUSING AUTHORITY APPROVAL OF HOUSING UNITS**

Should you decide to lease your unit to a Housing Choice Voucher participant, the following documents must be submitted to this office:

1. A completed and signed “Request for Tenancy Approval” form. (This form is provided by the HA.)
2. Landlord’s social security or federal identification number.
3. Signed “Housing Choice Voucher Landlord Certification” form provided by the HA.

## **TENANT RESPONSIBILITIES**

The tenant must fulfill family obligations as listed on their Housing Choice Voucher and other MHA documents.

The tenant must comply with the terms and conditions of the Lease and Lease Addendum.

The tenant is responsible for paying their rental portion each month.

The tenant is responsible for payment of utilities which are not included in the contract rent.

## **ANNUAL RECERTIFICATIONS, UNIT INSPECTIONS AND LEASE RENEWALS**

### **Tenant Income. Family Composition and On Going Eligibility:**

A change in the tenant’s income and/or family circumstances is likely to result in a change in the portion of rent paid by the tenant and by the HA. The owner and tenant will be notified in writing by the HA of the new amounts and the effective date.

### **Condition of the Property and Level of Maintenance:**

The PHA inspects the unit each year to insure that it continues to meet the HUD Housing Quality Standards (HQS). The HA will not continue the contract if the unit does not meet the HQS. These inspections also help you to stay informed about the condition of your property and help prevent deterioration.

The federal regulations prohibit this office from subsidizing any unit that fails inspection. For units under HAP Contract which fail inspection, an owner is provided no more than thirty days to make the necessary repairs and to bring the unit into compliance with Housing Quality Standards. If the unit has not passed the inspection by the deadline date stated in our notice to you, HAP payments will be abated until the repairs are made and/or the HAP Contract will be promptly canceled. If there are extenuating circumstances that prevent you from making the repairs within the time frame allowed, you must request an extension IN WRITING. This office will make a case by case determination regarding the granting of extensions.

Continual HQS violations by the owner are cause for the Housing Authority not to enter into any new contracts with this owner.

Tenants are held accountable for any HQS violations which are the result of tenant damage, due to neglect, use or misuse by themselves, family members and guests. The tenant will be required to make these repairs within 30 days. If the tenant fails to make the repairs, their assistance will be terminated in accordance with federal law. The HAP Contract will be terminated within 30 days notice to the landlord. A letter will be sent to you and your tenant pursuant to the housing inspection. This correspondence will itemize tenant and landlord repairs so each party will have a clear idea of which repairs are their responsibility. If the owner completes the tenant repairs they have a right to bill the tenant, in writing, for these repairs.

### **FRAUD PREVENTION AND CONTROL**

Incidence of fraud, willful misrepresentation, or intent to deceive with regard to the Housing Choice Voucher HAP Program are criminal acts. It is considered fraudulent for an owner to commit any of the following acts:

1. Requiring extra (“side”) payments in excess of the family’s share of the rent.
2. Collecting assistance payments for units not occupied by Housing Choice Voucher tenants.
3. When the owner resides in the unit being subsidized.
4. Bribing Housing Authority employees and/or contractor of the Authority to certify sub-standard units as standard.

Some examples of fraud involving tenants are:

1. Willful misrepresentation of total family income and/or composition.
2. Sub-leasing the unit to an unassisted person/family.
3. Not using the unit as their full-time residence.

Any landlord or tenant found guilty of fraud will be terminated from the Housing Choice Voucher Program. Tenants and Owners can also be terminated for criminal and drug activity. Owners are encouraged not to condone fraud by their tenants and to enforce the lease by notifying your tenant of any lease violation and the consequence of non-compliance with the lease. Remember, when the Housing Authority terminates the tenant for fraud you will no longer be entitled to Housing Assistance Payments and you will be responsible for evicting the family from your unit.

### **TENANT SCREENING**

It is the responsibility of the owner to select and screen their prospective tenants. To comply with equal housing laws, all tenants should be subject to the same criteria for eligibility. If careful screening is done you are more likely to rent to a tenant who will maintain the unit and pay their portion of the rent.

## **NON-DISCRIMINATION IN HOUSING**

In the selection of tenants, provision of services, or in any other manner, federal law states that an owner may not discriminate against any person because of race, color, religion, sex, handicap, marital status or national origin. Additionally, North Carolina state law prohibits discrimination based on income because the Housing Choice Voucher subsidy is considered a legal source of income.

## **OUTREACH TO OWNERS**

The Housing Authority is always seeking opportunities for housing which are decent, safe and sanitary for our Housing Choice Voucher families, in all areas of City of Monroe. You are encouraged to list any units you may have for rent by contacting this office. This list of available units will be provided to eligible families upon their request. The HA is particularly interested in units that may be accessible to the disabled or the handicapped. Please be aware that we will not allow any owners who have committed fraud, bribery or other corrupt or criminal acts to participate in the program.

For more information about the Housing Assistance Payments Program, please contact:

**MONROE HOUSING AUTHORITY  
HOUSING CHOICE VOUCHER HAP PROGRAM  
P.O. Box 805  
Monroe, NC 28111**

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## **APPENDIX VI, VERIFICATION PROCEDURES**

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## SECTION 8 HOUSING CHOICE VOUCHERS

### VERIFICATION PROCEDURES

[24 CFR Part 5, Subparts B, D, E and F; 982.516]

#### A. INTRODUCTION

HUD regulations require MHA to verify the factors of eligibility and Total Tenant Payment/Family Share. Applicants and program participants must provide true and complete information to MHA whenever information is requested. MHA's verification requirements are designed to maintain program integrity. This Chapter explains MHA's procedures and standards for verification of preferences, income, assets, allowable deductions, family status, and changes in family composition. MHA will obtain proper authorization from the family before requesting information from independent sources.

MHA staff will obtain written verification from independent sources whenever possible and will document tenant files whenever third party verifications are not possible as to why third party verification was not obtained as well as the manner in which the eligibility factors were verified.

#### B. METHODS OF VERIFICATION AND TIME ALLOWED [24 CFR 982.516]

MHA will verify information through five methods of verification according to the hierarchy listed below:

1. Enterprise Income Verification (EIV)
2. Third-Party Written Verification
3. Third-Party Oral Verification
4. Review of Documents
5. Certification/Self-Declaration

MHA will allow up to two (2) weeks for return of third-party verifications and up to one (1) additional week to obtain other types of verifications before going to the next method. MHA will document the file as to how the information was verified including an explanation for the method utilized if other than a written third party verification.

For applicants, verifications must be no older than 60 days prior to the issuance of a voucher. For participants, they will be valid for another 60 consecutive days from date of receipt.

## 1. Enterprise Income Verification

MHA will utilize Enterprise Income Verification methods, including, whenever possible as well as any other EIV that might become available to MHA.

Third-party verification may continue to be used to complement Enterprise Income Verification.

EIV may be used in lieu of 3<sup>rd</sup> party verifications when there is not a substantial difference between EIV and tenant-reported income. HUD defines substantial difference as \$200 or more per month.

40. If the income reflected on the EIV verification is less than that reflected on the tenant-provided documentation, MHA will use tenant-provided documents to calculate anticipated annual income as long as the difference is within the aforementioned \$200 threshold. The income reflected on the EIV verification must not be more than 60 days old.
41. If the income reflected on the EIV verification is greater than current tenant-provided documentation, MHA will use EIV income data to calculate anticipated annual income as long as the difference is within the above mentioned \$200 threshold; unless the tenant provides documentation of a change in circumstances (i.e. change in employment, reduction in hours, etc.) The tenant supplied documents must not be more than 60 days old.

In cases where EIV data is substantially different than tenant-reported income, MHA will follow the following guidelines:

42. MHA will utilize written third party verification to verify the information
43. When MHA cannot readily anticipate income, such as in cases of seasonal employment, unstable working hours, and suspected fraud, MHA will review historical income data for patterns of employment, paid benefits, and/or receipt of other income to anticipate income.
44. MHA will analyze all data (EIV data, third party verification and other documents; information provided by the family) and attempt to resolve the income discrepancy.
45. MHA will use the most current verified income data (and historical income data if appropriate) to calculate anticipated annual income.

If MHA is unable to anticipate annual income using current information due to historical fluctuations in income, MHA may average amounts received/earned to anticipate annual income.

If the tenant disputes EIV SS/SSI benefit data, MHA will request the tenant to provide a current original SSA notice or benefit letter within 10 business days of being notified of the dispute.

## **2. Third-Party Written Verification**

Third-party verification is used to verify information directly with the income source. Third-party written verification forms will be sent and returned via first class mail. The family will be required to sign an authorization for the information source to release the specified information.

Verifications received electronically directly from the income source are considered third party written verifications. Verifications hand carried by clients will be considered third party verifications.

MHA will accept verifications in the form of computerized printouts delivered by the family from the following agencies:

46. Social Security Administration
47. Veterans Administration
48. Welfare Assistance
49. Unemployment Compensation Board
50. City or County Courts

## **3. Third-Party Verbal Verification**

Verbal third-party verification will be used when written third-party verification is delayed or not possible. When third-party verbal verification is used, staff will be required to complete the Verbal Verification Log, noting with whom they spoke, the date of the conversation, and the facts provided. If verbal verification is utilized MHA must originate the call.

## **4. Review of Documents**

In the event that third-party written or verbal verification is unavailable, or the information has not been verified by the third party within two (2) weeks, MHA will annotate the file accordingly and utilize documents provided by the family as the primary source if the documents provide complete information.

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

MHA will accept the following documents from the family provided that the document is an original and does not appear to be tampered or altered.

51. Printed wage stubs
52. Computer print-outs from the employer

53. Letters signed by the employer or other appropriate party (provided that the information is confirmed by phone)

54. Other documents noted in this Chapter as acceptable verification

MHA will accept faxed and photocopied documents when received directly from the generating source.

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

MHA will not delay the processing of an application beyond two (2) weeks because a third party information provider does not return the verification in a timely manner.

#### **5. Self-Certification/Self-Declaration**

When verification cannot be made by third-party verification or review of documents, families will be required to submit a self-certification. Self-certification requires a notarized and witnessed statement/affidavit/certification/statement under penalty of perjury.

#### **C. RELEASE OF INFORMATION [24 CFR 5.230]**

Adult family members will be required to sign the form HUD 9886 Release of Information/Privacy Act form. In addition, all adult family members will be required to sign specific authorization forms when information is needed that is not covered by the HUD form 9886, Authorization for Release of Information/Privacy Act Notice. Each member requested to consent to the release of specific information will be provided with a copy of the appropriate forms for their review and signature.

Refusal to cooperate with the prescribed verification system will result in denial of admission or termination of assistance because it is a family obligation to supply any information and to sign consent forms requested by MHA or HUD.

#### **D. Records Retention and Confidentiality**

Criminal records must be maintained confidentially and may only be disclosed to persons with a job-related need to know the contents. Criminal background results, including sex offender results must not be shared directly with the owner, and they must be destroyed promptly once their purpose has been served.

#### **e. ITEMS TO BE VERIFIED [24 CFR 982.516]**

All income not specifically excluded by the regulations.

Zero-income status of household.

Full-time student status including High School students who are 18 or over.

Current assets including assets disposed of for less than fair market value in the preceding two years.

Childcare expenses when it allows an adult family member to be employed, to actively seek employment or to further his/her education.

Medical expenses of all family members in households whose head or spouse is elderly or disabled.

Disability assistance expenses to include only those costs associated with attendant care or auxiliary apparatus for a disabled member of the family, which allow an **adult** family member to be employed.

Disability for determination of preferences, allowances or deductions.

U.S. citizenship/eligible immigrant status

Social Security Numbers for all family members ~~6 years of age or older who have been issued a social security number.~~

"Preference" status, as applicable.

Marital status when needed for head or spouse definition.

Verification of Reduction in Benefits for Noncompliance:

Before granting a family's request for rent reduction because of a decrease in benefits, MHA will obtain written verification from the Welfare agency stating that the family's benefits were not reduced because of fraud or non-compliance with an economic self-sufficiency requirement.

**E. VERIFICATION OF INCOME [24 CFR 982.516]**

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

**1. Employment Income**

**Verification forms request the employer to specify the:**

55. Dates of employment
56. Amount and frequency of pay
57. Date of the last pay increase
58. Likelihood of change of employment status and effective date of any known salary increase during the next 12 months
59. Annual earnings
60. Estimated income from overtime, tips, bonus pay expected during next 12 months

Acceptable methods of verification in addition to EIV include:

61. Employment verification form completed by the employer.
62. Check stubs or earning statements, which indicate the employee's gross pay, frequency of pay or year to date earnings. Three or four current and successive check stubs.
63. W-2 forms plus income tax return forms.
64. Income tax returns signed by the family may be used for verifying self-employment income, or income from tips and other gratuities.

Applicants and program participants may be requested to sign an authorization for release of information from the Internal Revenue Service for further verification of income, IRS Form 8121. In cases where there are questions about the validity of information provided by the family, MHA will require the most recent federal income tax statements. Confirmation may be made on a case-by-case basis.

**2. Social Security, Pensions, Supplementary Security Income (SSI), Disability Income**

Acceptable methods of verification in addition to EIV include:

65. Benefit verification form completed by agency providing the benefits.
  66. Award or benefit notification letters prepared and signed by the providing agency.
  67. Computer report electronically obtained or in hard copy.
3. Unemployment Compensation

Acceptable methods of verification in addition to EIV include:

68. Verification form completed by the unemployment compensation agency.
  69. Computer report electronically obtained or in hard copy, from unemployment office stating payment dates and amounts.
  70. Payment stubs.
4. Welfare Payments or General Assistance

Acceptable methods of verification in addition to EIV include:

71. MHA verification form completed by payment provider.
72. Written statement from payment provider indicating the amount of grant/payment, start date of payments, and anticipated changes in payment in the next 12 months.
73. Computer-generated Notice of Action.
74. Computer-generated list of recipients from Welfare Department, including the amounts paid.

## 5. Alimony or Child Support Payments

Acceptable methods of verification include:

75. Copy of a separation or settlement agreement or a divorce decree stating amounts and types of support and payment schedules.
76. A notarized letter from the person paying the support.
77. Copy of latest check and/or payment stubs from Court Trustee. MHA must record the date, amount, and number of the check.
78. Print out from DFS or Local Child Support Enforcement Agency.
79. Family's self-certification of amount received and of the likelihood of support payments being received in the future, or that support payments are not being received.

**If payments are irregular, the family must provide:**

80. A copy of the separation or settlement agreement, or a divorce decree stating the amount and type of support and payment schedules.
81. A statement from the agency responsible for enforcing payments to show that the family has filed for enforcement.
82. A notarized affidavit from the family indicating the amount(s) received.
83. A welfare notice of action showing amounts received by the welfare agency for child support.
84. A written statement from an attorney certifying that a collection or enforcement action has been filed.

## 6. Net Income from a Business

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

Acceptable methods of verification include:

85. IRS Form 1040, including Schedule C (Small Business), Schedule E (Rental Property Income), Schedule F (Farm Income). Note: If accelerated depreciation was used on the tax return or financial statement, an accountant's calculation of depreciation expense computed using straight-line depreciation rules.
86. Audited or un-audited financial statement(s) of the business.
87. Credit report or loan application.
88. Documents such as manifests, appointment books, bank statements, and receipts will be used as a guide for the prior six months (or lesser period if not in business for six months) to project income for the next 12 months. The family will be advised to maintain these documents in the future if they are not available.

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

**7. Child Care Business**

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

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

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

MHA may conduct interim reevaluations every 120 days and require the participant to provide a log with the information about customers and income.

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

If the child care business provides day care services for the State of North Carolina, a third party income verification will be sent to the Family Support Division.

**8. Recurring Gifts and Income From Other Sources**

The family must furnish a self-certification, which contains the following information and may include, but not be limited to regular recurring cash gifts, gifts, utility or other bills paid on behalf of the family:

- 90. The person who provides the gifts
- 91. The value of the gifts
- 92. The regularity (dates) of the gifts
- 93. The purpose of the gifts

**9. Zero Income Status**

Families claiming to have no income will be required to execute verification forms to determine that forms of income such as unemployment benefits, TANF, SSI, etc. are not being received by the household. MHA will request information from the North Carolina Department of Revenue. Families claiming to have not income will have to certify to this status at least monthly when notified by MHA.

**10. Full-time Student Status**

Only the first \$480 of the earned income of full time students, other than head, co-head, or spouse, will be included towards family income. Financial aid, scholarships and grants received by full time students are not family income.



Verification of full time student status includes:

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

**F. INCOME FROM ASSETS [24 CFR 982.516]**

**1. Savings Account Interest Income and Dividends**

Acceptable methods of verification include:

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

**2. Interest Income from Mortgages or Similar Arrangements**

Acceptable methods of verification include:

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

**3. Net Rental Income from Property Owned by Family**

Acceptable methods of verification include:

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

**G. VERIFICATION OF ASSETS**

**1. Family Assets**

MHA will require the information necessary to determine the current cash value of the family's assets, (the net amount the family would receive if the asset were converted to cash). acceptable verification may include any of the following:

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

**2. Assets Disposed of for Less than Fair Market Value (FMV) During Two Years Preceding Effective Date of Certification or Recertification**

For all Certifications and Re-certifications, MHA will obtain the Family's certification as to whether any member has disposed of assets for less than fair market value during the two years preceding the effective date of the certification or re-certification.

If the family certifies that they have disposed of assets for less than fair market value, verification or certification is required that shows: (a) all assets disposed of for less than FMV, (b) the date they were disposed of, (c) the amount the family received, and (d) the market value of the assets at the time of disposition. Third party verification will be obtained wherever possible.

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

[24 CFR 982.516]

**1. Child Care Expenses**

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

Child care expenses are deducted only to the extent that they are not reimbursed and reflect a reasonable charge; and are paid for the care of children under the age of 13.

As stated elsewhere in this document, child care is allowable for the following reasons:

113. Child-Care to Work

The maximum child-care allowed will be based on the amount earned by the person enabled to work.

114. Child-Care for School

The HA will compare the number of hours the family member is attending school relative to the number of child care hours that will be used to determine the ratio is reasonable when determining the rent calculation

115. Rate of Expense

The HA will survey the local day care providers semi-annually in the area/community to determine a reasonableness standard. The determination will be made only on a reasonable HOURLY rate. The reasonable rate will be determined based upon the type of care chosen by the family, i.e., center-based or in-home care; State provided care or private care.

116. Actively Seek Employment

The HA will obtain evidence that the individual is fulfilling welfare-to-work requirements or the requirements for receiving unemployment compensation; or is otherwise actively seeking employment. Written verification from a local or state government agency that oversees work-related activities will be accepted.

If third party verification is not possible, MHA will review documents provided by the family and/or a notarized statement from the family member attesting to his or her efforts to find employment.

**2. Medical Expenses**

Families, who claim medical expenses will be required to submit a certification as to whether or not any expense payments have been, or will be, reimbursed by an outside source. One or more of the methods listed below will verify all expense claims:

- 117. Written verification by a doctor, hospital or clinic personnel, dentist, Pharmacist, of (a) the anticipated medical costs to be incurred by the family and regular payments due on medical bills; and (b) extent to which those expenses will be reimbursed by insurance or a government agency.

- 118. Written confirmation by the insurance company or employer of health insurance premiums to be paid by the family.
- 119. Written confirmation from the Social Security Administration of Medicare premiums to be paid by the family over the next 12 months. A computer printout will be accepted.
- 120. For attendant care:  
 MHA will require certification from a qualified professional having knowledge of the person’s need for an attendant and who can verify the attendant is necessary as a medical expense.  
  
 Attendant's written confirmation of hours of care provided and amount and frequency of payments received from the family or agency (or copies of canceled checks the family used to make those payments) or stubs from the agency providing the services.
- 121. Receipts, canceled checks, or pay stubs that verify medical costs and insurance expenses likely to be incurred in the next 12 months.
- 122. Copies of payment agreements or most recent invoice that verify payments made on outstanding medical bills that will continue over all or part of the next 12 months.
- 123. Receipts or other record of medical expenses incurred during the past 12 months that can be used to anticipate future medical expenses. MHA may use this approach for "general medical expenses" such as non-prescription drugs and regular visits to doctors or dentists, but not for one time, nonrecurring expenses from the previous year.
- 124. MHA will use mileage at the IRS rate, or cab, bus fare, or other public transportation cost for verification of the cost of transportation directly related to medical treatment.

**3. Assistance to Persons with Disabilities [24 CFR 5.611(c)]**

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

- 126. Attendant Care:  
 Attendant's written certification of amount received from the family, frequency of receipt, and hours of care provided.  
 Certification of family and attendant and/or copies of canceled checks family used to make payments.
- 127. Auxiliary Apparatus:  
 Receipts for purchases or proof of monthly payments and maintenance expenses for auxiliary apparatus.  
 In the case where the person with disabilities is employed, a statement from the employer that the auxiliary apparatus is necessary for employment.

**I. VERIFYING NON-FINANCIAL FACTORS [24 CFR 982.153(b)(15)]**

**1. Verification of Legal Identity and Familial Relationships**

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

- 128. Certificate of Birth, naturalization papers
- 129. Church issued baptismal certificate
- 130. Current, valid Driver's license
- 131. U.S. military discharge (DD 214)
- 132. U.S. passport
- 133. Voter's registration
- 134. Company/agency Identification Card
- 135. Government issued Identification Card
- 136. Verification of guardianship is:
  - Court-ordered assignment
  - Affidavit of parent
  - Verification from social services agency

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

- 137. Certificate of Birth
- 138. Adoption papers
- 139. Custody agreement
- 140. Health and Human Services ID
- 141. School records

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

**2. Verification of Marital Status (when necessary to determine custody of children)**

- 142. Verification of divorce status will be a certified copy of the divorce decree, signed by a Court Officer.
- 143. Verification of a separation may be a copy of court-ordered maintenance or other records.
- 144. Verification of marriage status is a marriage certificate.

**3. Verification of Permanent Absence of Family Member**

If an adult member who was formerly a member of the household is reported permanently absent by the family, MHA will consider any of the following as verification:

- 145. Divorce Decree
- 146. Legal separation agreement
- 147. Order of protection/restraining order obtained by one family member against another
- 148. Proof of another home address, such as current utility bills in former household members name, canceled checks for rent, driver's license, or lease or rental agreement, if available.
- 149. Statements from other agencies such as social services or a written statement from the landlord or manager that the adult family member is no longer living at that location.
- 150. If the adult family member is incarcerated, a document from the Court or correctional facility should be obtained stating how long they will be incarcerated.
- 151. If no other proof can be provided, MHA will accept a self-certification from the head of household or the spouse or co-head, if the head is the absent member.

**5. Verification of Change in Family Composition**

However, all increases in family composition, other than birth, must be approved by MHA prior to moving into an assisted unit. MHA will require all persons to go thru both the landlord and MHA tenant screening and will require written statement from landlord that new household members are acceptable to be added on the lease.

## **6. Verification of Disability**

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

## **J. VERIFICATION OF CITIZENSHIP/ELIGIBLE IMMIGRANT STATUS**

[24 CFR 5.508, 5.510, 5.512, 5.514]

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

### **1. Citizens or Nationals of the United States**

All applicants and participants are required to sign a declaration under penalty of perjury. MHA will require citizens to provide documentation of citizenship. Acceptable documentation will include at least one or more of the following original documents:

- 152. United States birth certificate
- 153. United States passport
- 154. Resident alien/registration card
- 155. Social Security card
- 156. Other appropriate documentation as determined by MHA such as a signed and notarized declaration of U.S. Citizenship or U.S. Nationality.

### **2. Eligible Immigrants who were Participants and 62 or over on June 19, 1995**

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

### **3. Non-citizens with eligible immigration status**

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

**4. Ineligible family members**

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

**5. Non-citizen students on student visas**

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

A noncitizen student is a bona fide student who:

- Is pursuing a course of study in this country;
- Has a residence in another country outside of the United States that the person has no intention of abandoning; and
- Is admitted to this country temporarily, solely for the purpose of studying.

When a noncitizen student is accompanied by a noncitizen spouse and/or noncitizen minor children, those family members are also ineligible for assistance. If the noncitizen student and noncitizen spouse have citizen children, the whole family is still ineligible for assistance. However, if a non-citizen student has a citizen spouse, the citizen spouse and children if any, would be eligible for assistance. In that case, assistance would be prorated to ensure that assistance goes only to those family members with eligible immigration status.

**6. Failure to Provide**

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

**7. Time of Verification**

For applicants, verification of U.S. citizenship/eligible immigrant status occurs at the same time as verification of other factors of eligibility for final eligibility determination at the time of initial application. MHA will not provide assistance to any family prior to the affirmative establishment and verification of the eligibility of the individual or at least one member of the family. MHA will verify the U.S. citizenship/eligible immigration status of all participants no later than the date of the family's first annual reexamination following the enactment of the Quality Housing and Work Responsibility Act of 1998.



For family members added after other members have been verified, the verification occurs at the first re-certification after the new member moves in. Once verification has been completed for any covered program, it need not be repeated except that, in the case of port-in families, if the initial MHA does not supply the documents, MHA must conduct the determination.

#### **8. Extensions of Time to Provide Documents**

MHA will grant an extension of 30 days for families to submit evidence of eligible immigrant status.

#### **9. Acceptable Documents of Eligible Immigration**

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

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

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

#### **K. VERIFICATION OF SOCIAL SECURITY NUMBERS [24 CFR 5.216]**

Social security numbers must be provided as a condition of eligibility for all family household members. Verification of Social Security numbers will be done through a Social Security Card issued by the Social Security Administration. If a family member cannot produce a Social Security Card, only the documents listed below showing his or her Social Security Number may be used for verification. The family is also required to certify in writing that the document(s) submitted in lieu of the Social Security Card information provided is/are complete and accurate For participant families, MHA will provide the family an additional 90 days to disclose a SSN, consistent with 24 CFR 5.218(c)(2).:

In lieu of Social Security card:

1. A driver's license
2. Identification card issued by a Federal, State or local agency

3. Identification card issued by a medical insurance company or provider (including Medicare and Medicaid)
4. An identification card issued by an employer or trade union
5. An identification card issued by a medical insurance company
6. Earnings statements or payroll stubs
7. Bank Statements
8. IRS Form 1099
9. Benefit award letters from government agencies
10. Retirement benefit letter
11. Life insurance policies
12. Court records such as real estate, tax notices, marriage and divorce, judgment or bankruptcy records
13. Verification of benefits or
14. Verification of Social Security Number from Social Security Administration
  - An original document issued by the SSA that shows the person's name and SSN (SSA award letter, Medicare card, etc.); or
  - An original document issued by a federal, state, or local government agency that contains the name and SSN of the individual (unemployment insurance printout, welfare or Medicaid documents, etc.).

MHA will only reject these documents if they are not original, they appear to be forged, or if the original document is altered, mutilated or not legible. In this case, MHA will request that the family provide alternative documentation. MHA will not require only an original SSN card as acceptable documentation.