

Florence Housing Authority

Housing Choice Voucher Program (Section 8)



Adopted by Board Resolution
Date



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I. Introduction:

A. 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 HCV (HCV) participants. In order to achieve this mission, we will:

1. Recognize participants as our ultimate customer.
2. Improve Housing Authority (HA) management and service delivery efforts through effective and efficient management of HA staff.
3. Seek problem-solving partnerships with participants, landlords, community, and government leadership.
4. Apply limited HA resources to the effective and efficient management and operation of HCV programs.

B. Purpose of Plan:

The purpose of this plan is to establish guidelines for the HA staff to follow in determining eligibility for the HCV programs. 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 this HA alike. Notwithstanding the above, changes in applicable federal law or regulations shall supersede provisions in conflict with this plan. **Federal Regulations shall mean those found in Section 24 CFR (Code of Federal Regulations)**

C. Primary Responsibilities of the HA:

1. Informing eligible families of the availability of HCV assistance.
2. Encouraging owners to make their units available for lease by HCV participants.
3. Determining the maximum amount of housing assistance payments that can be used for family-paid utilities; and posting the utility allowances annually.
4. Receiving applications from families and determining their eligibility for assistance.
5. Inspecting HCV units to determine that they meet or exceed HCV, Housing Quality Standards/NSPIRE;
6. Approving leases.
7. Making Housing Assistance Payments to owners.
8. Perform annual and periodic re-examinations of income, family composition, and redetermination of rent.

D. Objectives:

1. Promote the overall goal of decent, safe and sanitary housing by using the HCV program to house eligible families in private rental housing; therefore, increasing the housing stock for very low-income families.

2. Improve the City's housing stock by requiring participating landlords to meet Housing Quality/NSPIRE Standards for their rental property.
3. Facilitate the efficient management of the HA and compliance with Federal Regulations by establishing policies for the efficient and effective management of the HCV program and staff.
4. Comply in letter and spirit with Title VI of the Civil Rights Act of 1964, and all other applicable Federal laws and regulations to ensure that occupancy in assisted housing is administered without regard to race, color, religion, sex, handicap, familial status, and national origin.
5. The Housing and Community Development Act of 1974 reflects Congress's intent that, where possible, the nation's existing housing stock should be preserved. The HCV Program will allow the HA to utilize existing housing stock and allow a family who qualifies for HCV Assistance and lives in substandard housing to remain, if the owner brings the house up to HQS/NSPIRE standards and the HCV participant decides to remain in that unit.

E. Outreach:

1. Outreach to Owners:

The HA will encourage participation by owners of suitable units located outside areas of low income or minority concentration by distributing and communicating information concerning property owners leasing units under the HCV programs through the local media (newspaper, radio, television, etc.).

2. Outreach to Potential Clients:

The HA may make known to the public, through publications in a newspaper of general circulation as well as through minority media and other suitable means, the availability and nature of housing assistance for lower-income families. The notice shall inform such families where they may apply for HCV rental assistance. The HA shall take affirmative actions to provide opportunities to participate in the program to persons who, because of such factors as race, disability, ethnicity, sex of household head, age, or source of income, are less likely to apply for HCV rental assistance. The HA may hold meetings concerning the HCV programs with local social community agencies.

II. Fair Housing Plan and Equal Opportunity Housing Plan

A. Fair Housing Plan:

The Fair Housing Plan of the HA is to comply 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 HA shall not on the basis of race, color, religion, sex, perceived sexual orientation, gender identity, marital status, handicap, familial status, and national origin, deny any family or individual the opportunity to apply for or receive assistance under HUD's HCV Programs, within the requirements and regulations of HUD and other regulatory authorities. To further its commitment to full compliance with applicable Civil Rights laws, the HA will provide access to information to HCV participants 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.

For families and/or individuals who report apparent discrimination in obtaining assisted housing, the HA shall assist them by providing the family/individual with a HUD Housing Discrimination Complaint Form, HUD - 903. The individual can complete this form and report apparent discrimination to the Birmingham HUD Office of Fair Housing and Equal Opportunity. For example, a participant may be trying to obtain other rental housing and/or is attempting to purchase a home and experiences apparent discrimination.

B. Equal Opportunity Housing Plan:

The HA 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:

1. The fair housing act, 42 U. S. C. 3610-3619 (implementing regulations at 24 CFR parts 100, et seq.).
2. Title VI of the Civil Rights Act of 1964, 42 U. S. C. 2000d (implementing regulations at 24 CFR part1).
3. The age discrimination act of 1975, 42 U. S. C. 6101-6107 (implementing regulations at 24 CFR, part 146).
4. 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).
5. Section 504 of the Rehabilitation Act of 1973, 29 U. S. C. 794 (implementing regulations at 24 CFR, part 8; and
6. Title II of the Americans with Disabilities Act, 42 U. S. C.12101, et seq.

C. Equal Opportunity Posting Requirements:

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

1. Statement of Policies and Procedures Governing the HCV Administrative Plan.
2. Open Occupancy Notice (Applications being Accepted and/or Not Accepted)
3. Income Limits for Admission.
4. Utility Allowances.
5. Informal Review and Hearing Procedure.
6. Fair Housing Poster.
7. "Equal Opportunity in Employment" Poster.

D. Family Information, Verification and Privacy Rights

1. The family must supply any information that the HA or HUD determines is necessary in the administration of the public housing program. "Information" includes any requested certification, release or other documentation.
2. The family must supply any information requested by the HA or HUD for use in a regularly scheduled reexamination or an interim reexamination of family income, community service requirements and family composition in accordance with HUD requirements.

3. Any information supplied by the family must be true and complete.
4. The use or disclosure of information obtained from a family or from another source pursuant to this release and consent shall be limited to purposes directly connected with the administration of the program.
5. Applicants will be required to sign the Federal Privacy Act Statement (Form 9886-A), which states under what conditions HUD will release resident information.
 - a. The executed consent form will remain effective until the family is denied assistance, the assistance is terminated, or the family provides written notification to the PHA to revoke consent.
 - b. Families have the right to revoke consent by notice to the PHA; however, revoking consent will result in termination or denial of assistance.

NOTE 1: Revocation of consent or refusal to sign the consent form prohibits the PHA from requesting and accessing income information and financial records, including pulling any EIV reports and use of EIV data to verify income.

NOTE 2: The PHA must notify the local HUD office when an applicant or participant family member revokes their consent.

6. Requests for information by other parties must be accompanied by a signed release request in order for the HA to release any information involving an applicant or participant, unless disclosure is authorized under Federal or State law or regulations.

III. Applying For Assistance

A. How to Apply:

1. Families wishing to apply for housing assistance shall complete an application for public assistance. Families are entitled to a reasonable accommodation in the application process.
2. Applications will be accepted on the Housing Authority WEB site.
3. Applications are taken to compile a waiting list. Based on the demand for housing in the HA's jurisdiction, the HA may take applications on an "open enrollment" basis, depending on the length of the waiting list.
4. Completed applications will be accepted for all applicants and the information will be verified by the HA.
5. The application must be dated, time-stamped, and referred to the HA's office where HCV applications are processed.
6. Individuals who have a physical impairment which would prevent them from completing an application as described in item 2 above may call the HA to make special arrangements to complete their application.

B. Opening and Closing Waiting Lists:

1. If the HA's waiting list has sufficient applications to fill anticipated openings for the coming 12 months, the HA may elect to:
 - a. Close the waiting list completely.
 - b. Close the list during certain times of the year; or

- c. Restrict intake by preference.
2. A decision to close the waiting list will consider the number of applications, the number of applicants who qualify for a preference, and the ability of the HA to provide assistance in 12 months. Decisions to close waiting lists, restrict intake, or open waiting lists will be publicly announced.
3. When the waiting list is closed, the HA will not maintain a list of individuals who wish to be notified when the waiting list is re-opened.

IV. Missed Appointments and/or Deadlines for Applicant or Participant

A. Missed Appointment and/or Deadline Without Notification:

An applicant or person receiving assistance who fails to keep an appointment and/or deadline without notifying the HA 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 HA or HUD determines to be necessary (or failure to allow the HA to inspect the dwelling unit at reasonable times and after reasonable notice, if applicable) in the following situations:

1. Complete Eligibility Application
2. Providing Verification Information
3. Program Briefing
4. HQS (NSPIRE) Inspections
5. Recertification
6. Interim Adjustment
7. Other Appointments or Requirements to Bring in Documentation as Listed in this plan
8. Scheduled Counseling Sessions

B. Process when Appointments and/or Deadlines are Missed:

For most of the functions above, the family may be given two appointments and/or deadlines. If the family does not meet deadlines, appear or call to reschedule the appointment(s) required, the HA may begin the termination process. The applicant or participant will be given an opportunity for an informal review or hearing pursuant to Section XXXVI and Section XL.

If the representative of the HA makes a determination in favor of the applicant or participant, the HA will comply with decision unless the HA is not bound by a hearing decision concerning a matter for which the HA is not required to provide an opportunity for a hearing pursuant to 24 CFR 982.

C. Letters Mailed and Emails sent to Applicants by the HA:

Letters and emails will be sent by the HA, that requested the applicant to provide information or to attend an interview.

Applicants must notify the HA in writing, by email or in portal if their physical address, email address, and/or phone number changes during the application process. This is crucial for applicants to receive their information of when they are selected from the Waiting Lists.

V. Misrepresentation by the Applicant or Participant

If an applicant or HCV participant is found to have made willful misrepresentations at any time which resulted in the applicant or HCV participant being classified as eligible, when, in fact, they were ineligible, applicant will be declared ineligible, and the HCV participant will be terminated because of the act of fraud and/or willful misrepresentation by the applicant/HCV participant. If such misrepresentation resulted in the HCV participant receiving more subsidy than was appropriate, the HCV participant shall be required to reimburse the HA the amount of overpayment and their assistance may be terminated. In justifiable instances, the HA may take such other actions as it deems appropriate, including referring the HCV participant to the proper authorities for possible criminal prosecution.

VI. Housing Choice Voucher Eligibility Criteria

A. Eligibility:

All individuals who are admitted to the HCV Program in the HA must be individually determined eligible under the terms of this plan. In order to be determined eligible, an applicant must meet the following requirements:

1. The applicant family must qualify as a family as defined in Appendix "A."
2. The applicant family's Annual Income as defined in Appendix "A" must not exceed income limits established by HUD for the HCV Programs.
3. Head of Household must be:
 - a. 18 years of age or older,
 - b. A person that has been relieved of the disability of non-age by a juvenile court.

B. Ineligible:

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

1. If the applicant's annual family income exceeds the Income Limits established by HUD; or,
2. As specified in Section VII of this document.

C. Informed of Ineligibility:

If the applicant has failed to meet any outstanding requirements for eligibility and is determined ineligible, he/she will be so informed, and the reasons stated in writing. The applicant will be granted ten days from the date stated on the ineligible letter to request an informal meeting. The applicant may bring any person he/she wishes to represent them at the informal meeting. The request for an informal meeting may be submitted in writing. However, the request must be received by the HA within the time frame established by the HA for the meeting. See Section XXXVI.

D. Single Person:

In addition, under 24 CFR, the HA is permitted to determine as eligible, single persons living alone or intending to live alone who do not meet any of the definitions of a family. Single persons are only eligible for a one-bedroom voucher.

E. Declaration of Citizenship:

Section 214 of the Housing and Community Development Act of 1980 prohibits HAs from making financial assistance available to a person other than United States citizens, nationals, or certain categories of eligible non-citizen in HUD's assisted housing programs.

F. Adding a Person to the Program:

Once an applicant becomes a participant in the HA's HCV program, the head of household must request permission to add another person to the program (Except for birth, adoption, or court-ordered custody of a child. For the purpose of the paragraph, a child is defined as a person under the age of 13. The person being added must meet all eligibility requirements before the HA will approve any addition to the HCV program.

VII. Eligibility for Admission and Processing of Applications

A. Qualifying for Admission:

The term (qualifying) refers to applicants who are eligible and able to meet the applicant selection standards.

1. It is the HA's plan to admit only qualified applicants.
2. An applicant is qualified if he or she meets all of the following criteria:
 - a. A family, as defined in Appendix "A."
 - b. Meets HUD requirements on citizenship or immigration status.
 - c. Has an annual income as defined in Appendix "A"; at the time of admission that does not exceed the income limits (maximum incomes by family size established by HUD) posted in the HA offices.
 - d. Assets do not exceed the limits described later in this plan.
 - e. Provides documentation of Social Security numbers for family members.
 - f. Non-citizens may certify that they do not have Social Security numbers (lawfully present noncitizens who state that they have not been assigned an SSN by the SSA, should make such declaration in writing and under penalties of perjury to the PHA. The PHA should maintain the declaration in the tenant file); and
 - g. If the family lacks the documentation necessary to verify the Social Security Number (SSN) of a family member under the age of 6 years, there is a 90-day period during which an applicant family may become a program participant. An extension of one additional 90-day period must be granted if the PHA determines that, in its discretion, the applicant's failure to comply was due to circumstances that could not reasonably have been foreseen and were outside of the control of the applicant.

NOTE: THE HA MUST DEVELOP A TRACKING SYSTEM TO ENSURE COMPLIANCE.

Form HUD-92006, Supplement to Application for Federally Assisted Housing, shall be completed as appropriate at admission and/or recertification. This form shall remain confidential.

- h. Meets the Applicant Selection Criteria including completing the HA-approved pre-occupancy orientation session if requested; and
- i. Meets the eligibility requirement for higher education students.
- j. Consent to FHA's collection and use of family information as provided for in FHA consent forms
- k. Not be ineligible due to criminal or other ineligible conduct
- l. Meets requirement of not owing a debt to FHA or a PHA listed through HUD's debts owed database

B. Maintaining the Waiting List.

1. Administration of the Waiting List:

It is the plan of the HA to administer its waiting list as required by HUD's regulations.

2. Updating the Waiting List:

When needed, the HA will update the waiting list by contacting all applicants in writing, or by the method designated at initial application by applicants with disabilities. Written communications will be sent by first class mail to the most current address supplied by the applicant or by email to the most current email address supplied by the applicant. (Offer letter must state that failure to respond will result in removal from the waiting list).

If no response is received or if mail is returned undeliverable by the post office (retained unopened by the HA in the applicant file) the HA will withdraw the name of an applicant from the waiting list.

At the time of initial intake, the HA will advise families that they must notify the HA, in writing, by email or through portal when their circumstances, mailing address or phone number(s) change.

3. Change in Preference Status While on the Waiting List:

- a. Situations of some families who did not qualify for a preference when they applied may change so they are qualified for a preference. The family should contact the HA so their status may be certified or verified. Applicants whose preference status changes while they are on the waiting list retain their original date and time of application, or application number, as applicable.
- b. If the HA determines that the family does now qualify for a preference, they will be moved up on the waiting list in accordance with their preference(s) and their date and time of application.

C. Processing Applications for Admission:

1. Intake Process:

As applicants approach the top of the waiting list, they will be contacted by email and/or first-class mail indicating they have reached the top of the waiting list and they can access their intake certification through their portal. Applicants who fail to submit

a completed intake certification by the given date will have their applications withdrawn, subject to reasonable accommodations for people with disabilities.

2. Verification Process:

The following items will be verified to determine qualification for admission to the HA's HCV program.

- a. Family composition
- b. Eligibility of higher education student head of household
- c. Annual Income:

Income verification will be conducted in the chronological order listed below: Each step must be documented prior to proceeding to use the next option. The specified order listed below must be followed:

Step	Action
1st	Enterprise Income Verification (EIV). If available, Must review EIV Income Report for all families when verifying income and maintain a copy in the resident file. NOTE: EIV is typically not available for applicants.
2nd	Up front income verification (UIV) (Ex: Work Number, Credit Bureau). UIV sources are those that can be accessed directly by the PHA either online or via automated telephone system. <i>If desired information is NOT obtained go to next step.</i>
3rd	Written Third Party Verification: Mandatory to supplement EIV reported income. Third-party generated documents, include paystubs, bank statements, print outs from online system, benefit letter, etc. Must collect at least two consecutive paystubs for employment income. If desired information is NOT obtained go to next step.
4th	Third party written verification form. Send standard income verification to income source(s). May be sent by mail or fax. Note: If a desirable response is not received in a timely manner a 2nd letter may be sent but not required in all cases. <i>If desired information is NOT obtained go to next step.</i>
5th	Third Party oral verification (documented to file). This could be via phone or interview by staff. A written record of this contact should be prepared by the HA that includes: date/time of contact, name and source of information, the HA staff person, summary of information provided, and the reason for using oral verification. <i>If desired information is NOT obtained go to next step.</i>
6th	Family Declaration or Certification: When all other forms of verification are impossible to obtain, the HA can obtain a notarized statement or signed affidavit from the family, attesting to the accuracy of the information provided. The applicant's file should clearly document why other forms of verification were impossible to obtain. Please note that this type of documentation should rarely be used and should not be

used merely for the convenience of the applicant or the HA, or where the applicant cannot provide the necessary information.

Note: Use to verify required information; however, may require reverification in less than 12 months.

d. Assets and Asset Income

(1) Real Property Ownership - The PHA will rely upon a self-certification from the family at both admission and reexamination stating that they do not have any present ownership interest in any real property.

i. If a family declares present ownership in real property, PHAs must seek third-party verification of the following, as applicable:

- Whether or not the family has the legal right to reside in the property; and
- Whether or not the family has the effective legal authority to sell the property; and
- Whether or not the property is suitable for occupancy by the family as a residence.

ii. In the case of a family member who is a victim of domestic violence, dating violence, sexual assault, or stalking, the PHA will comply with the confidentiality requirements under 5.2007. The PHA will accept a self-certification from the family member, and the restrictions on requesting documentation under § 5.2007 apply.

(2) Net Family Assets under \$50,000

i. The PHA will accept a family's self-certification of net family assets equal to or less than \$50,000 (adjusted annually for inflation) and anticipated income earned from assets without taking additional steps to verify accuracy, at reexamination, except.

ii. Every three years at reexamination net family assets must be fully verified

The HA must obtain third-party verification of all family assets upon admitting a family (starting with 2nd step above) and then again at annual recertification.

NOTE: IF A FAMILY MEMBER WITH ASSETS IS ADDED TO THE LEASE, THIRD PARTY VERIFICATION MUST BE OBTAINED.

e. Social Security and SSI; Check EIV, if not available: request that the applicant provide a copy of their SS or SSI benefit letter, dated within the last 120-days or a statement dated within the appropriate benefit year. If the applicant does not have a current letter, the applicant can request the benefit letter from the SSA website. www.socialsecurity.gov

f. Deductions from Income

Same as income (start with 3rd step)

- g. Preferences
 - Same as income (start with 3rd step)
- h. Social Security Numbers (SSN) of all Family Members; Families are required to provide SSNs for all family members prior to admission. All members of the family defined above must provide an original valid social security card or other original government issued document containing the name and SSN.
 - (1) A self-certification and a third-party document with the applicant's name and social security number printed on it may be used to satisfy the SSN disclosure requirement if the PHA has exhausted all other attempts to obtain the required documentation.
 - (2) Prior to being added to the lease (newborns/adoptions/etc.) the head-of-household must provide an original valid card or other original government issued document containing the name and SSN.
 - (a) Applicant Screening Information, and the HA documented direct knowledge or 3rd party.
 - (b) Citizenship or eligible immigration status: Citizens are permitted to certify their status. Eligible Immigration status will be verified with INS.
- i. Applicants reporting zero income may be asked to complete a family expense form to document how much they spend on: food, transportation, health care, childcare, debts, household items, etc. and what the source of income is for these expenses.
- j. The HA's applications for admission HCV shall indicate for each application the date and time of receipt; applicant's race and ethnicity; determination by the HA as to eligibility of the applicant; when eligible, the bedroom size(s) for which eligible; preference, if any. The date, location, identification, and circumstances of each vacancy offered and accepted or rejected must be maintained.

D. The Preference System:

1. An admission preference:

An admission preference does not guarantee admission. Preferences establish the order of placement on the waiting list. Every applicant must still meet the HA's Selection Criteria before being offered a voucher.

2. Verification of Preferences:

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.

3. Preference (up front):

The FHA does not maintain local preferences at this time. However, when adopting a *new preference*, FHA will notify all applicants on the current waiting list to determine if any are eligible under the preference (24 CFR §5.655(c)). FHA will specify in a public notice of a waiting list opening that current waiting list applicants may qualify for the preference. The notice will include any other information new applicants and current applicants on the waiting list will need to know about how to successfully apply and establish their preference status, including any

partnering agencies with whom the owner may be working to receive referrals or determine preference eligibility.

If an applicant makes a false statement to qualify for a Local preference, FHA will deny the preference. If the FHA denies a preference, FHA will notify the applicant in writing of the reasons why the preference was denied and offer the applicant an opportunity for an informal meeting review with the Program Director or his/her designee.

If the preference denial is upheld because of the meeting, or the applicant does not request a meeting, the applicant will be placed on the waiting list without benefit of the preference. Applicants may exercise other rights if they believe they have been discriminated against.

A family that consists only of a pregnant woman must be treated as a two-person family.

4. Administration of the Preferences:

- a. Depending on the time an applicant may have to remain on the waiting list, the HA will either verify preferences at the time of application (when the waiting list is short or nonexistent) or require that applicants certify to their qualification for a preference at the time of pre-application (when the wait for admission exceeds four months). Verifying preferences is one of the earliest steps in processing applicants for admission. Preference verifications shall be no more than 120 days old at the time of certification.
- b. The HA may use a pre-application to obtain the family's certification that it qualifies for a preference. The family will be advised to notify the HA of any change that may affect their ability to qualify for a preference.
- c. Applicants that are otherwise eligible and self-certified as qualifying for a preference will be placed on the waiting list.
- d. Applicants that self-certify to a preference at the time of pre-application and cannot verify current preference status at the time of certification will be moved into the non-preference category, and to a lower position on the waiting list based on date and time of application, if applicable.

5. Notice and Opportunity for a Meeting

If the HA determines that an applicant does not meet the criteria for a preference, the HA must promptly provide the applicant with written notice of the determination. The notice must contain a brief statement of the reasons for the determination, and state that the applicant has the right to meet with the HA's designee to review it. If a meeting is requested within the time specified in the notice, it must be conducted by a person or persons designated by the HA. The person designated by the HA to conduct the informal hearing shall be an impartial person appointed by the HA other than a person who made the approval of the HA's action under review or a subordinate of such person. The procedures specified in this section must be carried out in accordance with HUD's requirements. The applicant may exercise other rights if the applicant believes that he or she has been discriminated against on the basis of race, color, age, religion, sex, disability, familial status, or national origin.

E. Screening Applicants for Admission:

1. The HA will conduct an intake certification review to confirm all applicants have submitted all required documents for eligibility and verify that each applicant is eligible for the program. HA may contact applicants by phone call, email, and/or online portal if additional information is needed. Answers on intake certification will be subject to third party verification.
2. All applicants must complete an intake certification.
3. The applicant and all adults must sign a release allowing the HA to request a copy of a police report from the National Crime Information Center, police department or other law enforcement agencies.

F. Screening Reasons for Denial of Admission.

1. Outstanding balances owed to any HA or any other federally subsidized housing program is part of the screening evaluation. Outstanding balances will result in the rejection of the application.

Applicants that owe a HA or any other federally subsidized program funds will not be processed for occupancy. The applicant must pay the funds owed prior to the application being processed. After the application is processed, the applicant must meet all other conditions for occupancy. *Re-paying funds that are due, does not necessarily qualify an applicant for occupancy.* Such payments will be considered along with other factors in the application process. Any money owed to a HA which has been discharged by bankruptcy shall not be considered in making this determination.

2. **Asset Limitation**

PHAs must deny admission of an applicant family for the following:

- Net family assets that exceed \$100,000 (adjusted annually for inflation); and/or
 - The family has a present ownership interest in, a legal right to reside in, and the effective legal authority to sell the real property (based on laws of the state or locality in which the property is located) that is suitable for occupancy by the family as a residence.
 - The PHA will not enforce the asset limitation(s) above at Interim/Annual reexamination. The PHA will still calculate net family assets in the manner required by HUD.
 - See VAWA exceptions.
3. The HA will complete a criminal background check on all adult applicants or any member for whom criminal records are available. Before the HA rejects an applicant on the basis of criminal history, the HA must notify the household of the proposed rejection and proceed under the provisions of the Criminal Records Management Policy.
 4. If any screening activity suggests that an applicant household member may be currently engaged in illegal use of drugs, the HA may seek information from a drug abuse treatment facility or local law enforcement agency to determine

whether the facility or agency has reasonable cause to believe the household member is currently engaging in illegal drug use.

The HA may require an applicant to exclude a household member in order to be admitted if that household member has participated in or been culpable for criminal actions that warrant rejection.

5. Record of eviction from housing or involuntary termination from residential programs (taking into account date and circumstances).
6. The HA is required to reject the applications of certain applicants for criminal activity or drug abuse by household members if the HA determines that:
 - a. Any household member is currently engaging in illegal use of a drug; or
 - b. The HA has reasonable cause to believe that a household member's illegal use or pattern of illegal use of a drug may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents;
 - c. Any household member has ever been convicted of manufacture or production of methamphetamine on the premises of any federally assisted housing;
 - d. Any member of the household is subject to a lifetime registration requirement under a state sex offender registration program; or

The HA will verify the information provided by the applicant by searching the Dru Sjodin National Sex Offender Database. The Dru Sjodin National Sex Offender Database is an online, searchable database, hosted by the Department of Justice, which combines the data from individual state sex offender registries. The website for the database is located at: <http://www.nsopw.gov>. A record of this screening, including date performed, will be retained. The HA will destroy the results of the search in accordance with 24 CFR 5.903 (g). The HA will retain the results of the search, along with the application, for a period of three years if the applicant is denied housing or, if the applicant is admitted to the program, for the term of tenancy plus three years.

- e. Any member of the household's abuse or pattern of abuse of alcohol may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.
7. The HA shall reject the application of any applicant if, within the last *three years*, any household member has been evicted from any federally assisted housing for drug related criminal activity. However, the HA may admit the household if the HA determines that:
 - The evicted household member who engaged in drug-related criminal activity has successfully completed a supervised drug rehabilitation program approved by the HA, or
 - The circumstances leading to the eviction no longer exist (for example, the criminal household member has died or is imprisoned).
8. An applicant's intentional misrepresentation of information related to eligibility, preference for admission, housing history, allowances, family composition, or rent will result in rejection. In the event the misrepresentation is discovered after

admission, the assistance will be terminated for such misrepresentation. Unintentional mistakes that do not confer any advantage to the applicant will not be considered misrepresentations.

9. Applicant or family member has previously been evicted from public housing, including having moved from the HA as a result of their lease being terminated by the HA.
10. Applicant or family member has committed acts, which would constitute fraud in connection with any federally, assisted housing program.
11. Applicant or family member did not provide information required within the time frame specified during the application process.
12. During the interview process, the applicant or a family member demonstrates hostile behavior that indicates that the prospective applicant or family member may be a threat.
13. If the HA uses the criminal information history to deny or terminate assistance the HA must provide a copy of the information used in accordance with Criminal Records Management Policy.
14. If the applicant is enrolled as a student at an institute of higher education (as defined under Section 102 of the higher education act of 1965) and;
 - a. Is not a veteran
 - b. Is not married
 - c. Is under 24 years of age
 - d. Doesn't have a dependent child
 - e. Is not otherwise individually eligible, or has parents who, individually or jointly, are not eligible to receive HCV.
15. If the applicant is a former Public Housing or HCV participant who vacated the unit in violation of his lease, the applicant may be declared ineligible.
16. If the applicant doesn't certify U.S. Citizenship or legal immigration status can't be verified, the applicant must be declared ineligible.

G. Qualified Applicants:

1. Verified information will be analyzed and a determination made with respect to:
 - a. Eligibility of the applicant as a family;
 - b. Eligibility of the applicant with respect to income limits for admission;
 - c. Eligibility of the applicant with respect to citizenship or eligible immigration status;
 - d. Eligibility of the applicant with respect to net family assets limit;
 - e. Preference category (if any) to which the family is entitled; and
 - f. Qualification of the applicant with respect to the Selection Criteria.
2. Qualified (DETERMINED TO BE ELIGIBLE):

Families will be notified by the HA of the approximate time frame for issuance of the voucher insofar as that date can be determined; however, the time frame stated by the HA is an estimate and does not guarantee that applicants can expect to be assisted by that date.

H. Unqualified Applicants (Time Frames):

1. As a rule, applicants may be denied admission to HCV Program for the following time frames, which shall begin on the date of application, unless otherwise provided for herein below:
 - a. Denied admission for up to **one year** for the following:
 - (1) Violation of family obligation under the voucher,
 - (2) Illegal use or possession for personal use of a controlled substance,
 - (3) Abuse of alcohol,
 - (4) Demonstration of hostile behavior during the interview process that indicates that the applicant may be a threat,
 - (5) Being evicted from a HA, including having moved from a HA as a result of their lease being terminated by the HA for reasons other than as listed below,
 - (6) Having other federally subsidized housing assistance terminated for reasons other than as listed below.
 - b. Denied admission for up to **three-years** for the following:
 - (1) Persons evicted from public housing, Indian Housing, HCV, or Section 23 programs because of drug related criminal activity (except drug trafficking) are ineligible for admission to HCV housing for up to a **three-year** period beginning on the date of such eviction.
 - (2) The HA will consider mitigating circumstances including successful completion of a rehabilitation program approved by the HA, or the circumstances leading to the eviction no longer exist.
 - (3) Drug use without evidence of rehabilitation.
 - c. Denied admission for up to **five-years** for the following:
 - (1) Fraud: (giving false information on the application or during an interview is considered fraud).
 - (2) A criminal record that indicates that the applicant may be a threat and/or negative influence on other residents. The five years shall begin on date of the last reported act or conviction.
 - d. Denied admission for up to **10-years** from date of conviction for drug trafficking/distribution.
 - 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 any federally assisted housing**. Premises are defined as the building or complex in which the dwelling unit is located, including common areas and grounds.

These time frames (with the exception of 5 and 6 which are HUD mandated) are only guidelines and the HA may deny admission to any individual whose behavior may adversely affect the health, safety, welfare, or right to peaceful enjoyment of the residences by persons residing in the immediate vicinity of the premises or may admit persons who exhibit evidence of rehabilitation.

2. Notice to Denied Applicants:

Unqualified applicants will be promptly notified by a Notice of Rejection from the HA, stating the basis for such determination and offering an opportunity for informal hearing (see Procedure for Informal Hearing for Rejected Applicants). The denial letter will allow the applicant 10 calendar days to request an informal meeting (email and/or in writing) with the HA. An HA representative will hear the appeal and issue a decision within 10 calendar days of the meeting.

VIII. SUBSIDY STANDARDS

A. Guidelines:

The following guidelines shall determine the number of bedrooms required to accommodate each family without overcrowding or over housing.

Guidelines

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

The following principles govern the size of the voucher for which a family will qualify.

Generally, two people are expected to share each bedroom, except that subsidy standards will be so assigned that:

1. It will not be necessary for adults of different generations or opposite sex, other than husband and wife or persons who represent themselves as a couple, to occupy the same bedroom.
2. Exceptions to the largest permissible subsidy size may be made in case of reasonable accommodations for a person with disabilities, if requested. In the case of chronic illness, or other physical infirmity, a deviation from the occupancy guidelines, as presented above, is permissible when justified with evidence and documentation from a licensed physician or other health care provider.
3. Two children of the opposite sex over the age of six years will not be required to share a bedroom.
4. At the option of the HA, an infant, up to the age of two years, may share a bedroom with its parent(s). The HA may, but it is not required to, consider an unborn child in determining subsidy size.
5. The HA will count a child who is temporarily away from the home because the child has been placed in foster care for six months or less, is away at school or other situations that can be documented.

6. A single head of household parent shall not be required to share a bedroom with his/her child over the age of two years.
7. A live-in aide will be assigned a bedroom.

IX. Selection Process

A. Housing Voucher Selection and Participation Process:

1. Types of Selection:

The HA may admit an applicant for participation in the program either:

- a. As a special admission (see definition below), or
- b. As a waiting list admission.

A HCV Participant is responsible for finding an existing housing unit suitable to the holder's needs and desires that meets HQS(NSPIRE) and rent reasonableness standards.

2. Special Admissions:

If HUD awards the HA program funding that is targeted for families living in specified units:

- a. The HA must use the assistance for the families living in these units.
- b. The HA may admit a family that is not on the HA waiting list, or without considering the family's waiting list position. The HA must maintain records showing that the family was admitted with HUD-targeted assistance.
- c. For housing covered by the Low-Income Housing Preservation and Resident Home ownership Act of 1990 (41 U.S.C. 4101 et seq.):
- d. A family residing in a project covered by a project-based HCV HAP contract at or near the end of the HAP contract term.

B. Organization of the Waiting List:

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

1. Applicant name;
2. Family voucher size (number of bedrooms for which family qualifies under HA subsidy standards);
3. Date and time of application;
4. Local Preferences.

C. Order of Selection from the Waiting List:

1. When a Housing Voucher assistance is available, the HA will select the family at the top of the waiting list. 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 HA subsidy standards. If the HA does not have sufficient funds to subsidize the family unit size of the family at the top of the waiting list, the HA 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 plan, shall supersede the selection of applicants based on date and time and local preference, if applicable, and allow the HA to skip families on the waiting list to accomplish this goal.

D. Maintaining the Waiting List:

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

1. The HA will remove names of applicants who do not respond or for which mail has been returned undeliverable to HA request for information or updates.
2. The HA will remove the names of applicants who refuse the HA's offer of tenant-based assistance.

X. Orientation of Families and Issuance of Housing Voucher

A. Briefing:

The purpose of the briefing is to go over the Housing Voucher holder's packet and inform the participant about the program so that he/she will be able to discuss it with potential landlords.

B. Briefing Attendance Requirement:

All families (head of household) are required to attend the briefing when they are initially issued a Housing Voucher. No Housing Voucher will be awarded unless the head of household has attended a briefing.

Failure to attend a scheduled briefing (without notice to the HA) will result in the family's application being placed in the inactive file and the family may be required to reapply for assistance. Applicants who provide prior notice of an inability to attend a briefing will be scheduled for the next briefing.

Failure of an applicant, without good cause, to participate in a scheduled briefing shall result in withdrawal of his/her application. The applicant will be notified of such withdrawal and determination of ineligibility and of his/her right to an informal review as outlined in Section XXXIX.

C. Format of the Briefing:

When a Family initially receives its Housing Voucher, a full explanation (oral) of the following shall be provided to assist the Family in finding a suitable unit and to apprise the Family of its responsibilities and the responsibilities of the Owner (this may be done either in group or individual sessions depending on the circumstances). Also, families will be given adequate opportunity to raise questions and to discuss the information listed below:

1. A description of how the program works;
2. Family and Owner Responsibility; and
3. Where the family may lease a unit, including renting a dwelling unit inside or outside the HA jurisdiction.
4. Description of EIV process.
5. Portability

6. The briefing must explain the advantages of selecting a unit in an area that does not have a high concentration of poor families.

D. **Voucher Package:**

When issuing a Housing Voucher, the HA shall give the Family an HCV Participant's Packet, which includes:

1. Voucher Term:

The term of the voucher is 60 days from the date of issuance. Prior to expiration, the family may contact the HA to inquire about assistance the HA can provide the family in locating suitable housing. The family must submit a Request for Tenancy Approval within the 60-day period unless an extension has been granted by the HA. Once the family has submitted a Request for Tenancy Approval the clock is stopped and/or suspended on the term of the voucher (See "Suspension"). If the unit is not approved for any reason, the remaining days will be reinstated. If the initial term is not adequate for finding a unit to lease, the family may request an extension of the initial term as described below.

2. Requesting for Extensions of the Term:

A family may request an extension of the Voucher time-period. All requests for extensions should be received prior to the expiration date of the Voucher. Extensions are permissible at the discretion of the HA primarily for the following reasons:

- a. Extenuating circumstances such as hospitalization or a family emergency for an extended period of time which has affected the family's ability to find a unit within the initial 60-day time period. The HA representative will verify the extenuating circumstances prior to granting an extension.
- b. The family has evidence that they have made a consistent effort to locate a unit and request support services from the HA, throughout the initial 60-day period with regard to their inability to locate a unit.
- c. The family has turned in a Request for Lease Approval prior to the expiration of the 60-day time period, but the unit has not passed HQS.

3. Determining the Family Housing Assistance Payment:

How the HA determines the housing assistance payment for a family, including information on the payment standard and the HA utility allowance schedule.

4. Maximum Rent Determination:

How the HA determines the maximum rent for an assisted unit;

5. Family's Considerations:

What the family should consider in deciding whether to lease a unit, including:

- a. The condition of the unit; Note: The family should consider cosmetic conditions that may not be an HQS (NSPIRE) consideration.
- b. Whether the rent is reasonable;
- c. The cost of any tenant-paid utilities and whether the unit is energy-efficient; and
- d. The location of the unit, including proximity to public transportation (if applicable), centers of employment, schools, and shopping.
- e. The family should consider the crime level of the neighborhood.

6. Where the Family may Lease:

Where the family may lease a unit. The information packet must include an explanation of how portability works and when families qualify.

7. HUD Required “Lease Addendum:”
The lease addendum is the language that must be included in the lease.
8. Request for Tenancy Approval:
The form of request for Tenancy approval, and an explanation of how to request HA approval to lease a unit;
9. PHA Plan on Providing Information:
A statement of the HA plan on providing information about a family to prospective owners (See Section XII);
10. Subsidy Standards:
The HA subsidy standards, including when the HA will consider granting exceptions to the standards;
11. How to Select a Unit:
The HUD brochure on how to select a unit;
12. Lead Based Paint:
The HUD lead-based paint (LBP) brochure;
13. Federal, State, and Local Equal Opportunity Laws:
Information on federal, state, and local equal opportunity laws, a copy of the HA’s request for a reasonable accommodation form, and a copy of the housing discrimination complaint form;
14. Landlord List:
A list of landlords or other parties known to the HA who may be willing to lease a unit to the family, or help the family find a unit;
15. Disabled Notice:
Notice that if the family includes a disabled person, the family may request a current listing of accessible units known to the HA that may be available;
16. Family Obligations under the Program:
17. Grounds for Termination:
The grounds on which the HA may terminate assistance for a participant family because of family action or failure to act; and
18. Informal Hearing Procedures:
The informal hearing procedures. This information must describe when the HA is required to give a participant family the opportunity for an informal hearing, and how to request a hearing.
19. A copy of the HA’s Request for a Reasonable Accommodation Form and a copy of the VAWA forms.

XI. Housing Authority Disapproval of Owner

A. HUD Disapproval:

The HA must not approve a unit if the HA has been informed (by HUD or otherwise) that the owner is debarred, suspended, or subject to a limited denial of participation. Also, the HA must not approve a unit if:

1. The federal government has instituted an administrative or judicial action against the owner for violation of the Fair Housing Act or other federal equal opportunity requirements and the action is pending; or
2. A court or administrative agency has determined that the owner violated the Fair Housing Act or other federal equal opportunity requirements.
3. If the owner is a parent, child, grandparent, grandchild, sister, or brother of any member of the participant family, the HA must not approve the unit. However, if the housing authority determines that approval of the unit would provide reasonable accommodation for a family member who is a disabled person, the unit may be approved.
4. Conflicts of interest
 - a. Present or former member or officer of the HA, except a participant commissioner.
 - b. Employee of the HA or any contractor, sub-contractor or agent of the HA who formulates policy or influences program decisions.
 - c. Public official, member of a governing body, or state or local legislature who exercises function or responsibility related to the program.
 - d. Members of U.S. Congress.

The HUD Field Office may waive the conflict-of-interest requirements, except for members of Congress, for good cause.

B. HA Administrative Discretion:

The HA will deny approval to lease a unit from an owner for any one of the following:

1. Owner has violated obligations under a HAP contract.
2. Owner has committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.
3. The owner has engaged in drug-trafficking.
4. The owner has a history or practice of non-compliance with the HQS (NSPIRE) requirements, State, or local housing codes.
5. The owner has not paid State or local real estate taxes, fines or assessments.
6. Current or prior history of refusing to evict HCV program or other assisted housing tenants for activity by the tenant, any member of the household, a guest, or another person under the control of any member of the household that:
 - a. Threatens the right to peaceful enjoyment of the premises by other residents;
 - b. Threatens the health or safety of residents, HA employees, or owner employees;
 - c. Threatens the neighbors' health or safety, or neighbors' right to peaceful enjoyment of their residences;
 - d. Engages in drug related criminal activity or violent criminal activity.

XII. Owner Responsibility for Screening

A. Suitability for Tenancy:

The HA must inform the owner that the HA has not screened the family's behavior or suitability for tenancy and that such screening is the owner's own responsibility.

B. Family's Background:

An owner may consider a family's background with respect to such factors as:

1. Payment of rent and utility bills.
2. Caring for a unit and premises.
3. Respecting the rights of others to the peaceful enjoyment of their housing.
4. Drug-related criminal activity or other criminal activity that is a threat to the life, safety or property of others and compliance with other essential conditions of tenancy.
5. Complies with other essential conditions of tenancy.

C. Information Provided Owner Concerning Tenancy:

The HA must give the owner the family's current address (as shown in the HA records) and the name and address of the landlord at the family's current and prior addresses, if known to the HA.

XIII. Where a Family Can Lease - Including Portability

A. Assistance in the Initial HA Jurisdiction:

The family may receive tenant-based assistance to lease a unit located anywhere in the jurisdiction of the initial HA.

B. Portability - Assistance Outside the Initial HA Jurisdiction:

Families living in the jurisdiction of the initial HA may receive tenant-based assistance to lease a unit in the jurisdiction of an HA anywhere in the United States that is administering a tenant-based program. Once a participant transfers under the portability procedures the receiving HA's policies govern the continuing participation.

Exception: If the HA does not have sufficient funds to cover the cost of a port to a higher cost area the HA will deny the port unless the receiving HA agrees in writing to absorb. The HA will document the lack of funds using the two-year tool.

Applicants that do not live in the jurisdiction of the initial HA at the time they apply for tenant-based assistance do not have any right to lease a unit outside the initial HA's jurisdiction until they have been on the program for twelve (12) months.

C. Income Eligibility

1. For admission:

A family must be income eligible in the area where the family initially leases a unit under the program.

2. Port-In:

If a portable family was already a participant in the initial HA program, income eligibility is not redetermined.

D. Leasing in Place:

A family may select their current dwelling unit for participation in the program if the dwelling unit is approved.

E. Freedom of Choice:

The HA may not directly or indirectly reduce the family's opportunity to select among available units.

F. Portability - Administration by Receiving HA:

When a family moves under portability to an area outside the initial HA jurisdiction, another HA (the receiving HA) must administer assistance for the family if a HA with a tenant-based program has jurisdiction in the area where the unit is located. When this situation exists, the HA with jurisdiction in the area where the family wants to lease a unit must issue the family a voucher. If there is more than one such HA, the initial HA may choose the receiving HA.

G. Portability Procedures:

1. Initial PHA Responsibilities:

- a. When a family wishes to move under portability, the family **must** inform the initial PHA of the area to which the family wishes to move. In the case where the family is not currently a program participant, the initial PHA must determine if the family is income eligible in the area to which the family wishes to move. If the family is not income eligible in the area to which the family wishes to move, the PHA must inform the applicant family they may not move to the area in question and receive voucher assistance. Income eligibility is not redetermined when a participant family (a family that is already under a HAP contract) exercises portability.
- b. Contact the receiving PHA on the family's behalf. The initial PHA must promptly notify the receiving PHA to expect the incoming family (see CFR 982). This means the initial PHA contacts the receiving PHA on the family's behalf, typically by telephone, fax, or email. Simply referring the family to HUD or a website for information on the receiving PHA's address does not fulfill the responsibilities of the initial PHA under the program regulations. The initial PHA must also advise the family how to contact and request assistance from the receiving PHA (e.g., the name and telephone number of the staff person responsible for working with incoming portability families and any procedures related to appointments for voucher issuance the receiving PHA has shared with the initial PHA). The revised Form HUD-52665 now contains a line that the initial PHA uses to identify the receiving PHA to which the initial PHA is referring the family.

- c. **Completion of Part I of the Form HUD-52665.** The initial PHA completes Part I of the Form HUD-52665 and mails or faxes it to the receiving PHA, along with a copy of the family's voucher issued by the initial PHA, a current copy of Form HUD-50058, and copies of the income verification backing up the form. (Note that in the case of an applicant, the initial PHA has not completed the HUD-50058 and submitted the information to HUD because the family is not yet a new admission. However, the PHA must provide the family information and income information to the receiving PHA in a format similar to the Form HUD-50058 so that the information is easily available for use by the receiving PHA.)
- d. Part I of the form contains the date by which the initial billing notice provided by the receiving PHA must be received by the initial PHA.

Note that the initial billing deadline has changed. The initial billing submission must be received by the initial PHA no later than 90 days following the expiration date of the family voucher issued by the initial PHA.

- e. If the initial PHA has not received a billing notice by the deadline, the initial PHA must contact the receiving PHA to determine the status of the family if the initial PHA intends not to honor a late billing submission. If the receiving PHA reports that the family is not yet under HAP contract, the initial PHA may inform the receiving PHA that they will not accept any subsequent billing on behalf of the family. Once the initial PHA has so notified the receiving PHA, the initial PHA is not required to honor any billing notice received after the billing deadline. If the initial PHA still subsequently receives a late billing notice on behalf of the family, it simply returns the late Form HUD-52665 to the receiving PHA, and the receiving PHA must absorb the family.
 - f. If the receiving PHA reports that the family is under HAP contract and it cannot absorb when the initial PHA contacts the receiving PHA to determine the status of the family, the initial PHA is required to accept the subsequent late billing. The initial PHA may contact HUD to report the receiving PHA's failure to submit the bill in accordance with these procedures. HUD may take action to address the receiving PHA's failure to do so, which may include reducing the receiving PHA's administrative fee. In addition, in such a case HUD may subsequently transfer units from the receiving PHA to the initial PHA when it is feasible, since the initial PHA was required to accept the late billing.
2. Receiving PHA Responsibilities:
- a. The receiving PHA must promptly issue a voucher to the family for its search in the receiving PHA jurisdiction, the term of which may not expire before the expiration date of the initial PHA voucher. The receiving PHA may provide additional search time to the family beyond the expiration date of the initial PHA voucher, either when it initially issues its own voucher or by subsequently extending its own voucher's term. However, if the receiving PHA provides the family with search time beyond the expiration date of the initial PHA's voucher, it must inform the initial PHA of the extension and should bear in mind the billing deadline provided by the initial PHA. Unless willing and able to absorb the family, the receiving PHA should ensure that any voucher expiration date would leave sufficient time to process a Request for Lease Approval, execute a HAP

contract, and cover the anticipated delivery time (if the PHA is not submitting the billing information by fax or email) so that it will be received by the initial PHA by the deadline date.

- b. A receiving PHA should not process the family if the initial PHA voucher has already expired when it receives the paperwork from the initial PHA, but should refer the family back to the initial PHA. The initial PHA would have to decide to extend the term of the initial PHA voucher (and the billing deadline) before the receiving PHA would process the portability move in such an instance.
- c. HUD expects the receiving PHA to process the family's paperwork and issue the incoming family a voucher for its jurisdiction within two weeks of receiving the HUD-52665 and supporting documentation, provided the information is in order, the family has contacted the receiving PHA, and the family complies with the receiving PHA's procedures. For example, it is unacceptable for the receiving PHA to delay processing the family's paperwork and issuing a voucher because it wishes the family to attend a group briefing that is not scheduled for three weeks. The receiving PHA does not re-determine eligibility for a portable family that was already receiving voucher assistance and may not unduly delay the family's housing search in issuing the voucher.
- d. Should the PHA wish to conduct its own background checks and/or conduct a new income reexamination on a family that has already received housing assistance payments under the initial PHA, the receiving PHA may not delay issuing the family a voucher or otherwise delay approval of a unit until such time that those processes are completed. The PHA may of course take subsequent action (e.g., recalculating the HAP payment based on updated income information; terminating the family's participation in the program due to criminal background or failing to disclose necessary information) against the family based on the results. In the case of an applicant family, the receiving PHA may delay issuing or otherwise delay approval of a unit only if the re-certification is necessary to determine income eligibility.
- e. In any event, the PHA may always delay approval of the unit or issuance of the voucher if the family refuses to comply with the receiving PHA procedures (such as completing disclosure forms or certifications). In any case where the PHA is refusing to process or provide assistance under the portability procedures, the family must be given the opportunity for an informal review or hearing.
- f. If an incoming portable family ultimately decides not to lease in the jurisdiction of the receiving PHA, but instead wishes to return to the initial PHA or wishes to search in another jurisdiction, the receiving PHA must refer the family back to the initial PHA. In such a case the voucher of record for the family is once again the voucher originally issued by the initial PHA. Any extensions of search time provided by the receiving PHA voucher are only valid for the family's search in the receiving PHA jurisdiction. Any extensions of the initial PHA voucher necessary to allow the family additional search-time to return to the initial PHA's jurisdiction or to move to another jurisdiction would be at the discretion of the initial PHA.
- g. The receiving PHA may absorb the family into its own program once the HAP contract is executed on behalf of the family by the receiving PHA, assuming it

has funding available under its ACC to do so and such a decision will not result in over-leasing. The receiving PHA may also absorb a portable family assisted through a billing arrangement by terminating the billing arrangement with the initial PHA. In such a case, HUD encourages the receiving PHA to provide adequate advance notice to the initial PHA to avoid having to return an overpayment. The receiving PHA must specify the effective date of the absorption of the family.

- h. To clarify any misunderstanding over the purpose and use of the absorption option, a PHA does not technically “absorb” a family into its program until the receiving PHA executes a HAP contract on behalf of the family in the receiving PHA jurisdiction. If the family is not placed under HAP contract in the receiving PHA jurisdiction, the receiving PHA cannot absorb the family.
- i. **Part II of Form HUD-52665.** The receiving PHA must promptly inform the initial PHA if it intends to absorb or bill. The receiving PHA sends Part II of Form HUD-52665 to the initial PHA. If the receiving PHA decides to bill the initial PHA, the receiving PHA not only completes Part II of the Form HUD-52665, but also attaches a copy of the new Form HUD-50058 before returning it to the initial PHA. In addition to the initial billing deadline discussed above, the instructions of the Form HUD-52665 provide that the receiving PHA must complete and mail (which may include electronic mail or fax) Part II of the form within 10 working days from the date a HAP contract is executed on behalf of a family.
- j. HUD is aware that in some instances receiving PHAs have submitted initial billings well after 10 working days, creating significant difficulties for initial PHAs. **The initial PHA is generally not obligated to honor initial billings that are postmarked, emailed, or faxed more than 10 working days after the date the HAP contract is executed.** (Note that it is the date the HAP contract is executed, not the effective date of the HAP contract, which is at issue. For instance, if a PHA executes a HAP contract within 60 days of the approval of the unit, the HAP contract may be retroactive to the date the unit was approved. It is the date the PHA executed the contract, not the retroactive effective date of the contract, that establishes the deadline by which the initial billing must be mailed, emailed or faxed.) The initial PHA must immediately inform the receiving PHA in writing of its decision not to accept the late billing submission. **A receiving PHA that failed to send the initial billing within 10 working days following the date the HAP contract is executed is generally required to absorb the family into its own program unless the initial PHA is willing to accept the late submission.**

HUD may in certain instances require the initial PHA to honor a billing submission that is received after the 10-day deadline (such as where the receiving PHA is over-leased and is in danger of not being able to stay under unit months available for its fiscal year). In such a case HUD may take action to address the receiving PHA’s failure to submit the notification in a timely manner, which may include reducing the receiving PHA’s administrative fee and subsequently transferring units from the receiving PHA to the initial PHA.

3. Timing of the Initial and Subsequent Billing Payments.

- a. The initial PHA must pay the first billing amount due within 30 calendar days of receipt of Part II of the Form HUD-52665. Subsequently, the initial PHA must make payment each month the billing arrangement is in effect. The payment must be provided in a form and manner that the receiving PHA is able and willing to accept. Initial PHAs involved in billing arrangements must ensure that subsequent monthly billing payments are received by the receiving PHA **no later than the fifth working day of each month.**
 - b. In many cases billing difficulties simply result from miscommunications that are often resolved by the PHAs without HUD intervention. HUD continues to encourage PHAs to work cooperatively to resolve billing difficulties. However, it is ultimately the responsibility of the initial PHA to make billing payments in a timely manner.
 - c. The program regulations at CFR 982 provide that HUD may transfer funds for assistance to portable families to the receiving PHA from funds available under the initial PHA ACC. Upon request of the receiving PHA, HUD will exercise this authority to transfer units from the initial PHA to the receiving PHA in cases where the initial PHA fails to comply with the initial and subsequent monthly billing due dates described above.
 - d. The initial PHA may not terminate or delay making payments under existing billing arrangements as a result of over-leasing or funding shortfalls at the initial PHA program. PHAs may only terminate HAP contracts as the result of insufficient funding in accordance with CFR 982 to which they are a party.
4. Receiving PHA: On-going Responsibilities.
- a. The receiving PHA must send the initial PHA a copy of the updated Form HUD-50058 at each annual recertification for the duration of time the receiving PHA is billing the initial PHA on behalf of the family, regardless of whether there is a change in the billing amount. The purpose of this notification is to serve as an annual “reconciliation” to assist both PHAs in fulfilling their accounting and record-keeping responsibilities. Should the initial PHA fail to receive an updated Form HUD-50058 by the annual recertification date, it should contact the receiving PHA to verify the status of the family.
 - b. The receiving PHA is also required to send a new Form HUD-52665 along with the Form HUD-50058 to report any change in the billing amount, if applicable. The timing of the notice of the change in the billing amount should correspond with the notification to the owner and the family in order to provide the initial PHA with advance notice of the change. However, under no circumstances should the notification be later than 10 working days following the effective date of the change in the billing amount.
 - c. If the receiving PHA is absorbing a family for which it has been billing or if the housing assistance payments are terminated for any reason, the receiving PHA should provide adequate notice of the effective date of the absorption or termination to avoid having to return a payment. In no event should the receiving PHA fail to notify the initial PHA later than 10 working days following the effective date of the termination of the billing arrangement.
 - d. In the case where a family currently under a billing arrangement subsequently decides it wants to move under portability to yet another jurisdiction, the

receiving PHA does not issue the family a voucher in order to do so. Instead, the receiving PHA notifies the initial PHA of the family request to port to another jurisdiction. The initial PHA is responsible for issuing the family's voucher and sending the Form HUD-52665 and supporting documentation to the new receiving PHA. Good communication between all three PHAs is very important in such a circumstance.

5. Summary of Portability Billing Deadlines.

The following summarizes the relevant deadlines under the portability billing procedures.

- a. Submission of Initial Billing Amount (Part II of the Form HUD- 50058): Receiving PHA must submit initial billing notice (1) no later than 10 working days following the date the HAP contract was executed and (2) in time that it will be received no later than 90 days following the expiration date of the family's voucher issued by the initial PHA.
- b. Payment of First Billing Amount: Initial PHA makes payment within 30 days of receipt of Part II of the Form HUD 50058 indicating billing amount.
- c. Payment of Subsequent Billing Amounts: The initial PHA is responsible for ensuring that subsequent billing amounts are received no later than the fifth working day of each month for which the monthly billing amount is due.
- d. Notification of Change in Billing Amount or Other Action: The receiving PHA notifies the initial PHA of any change in the billing amount as soon as possible (preferably before the effective date to avoid retroactive adjustments) but in no circumstance any later than 10 working days following the effective date of the change.

XIV. Inspections of Private Landlord's Property

When the HA receives a request for tenancy approval the HA shall inspect the unit for compliance with the HUD Housing Quality Standards (HQS)/NSPIRE. The HA's inspector will inspect the unit for compliance with HQS/NSPIRE standards and send the owner the results of the inspection. If there are defects or deficiencies which must be corrected in order for the unit to comply with HQS/NSPIRE standards, the Owner shall be advised, in writing and/or email or phone, by the HA of the work required to be done before a Contract can be executed. The unit will be re-inspected or self-certified to ascertain that the necessary work has been performed and the unit meets HQS/NSPIRE standards for occupancy.

The inspection reports will specify the defects or deficiencies which must be corrected in order for the unit to meet HQS/NSPIRE standards. The inspection report will also reflect any other defects or deficiencies that do not cause the unit to fail, in the event of a subsequent claim by the Owner that they were caused during the period of occupancy by the Family.

XV. Inspection Standards

Before a unit can be approved for occupancy under the HCV program, the unit must meet the performance requirements set forth in 24 CFR, which are the Housing Quality Standards (HQS/NSPIRE).

A. HQS Inspection Areas:

The following areas are included in HQS inspections:

1. Sanitary facilities;
2. Food preparation and refuse disposal;
3. Space and security;
4. Thermal environment;
5. Illumination and electricity;
6. Structure and materials;
7. Interior air quality;
8. Water supply;
9. Defective paint surfaces (in units built prior to 1978);
10. Access;
11. Site and neighborhood;
12. Sanitary condition; and
13. Smoke Detectors.

A-1 NSPIRE Inspection Areas (effective October 1, 2024)

1. **UNIT:** A “Unit” of HUD housing refers to the interior components of an individual dwelling, where the resident lives.
2. **INSIDE:** “Inside” refers to the common areas and building systems within the building interior and are not inside a unit. This could include interior laundry facilities, workout rooms, and so on.
3. **OUTSIDE:** “Outside” refers to the building site, building exterior components, and any building systems located outside of the building or unit. This includes things like playgrounds, sidewalks, and air-conditioning units.

The HA's inspection only certifies that the unit meets HQS/INSPIRE requirements. The HA is not responsible for items not included in the HQS/NSPIRE inspection. The HA will use HUD approved inspection forms to perform HCV/NSPIRE Inspections.

B. Defective Paint Surfaces (units built prior to 1978)

1. Non-EBL Children:

When children under six years of age live in a household where the HQS/NSPIRE inspection revealed deteriorated paint surfaces, including chipping, peeling, chalking, teeth marks, or any other defects in the paint surface in excess of the limits as found in the Federal Regulations, the landlord must test and/or abate the lead-based paint hazard in accordance with the applicable federal and/or state rules and regulations. The family must be protected in accordance with the regulations.

2. EBL Children:

If a family member under six (6) years of age with an EBL is to reside in a unit built prior to 1978, the unit must be tested for lead-based paint and if found positive abated in accordance with Federal Regulations. The family must be protected in accordance with the regulations.

3. Health Department Reports:

- a. Within five working days after the HA receives notification of an Environmental Intervention Blood Lead Level of 10 μ g/dL (micrograms per deciliter) or more, the HA will supply to the Health Department names or addresses of identified EBL children under the age of six (6) years;
- b. At least quarterly the HA shall provide a list of addresses of all HCV assisted units with children under the age of six to the Health Department (unless the Health Department declines the list);
- c. At least quarterly, the HA shall request a list of all children under the age of six with an EBL. If this list is supplied, the HA shall cross check the list with the addresses of HCV participants to see if any of the children listed are in the HCV program.
- d. If a match occurs that was previously unknown to the HA, the HA and the property owner must follow all requirements for units with children under the age of six (6) years old with an EBL.

C. Types of HQS/NSPIRE Inspections:

1. Initial Inspections:

Performed by the HA representative after receiving the Request for Tenancy Approval from the applicant.

2. Occupied inspections:

- a. For participants continuing to receive assistance and remaining in the same unit, a new inspection is required within 730 days of the last inspection.
- b. The PHA may inspect more frequently if they wish. See Notice PIH 2016-05, Attachment K
- c. SEMAP scores are based on compliance with at least biennial inspections.

3. Re-Inspections:

Inspections that are performed by HA staff for verifying that deficiencies noted in the previous inspection have been corrected and meet HQS/NSPIRE.

4. Re-inspection Fees

The HA will charge a \$30.00 fee to owners for a re-inspection under two circumstances: (1) if an owner notifies the PHA that a deficiency cited in the previous inspection has been repaired and a re-inspection reveals that it has not and/or (2) if the allotted time for repairs has elapsed and a re-inspection reveals that any deficiency cited in the previous inspection that the owner is responsible for repairing has not been corrected. This fee must be paid prior to the scheduling of another re-inspection.

5. Quality Control Inspections:

The HA or representative will re-inspect the minimum number as specified in CFR 985 to ensure that inspections are being performed in compliance with HQS/NSPIRE standards. Files will be maintained that document the quality control inspections.

6. Special Inspections:

- a. These types of inspections may be necessary when a federal official visits the HA to perform a compliance review of the HA and/or the owner or tenant may request a special inspection be performed to document the condition of the unit.
- b. If a family or Government official reports a life-threatening emergency the PHA must inspect the unit within 24 hours of receiving notice.
- c. If the family or Government official reports a non-life-threatening condition the PHA must inspect the unit within 15 days of receiving notice.

XVI. Rent and Rent Reasonableness

A. Negotiating Rent to Owner:

The rent to the owner is a matter of negotiation between the owner and the family. The rent must be within the guidelines of “rent reasonableness,” and this rental amount must be certified by the HA as falling within the guidelines of “rent reasonableness.”

B. Rent to Owner: Reasonable Rent

1. HA determination

- a. The HA may not approve a lease until the HA determines that the initial rent to owner is a reasonable rent.

The HA must re-determine the reasonable rent:

- (1) Before any increase in the rent to owner;
- (2) If directed by HUD,
- (3) The HA may also re-determine the reasonable rent at any other time.

2. Comparability:

The HA must determine whether the rent to owner is a reasonable rent in comparison to rent for other comparable unassisted units.

The rent reasonableness methodology used by this HA is attached to this document as **Appendix “C.”**

3. Owner certification of rents charged for other units:

By accepting each monthly housing assistance payment from the HA, the owner certifies that the rent to owner is not more than rent charged by the owner for comparable unassisted units in the premises. The owner must give the HA information requested by the HA on rents charged by the owner for other units on the premises or elsewhere.

C. Rent to Owner: (Effect of rent control)

In addition to the rent reasonableness limit under this subpart, the amount of rent to owner also may be subject to rent control limits under State or local law.

D. Rent to Owner: (In subsidized projects).

1. Subsidized rent.

- a. The rent to owner in an insured or noninsured Section 236 project, Section 515 project of the Rural Development Administration, Section 202 project, or Section 221(d)(3) below market interest rate project is the subsidized rent.
 - b. During the assisted tenancy, the rent to owner must be adjusted to follow the subsidized rent, in accordance with the lease.
2. H.O.M.E.
For units assisted under the H.O.M.E. program, rents are subject to the requirements of the HOME program.

E. 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 participant 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 participant extra amounts for items customarily included in rent in the locality or provided at no additional cost to unsubsidized tenants in the premises.

XVII. Lease Approval

When a family finds a unit, and the owner is willing to lease the unit under the program, the family must request the HA to approve the lease and unit.

Property Owners cannot participate in the program if they are disapproved by the HA as outlined in Section XI.

A. Notification:

If the HA determines that a unit which an Eligible Family wishes to lease meets HQS/NSPIRE, rent reasonableness and the proposed Lease is approvable, the HA shall notify the Owner and the Family of its determination of Lease approval.

The HA only reviews the landlord's standard lease to ensure that HUD requirements are met.

Maximum Allowable Family Contribution: At the time a family initially receives tenant-based assistance for occupancy of a dwelling unit, and where the gross rent of the unit exceeds the applicable payment standard for the family, the family share does not exceed 40% of the family's monthly adjusted income.

B. HA Disapproval of Lease:

The HA may disapprove a lease for a rent that is not reasonable, based on rents charged for comparable rental units. HA's may exercise this authority in communities where the market is not functioning normally or where some families are not able to negotiate

reasonable rent on their own. For example, where there is a concentration of ownership by a small number of landlords, or where rents charged to voucher holders are greater than rents charged to non-assisted families living in comparable units. A HA must document each case in which it disapproves of a lease because the rent is not reasonable.

C. Execution of the Lease:

After receiving notification from the HA, the Owner and the voucher holder will provide an executed copy of the lease (dated on or after the lease approval) to the HA representative. The HAP Contract must be executed within 60 days of the effective date of the signed lease.

No HAP can be paid until the contract (HAP) is executed; however, once executed, payments will be retroactive to the effective date of the Lease.

If the HAP contract is not executed within 60 days the process must start from the beginning with a new request for lease approval.

D. The HA shall retain the following in its files:

1. The Request for Lease Approval;
2. The approved Lease;
3. Inspection report;
4. HA certification that the current rent being charged for comparable units in the private unassisted market, taking into account the location, size, type, quality, amenities, facilities and management and maintenance service of such unit. This certification will be maintained for three years to comply with HUD regulations and HUD inspections; and,
5. Executed Contract.

XVIII. Monthly Housing Assistance Payments (Hap)

Monthly payments will be made to an owner on behalf of a family participating in the HCV Program. Payments will be issued in accordance with the Housing Assistance Payment Contract. The checks or electronic deposits will be issued on a monthly basis and be deposited directly to the participating owner by the fifth (5) working day of each month. A copy of the transfer will be kept and serve as a record of payment.

XIX. Security Deposit

The owner establishes the amount of the security deposit to be charged. The security deposit should be consistent with private market practice or security deposits for the owner's unassisted units subject to state law. When the participant moves out of the dwelling unit, the owner, subject to state 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 participant, damages to the unit or for other amounts the participant owes under the lease. The owner must give the participant a

written list of all charges against the security deposit, and the amount of each item. The owner must refund the security deposit balance in accordance with state law.

IF THE SECURITY DEPOSIT IS NOT SUFFICIENT TO COVER AMOUNTS THE PARTICIPANT OWES UNDER THE LEASE, THE OWNER MAY SEEK TO COLLECT THE BALANCE FROM THE PARTICIPANT. THE HA IS NOT RESPONSIBLE FOR ANY DAMAGES OR OTHER MONEY THE PARTICIPANT OWES UNDER THE LEASE.

XX. Housing Assistance Payment (Calculations)

A. Payment Standard:

A payment standard is used to calculate the monthly housing assistance payment for a family.

B. Amount of assistance

1. Maximum and Minimum:

The HA must adopt a payment standard schedule that establishes payment standards for the HA voucher program. For each FMR area and for each exception rent area, the HA must establish voucher payment standard amounts by unit size (zero-bedroom, one-bedroom, and so on).

2. Formula:

- a. The housing assistance payment for a family equals the lesser of:
 - (1) The applicable payment standard minus 30 percent of monthly adjusted income; or
 - (2) The monthly gross rent minus the minimum rent.
- b. The minimum rent is the higher of:
 - (1) 10 percent of monthly income (gross income); or
 - (2) The HA's established minimum rent.

3. Calculating the HAP for a family:

The HA must use the applicable payment standard from the HA 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.

C. Payment standard for family:

1. The payment standard for a family is the lower of:
 - c. The payment standard for the family unit size; or
 - d. The payment standard for the unit size rented by the family; or
 - e. The gross rent for the unit.
2. If the unit rented by a family is located in an exception rent area, the HA must use the appropriate payment standard for the exception rent area.
 - a. During the HAP contract term for a unit, the amount of the payment standard for a family is the higher of:

- b. 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
- c. The payment standard as determined at the most recent regular reexamination of family income and composition effective after the beginning of the HAP contract term.

If payment standards are reduced the new payment standard does not become effective until the second reexamination for units under existing contract.

D. Distribution of Housing Assistance Payment:

The monthly housing assistance payment is distributed as follows:

- 1. The HA 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 HA may pay the balance of the housing assistance payment either to the family or directly to the utility supplier to pay the utility bill on behalf of the family.

XXI. Determination of Rent and Re-Examinations (See admissions Section for guidance)

A. Annual Re-examination

- 1. Once each year, or as required by this HA, the HA must reexamine the income and family composition of all families participating in the HCV Program in accordance with 24 CFR. Verifications acceptable to the HA shall be obtained and determinations made. In the event of failure or refusal of the family to report the necessary information, the HA may terminate the assistance.
- 2. Records shall be maintained by the HA to ensure that every participant's income and family composition has been reexamined within a twelve-month period.
- 3. Upon completion of reexamination and verification, the participant shall be provided reasonable advanced notice (must be 30 days for increases in rent), in writing (A copy of such notification is to be retained in the participant's file.)
 - a. Any change in the family's portion of rent and the date on which it becomes effective.
 - b. Any change required because of a change in the composition of the family.

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, through tenant portal, 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 HA in advance, and must qualify, the same as an applicant or any prospective new participant. These changes will be processed as non-interim reexaminations unless adjusted income decreases by 10 percent or more; or

increases by 10 percent or more based on unearned income; or earned income if the family had a prior interim decrease.

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.
3. The starting of or stopping of, or an increase or decrease of 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 Compensation, 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. Decrease in family income when a family member permanently moves out of the unit. The HA will process an interim decrease unless there is no change/decrease in adjusted income as a result of the decrease in family size, then a non-interim transaction is processed instead of an interim reexamination.
5. Increase in family income following the HA granting of interim rent decrease. The HA will process an interim increase for annual **adjusted income** increases of 10 percent or more that follow interim rent reductions.
6. Increase/decreases in unearned income (e.g. COLA adjustment for social security; unemployment benefits; TANF; new social security/SSI benefits; etc.). The HA will defer the increase to the next regular reexamination unless it results in an increase in **adjusted income** of 10 percent or more.
7. Errors of omission made at admission or re-examination shall be corrected by the HA. Retroactive payments will be made to the participant if the error is in his/her favor.

If an error results in a retroactive rent payment due to the participant not providing correct information concerning annual income, the HCV participant must make repayment in accordance with the HA policy. Errors resulting in an overpayment by the Family will be refunded to the participant through an increase in HAP payment(s) or directly to the participant.

C. Adjusting Rent between Regular Reexaminations

1. The HA wishes to encourage families to improve their economic circumstances, so adjusted income changes of less than 10 percent in family adjusted income between reexaminations will not result in a rent change.
2. Complete verification of the circumstances applicable to rent adjustments must be documented and approved by the HA.

3. The HA will process interim adjustments in rent as follows:

c. Income Change:

The HA action:

- Decrease in family income greater than 10 percent of annual **adjusted income**, except for decrease that lasts fewer than 30-days. The HA will process an interim reduction in rent if the income decrease will last more than 30-days. Decreases in income resulting from welfare fraud or from welfare cuts for failure to comply with economic self-sufficiency requirements are not eligible for rent reductions.
- Decrease in family income when a family member permanently moves out of the unit. The HA will process an interim decrease unless there is no change/decrease in adjusted income as a result of the decrease in family size, then a non-interim transaction is processed instead of an interim reexamination.
- Increase in family income following the HA granting of interim rent decrease. The HA will process an interim increase for annual **adjusted income** increases of 10 percent or more that follow interim rent reductions.
- Increase in income because a person with unearned income that increases adjusted income of the family by more than 10 percent joins the household. The HA will process an interim increase.
- Increase in income because a person with earned income or no income joins the household. The HA will process a non-interim reexamination and inclusion of the income will be delayed until annual reexamination.
- Increase in income from any new source that are greater than 10 percent of annual **adjusted income** and the HA previously processed an interim decrease during the certification period. The HA will process an interim increase.
- Incremental increases in family income due to pay increases or raises from existing employment. The HA will defer the increase to the next regular reexamination unless it would result in an increase in **adjusted income** of 10 percent or more and the family has previously received an interim reduction during the same reexamination cycle.
- Increase in unearned income (e.g. COLA adjustment for social security; unemployment benefits; TANF; new social security/SSI benefits; etc.). The HA will defer the increase to the next regular reexamination unless it would result in an increase in **adjusted income** of 10 percent or more.

d. Resident Misrepresentation:

- The HA will process an interim increase in rent if the resident has misrepresented or failed to report facts upon which rent is based, so the rent the resident is paying is less than it should have been. The HA will apply any increase in rent retroactive to the month following the month in which the misrepresentation occurred, or
- Based on circumstances the HA may evict.

e. Deduction Change:

- (1) A change in family status will be deferred to the next annual reexamination unless the change would result in a 10 percent change in **adjusted income**.
- (2) A change in the number of dependents will be processed.

- (3) A change in medical expenses will be deferred to the next annual reexamination unless the change would result in a 10 percent change in **adjusted income** (see hardship exemption).
- (4) A change in childcare expenses will be deferred to the next annual reexamination unless the change would result in a 10 percent change in **adjusted income** (see hardship exemption).

D. Notice of Temporary Rent:

On occasions, the HA is required to compute rent based on information that is supplied by the participant and third-party information that has not or will not be provided by the employer. When this situation occurs, the HA will compute a temporary rent based on the information available. Once the information is verified the participant will be notified in writing. If an underpayment was made, based on the information provided, the participant will have fourteen (14) days from the date of the HA notification to pay the amount specified. If the participant has made an overpayment, that amount will be credited to his/her account, with the landlord. The head of household and spouse (if applicable) and a HA representative signs this "Notice of Temporary Rent" and it is filed appropriately with a copy provided to the participant.

E. The Effective Dates of Interim Re-determination of Rent

1. Any decrease in rent resulting from a decrease of greater than 10 percent of annual **adjusted income** or change in deductions will be made effective the first of the month following the date the decrease in family adjusted income was reported and verified in writing.
2. The participant agrees to pay any increase in rent resulting from an increase in family income the first of the second month following the date in which such increase in family income occurred, and to pay any back rent due because of failure to report such increase in family income.
 - a. Any interim change in rent will require verification.
 - 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 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 paying, 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.

F. Minimum Rent Hardship Exemptions

1. The HA 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 nationalization 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 income of the family has decreased because of changed circumstance, including loss of employment.
 - c. A death in the family has occurred which affects the family circumstances.
 - d. Other circumstances which may be decided by the HA on a case-by-case basis.

All of the above must be proven by the participant providing verifiable information in writing to the HA prior to the rent becoming delinquent and before the lease is terminated by the owner.

2. If a family requests a financial hardship exemption, the HA must suspend the minimum rent requirement beginning the month following the family's request for a hardship exemption until the HA determines whether there is a qualifying financial hardship, and whether such hardship is temporary or long term. The HA must promptly determine whether a qualifying hardship exists and whether it is temporary or long term. If the HA determines that a qualifying financial hardship is temporary, the HA must not impose the minimum rent during the 90-day period beginning the month following the date of the family's request for a hardship exemption. At the end of the 90-day suspension period, the HA must reinstate the minimum rent from the beginning of the suspension. The family must be offered a reasonable repayment agreement, on terms and conditions established by the HA, for back rent owed by the family.

G. Financial hardship exemption for unreimbursed health and medical care expenses and reasonable attendant care and auxiliary apparatus expenses

The standard deduction is the sum of the following, to the extent the sum exceeds ten percent of annual income:

- Unreimbursed health and medical care expenses of any elderly family or disabled family; and
- Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with a disability, to the extent necessary to enable any member of the family (including the member who is a person with a disability) to be employed. This deduction may not exceed the combined earned income received by family members who are 18 years of age or older and who are able to work because of such attendant care or auxiliary apparatus.

1. Phased-in relief. This paragraph provides financial hardship relief for families affected by the statutory increase in the threshold to receive health and medical care expense and reasonable attendant care and auxiliary apparatus expense deductions from annual income (Increasing from 3 percent to 10 percent of annual Income).

NOTE: Eligible families will begin receiving the 24-month phased-in relief at their next annual reexamination or interim reexamination, whichever occurs first after January 1, 2024. When an eligible family's phased-in relief begins at an interim reexamination, the PHA/MFH Owner will need to process another transaction one year later to move the family along to the next phase. The transaction can be either an interim reexamination if triggered, or a non-interim reexamination transaction.

- a. Eligibility for relief. To receive hardship relief under this paragraph, the family must have received a deduction from annual income because their sum of expenses exceeded 3 percent of annual income as of January 1, 2024.
 - b. Form of relief.
 - (1) The family will receive a deduction totaling the sum of the unreimbursed expenses defined above that exceeds 5 percent of annual income.
 - (2) Twelve months after the relief in this paragraph (b)(1) is provided, the family will receive a deduction totaling the sum of unreimbursed expenses defined above that exceed 7.5 percent of annual income.
 - (3) Twenty-four months after the relief in this paragraph (b)(1) is provided, the family will receive a deduction totaling the sum of unreimbursed expenses defined above that exceed ten percent of annual income and the only remaining relief that may be available to the family will be paragraph (F)(2.) of this section.
 - (4) A family may request hardship relief under paragraph (F)(2) of this section prior to the end of the twenty-four-month transition period. If a family making such a request is determined eligible for hardship relief under paragraph (F)(2) of this section, hardship relief under this paragraph ends and the family's hardship relief shall be administered in accordance with paragraph (F)(2) of this section. Once a family chooses to obtain relief under paragraph (F)(2) of this section, a family may no longer receive relief under this paragraph.
2. General. This paragraph (F)(2) provides financial relief for an elderly or disabled family or a family that includes a person with disabilities that is experiencing a financial hardship.
 - a. Eligibility for relief.
 - (1) To receive hardship relief under this paragraph (F)(2), a family must demonstrate that the family's applicable health and medical care expenses or reasonable attendant care and auxiliary apparatus expenses increased, or the family's financial hardship is a result of a change in circumstances (See examples below) that would not otherwise trigger an interim reexamination.

Examples under which residents would qualify for the hardship exemption relief would be limited to the following:

- The inability of the family to pay the rent is generally considered an increase in rent of more than 10 percent directly attributable to the increased deductible above 3 percent.
 - The family no longer receives reimbursement for health and medical care expenses previously reimbursed resulting in an increase in rent of more than 10 percent.
 - The family would be evicted as result of the imposition of the medical deduction decrease.
 - A death in the family has occurred resulting in a decrease in health and medical care expenses that is not offset by a decrease in income resulting in at least a 10 percent increase in rent; or
 - Other circumstances as determined by the HA
3. Relief under this paragraph is available regardless of whether the family previously received deductions under paragraph (a)(3) of this section, is currently receiving relief under paragraph (F)(1)(b) of this section, or previously received relief under paragraph (F)(1)(b) of this section.
- a. Form and duration of relief.
- (1) The family will receive a deduction for the sum of the eligible expenses that exceeds 5 percent of annual income.
 - (2) The family's hardship relief ends when the circumstances that made the family eligible for the relief are no longer applicable or after 90 days, whichever comes earlier.

H. Exemption to continue childcare expense deduction.

A family whose eligibility for the childcare expense deduction is ending may request a financial hardship exemption to continue the childcare expense deduction. The Housing Authority will recalculate the family's adjusted income and continue the childcare deduction if the family demonstrates to the Housing Authority's satisfaction that the family is unable to pay their rent because of loss of the childcare expense deduction, and the childcare expense is still necessary even though the family member is no longer employed or furthering his or her education. The hardship exemption and the resulting alternative adjusted income calculation will remain in place for a period of up to 90 days.

Requirements under which residents would qualify for the hardship exemption relief under (H) would be limited to the following:

- The Family must document the necessity for continued childcare such as to maintain a spot(s) with the childcare agency for:
 - Seasonal employment which is expected to resume within 90 days.
 - Serious medical condition expected to last 90 days or less.
- The family must show an inability to pay rent generally considered an increase in rent of more than 10 percent directly attributable to the loss of the childcare deduction.
- The family would be evicted as result of the loss of the childcare deduction.
- A death in the family has occurred resulting in a temporary need (90 days or less) to continue childcare expenses.

- Other circumstances as determined by the HA.

The Housing Authority will promptly notify the family in writing of the change in the determination of adjusted income and the family's rent resulting from the approval of a hardship exemption. The notice will include when the hardship exemption begins and expires.

I. Reduction of Welfare Benefits:

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

- Noncompliance with economic self-sufficiency program or;
- Work activities requirements or;
- Because of fraud.

J. Exception to Rent Reductions:

Families whose welfare assistance is reduced specifically because of fraud or failure to participate in an economic self-sufficiency program or comply with a work activities requirement will not affect their HCV tenant-based assistance.

K. 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 HA 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 responsibility of the family.

L. Family Income and Composition: (Regular and interim examinations)

1. HA responsibility for reexamination and verification:

- a. The HA must obtain and document in the participant file third party The HA's responsibilities for reexamining family income and composition are specified in 24 CFR.
- b. Verification of the following factors, or must document in the participant 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 HA conducts interim reexamination

- a. At any time, the HA may conduct an interim reexamination 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 HA

must make the interim determination within a reasonable time after the family request.

3. Family Income Includes:

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 HA must conduct a reexamination to determine such additional income and must make appropriate adjustments in the housing assistance payment and family unit size.

XXII. Termination of Assistance

A. Reasons for Termination:

1. Owes rent, other amounts, or judgments to any HA or any other federally subsidized housing program, the applicant will be declared ineligible. At the HA'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 and meeting other criteria.
2. The family, including each family member, must not:
 - a. Have violated any Family obligation listed on the voucher.
 - b. Engage in drug-related criminal activity or violent criminal activity, including criminal activity by the Family member, or other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises. (Reference 24 CFR 982).
 - c. Breach a repayment agreement to the HA and/or owner.
 - d. Commit acts which would constitute fraud.
 - e. Fail to provide information required within the time frame specified (the applicable dates are contained in the letters from the HA to the applicant) during the reexamination process.
3. The HA shall terminate assistance of a family, if the participant, or any member of the participant's family does not sign and submit consent forms that are provided by the HA for verifying employment and income information.
4. The participant family must have properly completed all application requirements, including verifications. Misrepresentation of income, family composition, or any other information affecting continued eligibility may result in the family being declared ineligible and assistance may be terminated for such misrepresentation.
5. The participant and all adults must sign a release allowing the HA to request a copy of a police report from the National Crime Information Center, Police Department or other Law Enforcement Agencies. The participant and all adults further agree to provide fingerprints if requested. If the HA uses the information to terminate assistance the HA must provide a copy of the information used upon proper request.
6. If the HA determines that a person is illegally using a controlled substance or abuses alcohol in a way that may interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents. The HA may waive this requirement if:

- a. The person demonstrates to the HA’s satisfaction that the person is no longer engaging in drug-related criminal activity or abuse of alcohol;
 - b. Has successfully completed a supervised drug or alcohol rehabilitation program;
 - c. Has otherwise been rehabilitated successfully; or
 - d. Is participating in a supervised drug or alcohol rehabilitation program.
7. If any household includes an individual who is subject to a lifetime registration requirement under a state sex offender registration program.

B. Notification of Termination:

If a participant is terminated, the HA will notify the participant, in writing, of its determination and inform them that they have an opportunity for an informal review on such determination. The denial letter will allow the participant ten (10) calendar days to request an informal review (verbal and/or in writing) with the HA. (Section XXXIX).

XXIII. Termination of Assistance Due to Lack of Adequate Funding

A. Background

HA’s are prohibited from assisting families over either its annual baseline number of Housing Choice Vouchers per its approved Annual Contributions Contract (ACC) with HUD or its Housing Assistance Payments (HAP) Budget Authority from HUD. In the event that the HA’s HAP Budget Authority will no longer support the number of families currently participating in the program, HA shall determine the number of families that must be terminated from assistance due to the lack of adequate funding from HUD.

B. Excluded Families

A Family in any of the following categories shall be excluded to the extent possible, from any termination of assistance due to lack of funding from HUD:

- 1. Elderly Family,
- 2. Disabled Family, or
- 3. Any Family that is under an agreement in the Homeownership program.

C. Options to Address Insufficient Funding

- 1. Terminate HAP contracts - HA may terminate HAP contracts based on one of the following Options:

THE HA SHALL SELECT _____ OF THE FOLLOWING AS THE HA CHOICE.

✓	Option 1	Terminate HAP contracts for non-disabled, non-elderly and non-homeownership families who the Authority pays a housing assistance payment on their behalf of \$100.00 or less. The order of contract termination will be to families receiving the least amount in HAP assistance first until the shortfall is covered to the satisfaction of the Authority.
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		If these terminations are not sufficient the HA will go to. <input checked="" type="checkbox"/> Option 2, <input type="checkbox"/> Option 3, <input type="checkbox"/> Option 4 or <input type="checkbox"/> Option 5 until the shortfall in funding is covered.
<input type="checkbox"/>	Option 2	Terminate HAP contracts for non-disabled, non-elderly and non-homeownership households that have been on the program the longest. HA shall terminate a family based upon their date of admittance to the program. For this purpose, HA shall consider the family's original lease date under HA's Housing Choice Voucher Program to be their date of admittance to the HCVP. The family that was first admitted to the program, according to their original lease date, shall be the first to have assistance terminated due to the lack of adequate funding from HUD. First, to be terminated will be households consisting of single individuals. Second, to be terminated will be households consisting of multiple family members without dependents under the age of eighteen. Finally, after the terminations above have been made and HA determines that additional cuts have to be made, then families with dependents under the age of eighteen will be terminated on a first in-first out method described above. Terminations shall be made until HA determines a sufficient number of families have been terminated to allow HA to have sufficient funding to support families in the program. Priority status shall be determined as of the date of the Executive Director certifies that insufficient funding exists. HUD approval is required prior to termination of any contracts for insufficient funding.
<input type="checkbox"/>	Option 3	Terminate HAP contracts for non-disabled, non-elderly and non-homeownership households that have been on the program the shortest. HA shall terminate a family based upon their date of admittance to the program. For this purpose, HA shall consider the family's original lease date under HA's Housing Choice Voucher Program to be their date of admittance to the HCVP. The family that was last admitted to the program, according to their original lease date, shall be the first to have assistance terminated due to the lack of adequate funding from HUD. First, to be terminated will be households consisting of single individuals. Second, to be terminated will be households consisting of multiple family members without dependents under the age of eighteen. Finally, after the terminations above have been made and HA determines that additional cuts have to be made, then families with dependents under the age of eighteen will be terminated on a last in-first out method described above. Terminations shall be made until HA determines a sufficient number of families have been terminated to allow HA to have sufficient funding to support families in the program. Priority status shall be determined as of the date of the Executive Director certifies that insufficient funding exists. HUD approval is required prior to termination of any contracts for insufficient funding.
<input type="checkbox"/>	Option 4	Terminate all non-disabled, non-elderly and non-homeownership households for one month and reinstate those terminated the next month. (Terminate all non-disabled, non-elderly and non-homeownership households for one month in the order stated in <input type="checkbox"/> Option 1, <input type="checkbox"/> Option 2, <input type="checkbox"/> Option 3, or <input type="checkbox"/> Option 5 until the shortfall in funding is covered.)
<input type="checkbox"/>	Option 5	Terminate all non-disabled, non-elderly and non-homeownership households by lottery
<input type="checkbox"/>	Option 6	Other

2. Resumption of Terminated Subsidies

<input checked="" type="checkbox"/>	<p>Option A</p> <p>1st off</p> <p>1st on</p>	<p>HA will automatically add terminated families to the top of the waiting list according to their termination date. If more than one family is terminated on the same, the family with the lowest income will be reinstated first. The families will be added regardless of whether the waiting list is open or closed. If and when subsidy is restored, HA will issue vouchers to the terminated families (must be income eligible at time of re-admission) before issuing to non-terminated families on the waiting list.</p>
<input type="checkbox"/>	<p>Option B</p> <p>Last off</p> <p>1st on</p>	<p>HA will automatically add terminated families to the top of the waiting list according to their termination date in reverse order. If more than one family is terminated on the same, the family with the lowest income will be reinstated first. The families will be added regardless of whether the waiting list is open or closed. If and when subsidy is restored, HA will issue vouchers to the terminated families in reverse order according to their termination date (must be income eligible at time of re-admission) before issuing to non-terminated families on the waiting list.</p>

XXIV. Establishing Payment Standards

A. Fair Market Rents (FMRs):

FMRs are published by HUD. The FMR/exception rent limit is used to determine the payment standards.

B. Payment Standard:

The payment standard must be between 90% and 110% of the FMR/exception rent limit and is the maximum subsidy for a family. However, HUD may approve an exception rent limit of less than 90% percent of the current FMR.

C. The HA may approve a payment standard of not more than 120 percent of the FMR without HUD approval if requested as a reasonable accommodation by a family that includes a person with a disability.

XXV. AFFORDABILITY ADJUSTMENTS to PAYMENT STANDARDS

The HA, in its discretion, may adopt annual increases of payment standards amounts on the payment standard schedule so that families can continue to afford to lease units with assistance. In determining when an adjustment to the payment is necessary the HA will consider,

- The financial utilization of funding provided and the number of families that can be served.
- Rent burden (number of families paying more than 30% of income for rent, if more than 20 %, the HA may adjust the payment standard),
- Success rate in leasing (if less than 60% the HA may adjust the payment standard) and
- Percentage of FMR (if payment standard is not within 10% of the FMR, either higher or lower, the HA must adjust the payment standard).

XXVI. UTILITY ALLOWANCES

A. Utility Allowance Schedule

1. Maintaining schedule:

- a. The HA must maintain a utility allowance schedule for all participants paid utilities (except telephone), for cost of participant supplied refrigerators and ranges, and for other participant paid housing services (e.g., trash collection, disposal of waste, and refuse).
- b. The HA must give HUD a copy of the utility allowance schedule. At HUD's request, the HA also must provide any information or procedures used in preparation of the schedule.

2. How allowances are determined

- a. 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 HA must use normal patterns of consumption for the community as a whole and current utility rates.
- b. The HA's 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 HA may not provide any allowance for non-essential utility costs, such as the cost of cable or satellite television.
- c. In the utility allowance schedule, the HA 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 participant supplied refrigerator); range (cost of participant supplied range); and other specified housing services. The HA must provide a utility allowance for participant paid air conditioning costs if the majority of housing units in the market provide centrally air-conditioned units or there is appropriate wiring for participant installed air conditioners.
- d. 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, town house, single-family detached, and manufactured housing) that are typical in the community.
- e. The utility allowance schedule must be prepared and submitted in accordance with HUD requirements on the form prescribed by HUD.

3. Revisions of utility allowance schedule.

- a. An HA 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 10% or more in the utility rate since the last time the utility allowance schedule was revised. The HA 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 HA must revise the utility allowance schedule to correct any errors, or as necessary to update the schedule.
4. Use of utility allowance schedule

The utility allowance for a family is the lower of:

 - a. The utility allowance for the family unit size; or
 - b. The utility allowance for the unit size rented by the family;
 - c. At reexamination, the HA must use the HA current utility allowance schedule.
5. Reasonable accommodation:

On request from a family that includes a person with disabilities, the HA 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 to make the program accessible to and usable by the family member with a disability.

XXVII. Adjustment to Contract Rents

A. Contract Rents:

The rent to owner may not be increased during the first year of the lease. The lease may provide that the owner may increase the rent at any time after the first anniversary of the lease, but the owner must give the tenant and the HA 60 day's written notice of any increase before it takes effect.

The owner may increase the family's rent at any time after the initial term of the lease, subject to the HA's approval based on rent reasonableness, with a 60 days written notice to the family and the HA.

B. Overall Limitation of Adjustments:

Notwithstanding any other provisions of this part, adjustments as provided for in this section shall not result in material differences between the rents charged for assisted and comparable unassisted units (rent reasonableness).

XXVIII. Absence from the Assisted Unit

Absence means that no member of the family is residing in the unit. Families participating in the program may be absent for a period of 14 calendar days without notifying the HA (see voucher, obligations of the family). If the family anticipates being absent for more than 14 consecutive calendar days, the Head of Household must request written permission from the HA prior to leaving the assisted unit. The HA may approve absences in excess of 14 consecutive calendar days for vacation, hospitalization or other good cause as presented to the HA by head of household. The HA will respond in writing within 10 calendar days of the receipt of the request for approved absence. The HA will not approve any request for absence for a period of more than 180 consecutive calendar days in any circumstance, or for any reason.

If emergencies exist, such as hospitalization, the head of household must notify the HA by telephone as soon as possible and request a determination via the telephone. Verbal requests for determination may only be made in emergencies. The HA will respond verbally and follow-up its verbal determination in writing within ten calendar days of the verbal request.

XXIX. Continued Assistance after Family Break-Up

The HA shall determine which family members will continue to receive assistance after a documented family break-up. The head of household, spouse or any adult member of the household must notify the HA that there has been a family break-up and continued assistance is being requested. The assisted family member making the request must submit the request in writing to the HA and request a determination. The request must be made within 10 calendar days of the break-up. The HA will consider the following factors in making this determination:

1. Assisted Unit: Whether the assistance should remain with family members remaining in the original assisted unit.
2. Interest of Family Members: The interest of minor children or of ill, elderly, or disabled family members.
3. Physical Violence: Whether family members are forced to leave the unit because of actual or threatened physical violence against family members by a spouse or other member of the household.

The HA will issue a determination within 10 calendar days of receipt of the request for a determination. The person requesting the determination may request an Informal Hearing in accordance with the HA established procedures if they disagree with the determination of the HA.

If a court determines the disposition of property between members of the assisted family, in a divorce, or separation under a settlement or judicial decree, the HA is bound by the court's determination of which family members continue to receive assistance in the program.

XXX. Termination of Tenancy by Owner

A. Reasons for Termination:

The Owner shall not terminate the tenancy of the Family except for:

1. Serious or repeated violation of the terms and conditions of the Lease;
2. Criminal Activity by the participant, any member of the household, a guest, or another person under the participant's control shall be cause for termination of tenancy. Criminal activity is defined as criminal activity that threatens the health, safety or right to peaceful enjoyment of the premises by other residents or by persons residing in the immediate vicinity of the premises.

3. Violation of Federal, State or local law that imposes obligations on the participant in connection with the occupancy or use of the premises; or
4. Other good cause, which may include, but not be limited to: failure by the family to accept the offer of a new lease or revision; a family history of disturbance of neighbors or destruction of property, or of living or housekeeping habits resulting in damage to the unit or premises; the owner's desire to use the unit for personal or family use, or for a purpose other than as a residential rental unit; or a business or economic reason for termination of the tenancy (such as sale of the property, renovation of the unit, desire to lease the unit at a higher rental). If the owner terminates the tenancy for a business or economic reason the owner must provide the tenant with 90-day notice.
5. The Property Owner shall comply with all provisions of the Violence Against Women Act (VAWA) and shall not discriminate against any person who is protected by said Act.

B. Eviction by Court Action:

The Owner may evict the Family from the Contract unit only by instituting a court action. The Owner must notify the HA, in writing or email, of the commencement of procedures for termination of tenancy, at the same time that the Owner gives notice to the Family under State law.

C. Written Notice:

Owners must provide written notice of not less than 90 days before termination of a tenant-based housing assistance payment (HAP) contract and not less than 1 year before termination of a project-based HAP contract because of an owner opt-out or expiration of the HAP contract. Copies of these notices must be provided to the HA.

D. Termination during Initial Term of the Lease:

The owner may not terminate the tenancy for "other good cause", unless the owner is terminating the tenancy because of something the family did or failed to do. For example, during this period, the owner may not terminate the tenancy for "other good cause", based on any of the following grounds: failure by the family to accept the offer of a new lease or revision; the owner's desire to use the unit for personal or family use, or for a purpose other than as a residential rental unit; or a business or economic reason for termination of tenancy (See above).

XXXI. Termination of Housing Assistance Payment (Hap) Contract

A. When the Unit is too Big or too Small:

If the HA determines that a unit does not meet the HQS space standards because of an increase in family size or a change in family composition, the HA must issue the family a new voucher, and the family and HA must try to find an acceptable unit as soon as possible.

B. Breach of Contract:

Termination of HAP contract for owner breach of contract. Breaches of the contract are outlined in the contract.

- C. Automatic Termination of HAP Contract:
The HAP contract terminates automatically 180 calendar days after the last housing assistance payment to the owner.

XXXII. Program Management Plan - Organization Plan

- A. Executive Director:
Responsible for all aspects of the HCV Programs: The Housing Choice Voucher Director is the supervisor of the HCV Coordinator.
- B. HCV Coordinator:
The HCV Coordinator is responsible for the day-to-day operations of the HCV Programs. Some of the major duties are: takes applications, signs vouchers, handles public relations with concerned agencies and landlords, performs inspections (including the 5 percent supervisory inspections), performs certifications and re-certifications of participants, and prepares various HCV reports.
- C. HCV Director:
Issues all HCV checks and prepares all HCV Financial Reports.
- D. Receptionist:
The Receptionist serves as the backup for the HCV Coordinator and performs a portion of the duties of the HCV Coordinator as needed.
- E. Inspector:
Various HA staff perform HCV Inspections for the HCV program and under the direction and training of the HCV Coordinator.

XXXIII. HUD Review of Contract Compliance

HUD will review program operations at such intervals as it deems necessary to ensure that the owner and the HA are in full compliance with the terms and conditions of the contract and the ACC. Equal opportunity review may be conducted with the scheduled HUD review or at any time deemed appropriate by HUD.

XXXIV. Administrative Fee Reserve Expenditures

Expenditures from the administrative fee reserve of the HCV programs in excess of \$ 10,000 will be approved by the board of commissioners of the HA.

XXXV. Special Housing Types

The PHA must select one of the following

<input type="checkbox"/>	This Housing Authority has elected not to permit use of any of SRO's, Congregate housing, Group homes, Shared housing and Cooperative housing types in its program
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	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
✓	This Housing Authority has elected to permit the use of Special Housing Types as below:

A. Overview:

1. Special housing types:

This subpart describes program requirements for special housing types. The following are the special housing types:

- a. Single room occupancy (SRO) housing;
- b. Congregate housing;
- c. Group home;
- d. Shared housing;
- e. Cooperative (including mutual housing);
- f. Manufactured home.

2. HA choice to offer special housing type:

- a. The HA may permit a family to use any of the following special housing types in accordance with requirements of the program: single room occupancy housing, congregate housing, group home, shared housing, or cooperative housing.
- b. In general, the HA is not required to permit use of any of these special housing types in its program.
- c. The HA 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.
- d. For occupancy of a manufactured home, see Sec. 982.620(a).

3. Family choice of housing and housing type:

The HA may not set aside program funding for special housing 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 HA may not restrict the family's freedom to choose among available units in accordance with Sec. 982.353.

4. 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.

B. Single Room Occupancy (SRO):

1. SRO: General. Sec. 982.602

- a. Who may reside in an SRO. A single person may reside in an SRO housing unit.
- b. When may a person rent an SRO housing unit. A single person may rent a unit in SRO housing only if:
 - (1) HUD determines there is significant demand for SRO units in the area;

- (2) The HA and the unit of general local government approve providing assistance for SRO housing under the program; and (3) The unit of general local government and the HA certify to HUD that the property meets applicable local health and safety standards for SRO housing.
2. SRO: Lease and HAP contract. Sec. 982.603
For SRO housing, there is a separate lease and HAP contract for each assisted person.
 3. SRO: Rent and housing assistance payment. Sec. 982.604
 - a. Payment standard: The HA must adopt a payment standard for persons who occupy SRO housing with assistance under the voucher program. The SRO payment standard may not exceed the FMR/exception rent limit for SRO housing. While an assisted person resides in SRO housing, the SRO payment standard must be used to calculate the housing assistance payment.
 - b. Utility allowance: 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. (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:
 - (a) Sanitary facilities.

- i. 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.
- ii. 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.
- iii. Every lavatory basin and bathtub or shower must be supplied at all times with an adequate quantity of hot and cold running water.
- iv. 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.
- v. 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.

(b) Space and security:

- vi. No more than one person may reside in an SRO unit.
- vii. An SRO unit must contain at least one hundred ten square feet of floor space.
- viii. 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 [[Page 23866]] 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.
- ix. Exterior doors and windows accessible from outside an SRO unit must be lockable.

c. Access:

- (1) Access doors to an SRO unit must have locks for privacy in proper operating condition.
- (2) 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.
- (3) The resident must be able to access an SRO unit without passing through any other unit.

- d. 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.

C. Congregate Housing

1. Who May Reside in Congregate Housing Sec. 982.606

An elderly person or a person with disabilities may reside in a congregate housing unit.

- (a) If approved by the HA, a family member or live-in aide may reside with the elderly person or person with disabilities.
- (b) The HA 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. Lease and HAP Contract Sec. 982.607

For congregate housing, there is a separate lease and HAP contract for each assisted family.

3. Rent and housing assistance payment; FMR/exception rent limit Sec. 982.608

- a. Unless there is a live-in aide:
 - (1) The FMR/exception rent limit for a family that resides in a congregate housing unit is the zero-bedroom FMR/exception rent limit.
 - (2) However, if there are two or more rooms in the unit (not including kitchen or sanitary facilities), the FMR/exception rent limit for a family that resides in a congregate housing unit is the one-bedroom FMR/exception rent limit.
- b. If there is a live-in aide, the live-in aide must be counted in determining the family unit size.

4. 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:
 - (a) Must be located within the premises, and accessible to the residents;
 - (b) Must contain suitable space and equipment to store, prepare, and serve food in a sanitary manner;
 - (c) Must be used to provide a food service that is provided for the residents and that is not provided by the residents; and
 - (d) 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.

D. 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. If approved by the HA, a live-in aide may reside with a person with disabilities.

The HA 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 people 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. Lease and HAP contract Sec. 982.611

For assistance in a group home, there is a separate HAP contract and lease for each assisted person.

3. State approval of group home Sec. 982.612

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. Rent and housing assistance payment Sec. 982.613

- 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 HA-approved live-in aide.
- b. Rent to owner: Reasonable rent limit.
 - (1) The rent to the 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. 982.503. In determining reasonable rent for the group home, the HA must consider whether sanitary facilities, and facilities for food preparation and service, are common facilities or private facilities.
- c. Maximum Subsidy:
 - (1) Family unit size.

- (a) Unless there is a live-in aide, the family unit size is zero or one bedroom.
 - (b) If there is a live-in aide, the live-in aide must be counted in determining the family unit size.
 - (2) Voucher tenancy: The payment standard for a person who resides in a group home is the lower of:
 - (a) The payment standard for the family unit size; or
 - (b) The pro-rata portion of the payment standard for the group home size.
 - (3) Over-FMR tenancy: Payment standard. For an over-FMR tenancy, the payment standard for a person who resides in a group home is the lower of:
 - (a) The FMR/exception rent limit for the family unit size; or
 - (b) The pro-rata portion of the FMR/exception rent limit for the group home size.
5. 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.

6. Housing quality standards Sec. 982.614(NSPIRE)

- a. Compliance with HQS/NSPIRE: The HA 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/NSPIRE standards.

E. Shared Housing

1. 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 HA 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.
 - (2) The 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 HA. 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. Lease and HAP contract

For assistance in a shared housing unit, there is a separate HAP contract and lease for each assisted family.

3. Rent and 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 attached procedures.
 - c. Maximum subsidy:
 - (1) Voucher Tenancy: The payment standard is the lower of:
 - (a) The payment standard for the family unit size; or
 - (b) The pro-rata portion of the payment standard for the shared housing unit size.
 - (2) Live-in aide. 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 an assisted family residing in shared housing is the pro-rata portion of the utility allowance for the shared housing unit.
4. Housing quality standards Sec. 982.618 (NSPIRE)
 - a. Compliance with HQS/NSPIRE: The HA 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.

F. Cooperative Housing.

1. When cooperative housing may be used:

A family may reside in cooperative housing if the HA determines that:

 - a. Assistance under the program will help maintain affordability of the cooperative unit for low-income families; and
 - b. The cooperative has adopted requirements to maintain continued affordability for low-income families after transfer of a cooperative member's interest in a cooperative unit (such as a sale of the resident's share in a cooperative corporation).
2. Rent to owner.
 - a. The reasonable rent for a cooperative unit is determined in accordance with Sec. 982.503. For cooperative housing, the rent to owner is the monthly carrying charge under the occupancy agreement/lease between the member and the cooperative.
 - b. 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. 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.

- c. Gross rent is the carrying charge plus any utility allowance.
 - d. The occupancy agreement/lease and other appropriate documents must provide that the monthly carrying charge is subject to HCV limitations on rent to owner.
3. Housing assistance payment:
The amount of the housing assistance payment is determined in accordance with subpart K of this part.
4. Live-in aide:
- a. If approved by the HA, a live-in aide may reside with the family to care for a person with disabilities. The HA 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.
 - b. If there is a live-in aide, the live-in aide must be counted in determining the family unit size.

G. Manufactured Home

1. Applicability of requirements

- a. Assistance for resident of manufactured home:
 - (1) A family may reside in a manufactured home with assistance under the program.
 - (2) The HA must permit a family to lease a manufactured home and space with assistance under the program.
 - (3) The HA may provide assistance for a family that owns the manufactured home and leases only the space. The HA is not required to provide such assistance under the program.
- b. Applicability:
 - (1) The HQS/NSPIRE in 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 homeowner to lease a manufactured home space.
- c. Live-in aide:
 - (1) If approved by the HA, a live-in aide may reside with the family to care for a person with disabilities. The HA 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.
 - (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 (NSPIRE)

A manufactured home must meet all the HQS performance requirements and acceptability criteria. 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 participant 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.
 - 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 HA may not approve a lease for a manufactured home space until the HA determines that the initial rent to owner for the space is a reasonable rent. At least annually during the assisted tenancy, the HA must redetermine that the current rent to owner is a reasonable rent.
 - (3) The HA 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 HA 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 HA, 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 HA information, as requested by the HA, on rents charged by the owner for other manufactured home spaces.
4. Space rental: Housing assistance payment Sec. 982.623
- a. Fair market rent: The FMR for a manufactured home space is determined in accordance with 24 CFR 888.113(e). Exception rents do not apply to rental of a manufactured home space.
 - b. Housing assistance payment:
 - (1) Payment standard: The payment standard is used to calculate the monthly housing assistance payment for a family. The payment standard for a family renting a manufactured home space is the published FMR for rental of a manufactured home space.
 - (2) Subsidy calculation: The amount of the monthly housing assistance payment for a family equals the lesser of paragraphs (c)(2)(I) or (c)(2)(ii) of this section:
 - (a) Amount obtained by subtracting 30 percent of the family's monthly adjusted gross income from the sum of:

- i. The amortization cost;
 - ii. The utility allowance; and
 - iii. The payment standard.
 - (b) The monthly gross rent for the manufactured home space minus the minimum rent. The minimum rent is the higher of:
 - i. 10 percent of monthly income (gross income); or
 - ii. A higher minimum rent as required by law.
- c. Amortization cost:
 - (1) The amortization cost may include debt service to amortize costs (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 HA determines that furniture was not included in the purchase price.
 - (2) 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 the amortization cost.
 - (3) 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.
- d. Annual income: In determining a family's annual income, the value of equity in the manufactured home owned by the assisted family, and in which the family resides, is not counted as a family asset.

5. Space Rental Utility allowance schedule. Sec. 982.624

The HA 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.

H. Foster Youth to Independence (FYI) Initiative

Tenant Protection Vouchers (TPVs) provided by HUD for youth eligible under the Family Unification Program (FUP), subject to availability.

1. Funding:

- a. The HA may request a minimum of one voucher and a maximum of 25 vouchers per Federal Fiscal Year.
- b. Voucher(s) will be requested for a specific person(s) qualifying for a FYI voucher.

2. Youth Eligibility:

- a. The population eligible to be assisted are youth certified by Alabama Department of Human Resources as meeting the following conditions:
 - 1) Has attained at least 18 years and not more than 24 years of age;
 - 2) Left foster care, or will leave foster care within 90 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act at age 16 or older; and
 - 3) Is homeless or is at risk of becoming homeless. (**Homeless refers to the population included in the definition of this term at 24 CFR 578.3. At Risk of Becoming Homeless means the population defined as “At Risk of Homelessness” at 24 CFR 576.2**)

NOTE: Eligibility is not limited to single persons. For example, pregnant and/or parenting youth are eligible to receive assistance.

3. Youth Referral:

- a. Youth must be certified by the Alabama Department of Human Resources as eligible for assistance under this notice and referred to the HA for assistance.
- b. The HA must determine eligibility for the HCV program.

4. Additional Program Requirements:

- a. Turnover: These vouchers “sunset” when the youth leaves the program. This means that the PHA cannot reissue the HCV assistance issued under this notice when the youth exits the HCV program. When the youth exits the HCV program, HUD will reduce the PHA’s HCV assistance to account for the removal of the FYI voucher assistance from the PHA’s HCV baseline inventory.
- b. Youth Failure to Use Voucher: Should a youth fail to use the voucher, the PHA must notify HUD, and HUD will reduce the PHA’s HCV assistance to account for the removal of the FYI voucher assistance from the PHA’s HCV baseline inventory.

- c. Waiting List Administration: The funding is targeted to a specific person. As a result, the PHA must use the assistance for that person. The PHA may admit the youth that is not on the PHA waiting list, or without considering the family's waiting list position. The PHA must maintain records showing the family was admitted with HUD-targeted assistance.
- d. Length of Assistance: As required by statute, a FYI voucher may only be used to provide housing assistance for youth for a maximum of 36 months. Lease and HAP contract.

XXXVI. Deconcentration Rule

The objective of the deconcentration rule for HCV tenant-based assistance is to admit no less than 75% of its new admissions to the program to families that have income at or below the extremely low-income limit (See Appendix A – definition of Extremely Low-Income Family). The HA will track the status of all new admissions monthly by utilizing income reports generated by the HA's computer system. The goal will be tracked monthly and if the HA is not reaching its goal, families will be skipped on the waiting list to admit a family that has income that is at or below 30% of area median income. The practice will continue until the HA achieves its goal. The HA's HCV applicant selection process, which is contained in the HCV Administrative Plan provides for the skipping of families on the waiting list to accomplish this goal.

XXXVII. Closing of Files and Purging Inactive Files

This HA will purge inactive files after they have been closed for a period of three years, with the exception of troubled cases, or cases involving a household containing a minor with a reported elevated blood-lead level.

During the term of each assisted lease and for three years thereafter the HA will keep the lease, HAP Contract and the application from the family. In addition, the HA must keep for at least three years the following records:

1. Records with racial, ethnic, gender and disability status data for applicants and participants.
2. The application from each ineligible family and the notice that the applicant is ineligible.
3. HUD required reports and other HUD required files.
4. Lead-based paint inspection reports as required.
5. Unit inspection reports.
6. Accounts and other records supporting the HA and financial statements.
7. Other records which may be specified by HUD.

The HA shall retain all data for current participants for audit purposes. No information shall be removed which may affect an accurate audit.

All debts owed to PHAs will be recorded in the EIV system.

XXXVIII. Applicant Informal Review

A. Applicant Informal Review:

The HA must give an applicant for participation prompt notice of a decision denying assistance to the applicant. The notice must contain a brief statement of the reasons for the HA decision. The notice must also state that the applicant may request an informal review of the decision and must describe how to obtain the informal review. The request must be in writing and presented to the HA within ten days of the notice of denial.

1. Informal Review Process:

The HA must give an applicant an opportunity for an informal review of the HA decision denying assistance to the applicant. The review may be conducted by any person or persons designated by the HA, other than a person who made or approved the decision under review or a subordinate of this person. The applicant must be given an opportunity to present written or oral objections to the HA decision. The HA must notify the applicant of the final decision after the informal review. This notice must include a brief statement of the reasons for the final decision.

2. Informal Review Not Required:

An informal review is not required to be given by the HA in the following circumstances:

- a. Discretionary administrative determinations by the HA.
- b. General policy issues or class grievances.
- c. A determination of the family unit size under the HA subsidy standards.
- d. An HA determination not to approve the suspension or extension of a voucher term.
- e. A determination not to grant approval to lease a unit under the program, or to approve a proposed lease.
- f. A determination that a unit selected by the applicant is not in compliance with HQS.
- g. A determination that the unit is not in accordance with HQS because of the family size or composition.

B. Participant Informal Hearing:

The HA must give an opportunity to the participant for an informal hearing to consider whether the HA decisions relating to the individual circumstances of a participant family are in accordance with the law, HUD regulations, and HA policies. Under the following circumstances:

1. A determination of the family's annual or adjusted income, and the use of such income to compute the housing assistance payment.
2. A determination of the appropriate utility allowance for tenant-paid utilities from the HA utility allowance schedule.
3. A determination of the family unit size under the HA subsidy standards.
4. A determination that the family is receiving subsidy for a larger number of bedrooms than appropriate for the family unit size under the HA subsidy standards, or the HA determination to deny the family's request for an exception from the standards.

5. A determination to terminate assistance for a participant family because of the family's action or failure to act.
6. A determination to terminate assistance because the participant family has been absent from the assisted unit for more than fourteen days in a calendar year.

In the cases described hereinabove, the HA must give the opportunity for an informal hearing before the HA terminates housing assistance payments for the family under an outstanding HAP contract.

1. The HA is not required to give an informal hearing for any of the following:
 - a. Discretionary administrative determinations by the HA.
 - b. General policy issues or class grievances.
 - c. Establishment of the HA schedule of utility allowances for families in the program.
 - d. A HA determination not to approve an extension or suspension of a voucher term.
 - e. A HA determination not to approve a unit or lease.
 - f. A HA determination that an assisted unit is not in compliance with HQS. Provided, however, that the HA must provide the opportunity for an informal hearing for a decision to terminate assistance for a breach of the HQS caused by the family as described in the Voucher/Lease Addendum, or in other HUD rules and regulations or HA policies.
 - g. A HA determination that a unit is not in accordance with HQS because of the family size.
 - h. A HA determination to exercise or not to exercise any right or remedy against the owner under a HAP contract.

2. Notice to the Family:

The HA must notify the family that the family may ask for an explanation of the basis of the HA determination, and if the family does not agree with the determination, the family may request an informal hearing on the decision. The housing authority must give the family prompt written notice that the family may request a hearing, and this notice must contain a brief statement of the reasons for the decision, state that if the family does not agree with the decision, the family may request an informal hearing on the decision. The family has ten days from the date of the notice to request in writing an informal hearing. The hearing will be scheduled by the HA within ten days from the date of the request.

C. Hearing Procedures:

The HA must give the participant an opportunity for an informal hearing of the HA decision terminating assistance to the participant. The hearing may be conducted by any person or persons designated by the HA, other than a person who made or approved the decision under review or a subordinate of this person. The person who conducts the hearing may regulate the conduct of the hearing in accordance with the HA hearing procedures. The HA and the participant shall each have the right to review any and all relevant documents which may be used in the hearing. If these documents are not made available for review, they may not be used in the hearing. Any fees for copying or procuring the documents shall be at the expense of the requesting party. The participant may be represented by a lawyer or other representative at the hearing. Costs of representation shall be the

responsibility of the participant. The participant must be given an opportunity to present written or oral objections to the HA decision. The HA 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. The HA must notify the applicant of the final decision after the informal review. This notice must include a brief statement of the reasons for the final decision. Factual determination relating to the individual circumstances of the family shall be based upon a preponderance of the evidence presented at the hearing. A copy of the hearing decision shall be furnished promptly to the family.

XXXIX. Appendix “A” Definitions

❖ = Notes

Absorption	In portability, the point at which a receiving HA stops billing the initial HA for assistance on behalf of a portability family.
Adjusted Income	<p><i>Adjusted income</i> means annual income (as determined under § 5.609) of the members of the family residing or intending to reside in the dwelling unit, after making the following deductions:</p> <p>(a) <i>Mandatory deductions.</i></p> <p>(1) \$480 for each dependent, which amount will be adjusted by HUD annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers, rounded to the next lowest multiple of \$25;</p> <p>(2) \$525 for any elderly family or disabled family, which amount will be adjusted by HUD annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers, rounded to the next lowest multiple of \$25;</p> <p>(3) The sum of the following, to the extent the sum exceeds ten percent of annual income:</p> <p>(i) Unreimbursed health and medical care expenses of any elderly family or disabled family; and</p> <p>(ii) Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with a disability, to the extent necessary to enable any member of the family (including the member who is a person with a disability) to be employed. This deduction may not exceed the combined earned income received by family members who are 18 years of age or older and who are able to work because of such attendant care or auxiliary apparatus; and</p> <p>(4) Any reasonable childcare expenses necessary to enable a member of the family to be employed or to further his or her education.</p> <p>(b) <i>Financial hardship exemption for unreimbursed health and medical care expenses and reasonable attendant care and auxiliary apparatus expenses</i></p> <p>(1) <i>Phased-in relief.</i> This paragraph provides financial hardship relief for families affected by the statutory increase in the threshold to receive health and medical care expense and reasonable attendant care and auxiliary apparatus expense deductions from annual income.</p> <p>(i) <i>Eligibility for relief.</i> To receive hardship relief under this paragraph (c)(1), the family must have received a deduction from annual income because their sum of expenses under paragraph (a)(3) of this section exceeded 3 percent of annual income as of January 1, 2024.</p> <p>(ii) <i>Form of relief.</i> (A) The family will receive a deduction totaling the sum of the expenses under paragraph (a)(3) of this section that exceed 5 percent of annual income.</p> <p>(B) Twelve months after the relief in this paragraph (c)(1)(ii) is provided, the family must receive a deduction totaling the sum of expenses under paragraph (a)(3) of this section that exceed 7.5 percent of annual income.</p> <p>(C) Twenty-four months after the relief in this paragraph (c)(1)(ii) is provided, the family must receive a deduction totaling the sum of expenses under paragraph (a)(3) of this section that exceed ten percent of annual income and</p>

the only remaining relief that may be available to the family will be paragraph (d)(1) of this section.

(D) A family may request hardship relief under paragraph (c)(2) of this section prior to the end of the twenty-four-month transition period. If a family making such a request is determined eligible for hardship relief under paragraph (c)(2) of this section, hardship relief under this paragraph ends and the family's hardship relief shall be administered in accordance with paragraph (c)(2) of this section. Once a family chooses to obtain relief under paragraph (c)(2) of this section, a family may no longer receive relief under this paragraph.

(2) *General.* This paragraph (c)(2) provides financial relief for an elderly or disabled family or a family that includes a person with disabilities that is experiencing a financial hardship.

(i) *Eligibility for relief.*

(A) To receive hardship relief under this paragraph (c)(2), a family must demonstrate that the family's applicable health and medical care expenses or reasonable attendant care and auxiliary apparatus expenses increased or the family's financial hardship is a result of a change in circumstances that would not otherwise trigger an interim reexamination.

(B) Relief under this paragraph (c)(2) is available regardless of whether the family previously received deductions under paragraph (a)(3) of this section, is currently receiving relief under paragraph (c)(1) of this section, or previously received relief under paragraph (c)(1) of this section.

(ii) *Form and duration of relief.*

(A) The family will receive a deduction for the sum of the eligible expenses in paragraph (a)(3) of this section that exceed 5 percent of annual income.

(B) The family's hardship relief ends when the circumstances that made the family eligible for the relief are no longer applicable or after 90 days, whichever comes earlier.

(c) *Exemption to continue childcare expense deduction.* A family whose eligibility for the childcare expense deduction is ending may request a financial hardship exemption to continue the childcare expense deduction under paragraph (a)(4) of this section. The Housing Authority must recalculate the family's adjusted income and continue the childcare deduction if the family demonstrates to the Housing Authority's satisfaction that the family is unable to pay their rent because of loss of the childcare expense deduction, and the childcare expense is still necessary even though the family member is no longer employed or furthering his or her education. The hardship exemption and the resulting alternative adjusted income calculation will remain in place for a period of up to 90 days.

(d) *Hardship policy.*

(1) *Hardship Exemptions:*

- A family may request a hardship exemption for increases in health and medical expenses of more than 10 percent that do not decrease **adjusted income** by 10 percent if the family has an inability to pay the rent increase.
- A family may request a hardship exemption for continuing childcare deductions when the family no longer qualifies otherwise for the childcare deduction and childcare is still necessary (ex. Resident quits a job to care for a sick relative outside the household. Childcare may still be required to allow for the care of the relative), provided the new rent with no childcare deduction would be reduced by at least 10 percent using the childcare deduction.
- *Responsible entity determination.* The responsible entity must establish a policy on how it defines what constitutes a hardship under paragraphs (b) and (c) of this section, which includes determining the family's inability to

	<p>pay the rent, for purposes of determining eligibility for a hardship exemption under paragraph (d) of this section.</p> <p>(2) Family notification. The HA will promptly notify the family in writing of the change in the determination of adjusted income and the family's rent resulting from the hardship exemption. The notice must also inform the family of when the hardship exemption will begin and expire (i.e., the time periods specified under paragraph (c)(1)(ii) of this section or within 90 days or at such time as the responsibility entity determines the exemption is no longer necessary in accordance with paragraphs (c)(2)(ii)(B) or (d) of this section).</p> <hr/> <hr/>
Administrative Fee	Fee paid by HUD to the HA for administration of the program and will include hard-to-house fees paid for moves by families with three or more minors, and extra counseling money that may be authorized by HUD.
Administrative Fee Reserve	(formerly "operating reserve") Account established by HA from excess administrative fee income. HA administrative fees may only be used to cover costs incurred to perform HA administrative responsibilities for the program in accordance with HUD regulations and requirements.
Administrative Plan	The administrative plan describes HA policies for administration of the tenant-based programs. This document is the administrative plan for the HA.
Admission	The effective date of the first HAP contract for a family (first day of initial lease term) in a tenant-based program. This is the point when the family becomes a participant in the program.
Adult	An adult is a person who has reached his/her 19th birthday or 18 years of age and married (not common law), who has been relieved of the disability of non-age by the juvenile court, is an unemancipated minor who is 18 years old and of sound mind, notwithstanding his or her minority or who has been convicted of a crime as an adult under any Federal, State or tribal law. Only persons who are adults shall be eligible to enter into a lease agreement for occupancy.
Amortization Payment	In a manufactured home space rental, the monthly debt service payment by the family to amortize the purchase price of the manufactured home.
Annual Contributions Contract (ACC)	A written contract between HUD and an HA. Under the contract HUD agrees to provide funding for operation of the program, and the HA agrees to comply with HUD requirements for the program.
Annual Income	<p>(a) Annual income includes, with respect to the family:</p> <p>(1) All amounts, not specifically excluded in paragraph (b) of this section, received from all sources by each member of the family who is 18 years of age or older or is the head of household or spouse of the head of household, plus unearned income by or on behalf of each dependent who is under 18 years of age, and</p> <p>(2) When the value of net family assets exceeds \$50,000 (which amount HUD will adjust annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers) and the actual returns from a given asset cannot be calculated, imputed returns on the asset based on the current passbook savings rate, as determined by HUD.</p> <p>(b) Annual income does not include the following:</p> <p>(1) Any imputed return on an asset when net family assets total \$50,000 or less (which amount HUD will adjust annually in accordance with the Consumer Price Index for Urban Wage Earners and Clerical Workers) and no actual income from the net family assets can be determined.</p> <p>(2) The following types of trust distributions:</p> <p>(i) For an irrevocable trust or a revocable trust outside the control of the family or household excluded from the definition of net family assets under § 5.603(b):</p> <p>(A) Distributions of the principal or corpus of the trust; and</p>

	<p>(B) Distributions of income from the trust when the distributions are used to pay the costs of health and medical care expenses for a minor.</p> <p>(ii) For a revocable trust under the control of the family or household, any distributions from the trust; except that any actual income earned by the trust, regardless of whether it is distributed, shall be considered income to the family at the time it is received by the trust.</p> <p>(3) Earned income of children under 18 years of age.</p> <p>(4) Payments received for the care of foster children or foster adults, or State or Tribal kinship or guardianship care payments.</p> <p>(5) Insurance payments and settlements for personal or property losses, including but not limited to payments through health insurance, motor vehicle insurance, and workers' compensation.</p> <p>(6) Amounts received by the family that are specifically for, or in reimbursement of, the cost of health and medical care expenses for any family member.</p> <p>(7) Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law, that resulted in a member of the family becoming disabled.</p> <p>(8) Income of a live-in aide, foster child, or foster adult as defined in §§ 5.403 and 5.603, respectively.</p> <p>(9)(i) Any assistance that section 479B of the Higher Education Act of 1965, as amended (20 U.S.C. 1087uu), requires be excluded from a family's income; and</p> <p>(ii) Student financial assistance for tuition, books, and supplies (including supplies and equipment to support students with learning disabilities or other disabilities), room and board, and other fees required and charged to a student by an institution of higher education (as defined under Section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002)) and, for a student who is not the head of household or spouse, the reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted unit.</p> <p>(A) Student financial assistance, for purposes of this paragraph (9)(ii), means a grant or scholarship received from—</p> <ol style="list-style-type: none"> (1) The Federal government. (2) A State, Tribe, or local government. (3) A private foundation registered as a nonprofit under 26 U.S.C. 501(c)(3); (4) A business entity (such as corporation, general partnership, limited liability company, limited partnership, joint venture, business trust, public benefit corporation, or nonprofit entity); or (5) An institution of higher education. <p>(B) Student financial assistance, for purposes of this paragraph (9)(ii), does not include—</p> <ol style="list-style-type: none"> (1) Any assistance that is excluded pursuant to paragraph (b)(9)(i) of this section. (2) Financial support provided to the student in the form of a fee for services performed (<i>e.g.</i>, a work study or teaching fellowship that is not excluded pursuant to paragraph (b)(9)(i) of this section); (3) Gifts, including gifts from family or friends; or (4) Any amount of the scholarship or grant that, either by itself or in combination with assistance excluded under this paragraph or paragraph (b)(9)(i), exceeds the actual covered costs of the student. The actual covered costs of the student are the actual costs of tuition, books and supplies (including supplies and equipment to support students with learning disabilities or other disabilities), room and board, or other fees
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required and charged to a student by the education institution, and, for a student who is not the head of household or spouse, the reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted unit. This calculation is described further in paragraph (b)(9)(ii)(E) of this section.

(C) Student financial assistance, for purposes of this paragraph (b)(9)(ii) must be:

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

(2) Expressly to assist a student with the costs of higher education; or

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

(D) Student financial assistance, for purposes of this paragraph (b)(9)(ii), may be paid directly to the student or to the educational institution on the student's behalf. Student financial assistance paid to the student must be verified by the responsible entity as student financial assistance consistent with this paragraph (b)(9)(ii).

(E) When the student is also receiving assistance excluded under paragraph (b)(9)(i) of this section, the amount of student financial assistance under this paragraph (b)(9)(ii) is determined as follows:

(1) If the amount of assistance excluded under paragraph (b)(9)(i) of this section is equal to or exceeds the actual covered costs under paragraph (b)(9)(ii)(B)(4) of this section, none of the assistance described in this paragraph (b)(9)(ii) of this section is considered student financial assistance excluded from income under this paragraph (b)(9)(ii)(E).

(2) If the amount of assistance excluded under paragraph (b)(9)(i) of this section is less than the actual covered costs under paragraph (b)(9)(ii)(B)(4) of this section, the amount of assistance described in paragraph (b)(9)(ii) of this section that is considered student financial assistance excluded under this paragraph is the lower of:

(i) the total amount of student financial assistance received under this paragraph (b)(9)(ii) of this section, or

(ii) the amount by which the actual covered costs under paragraph (b)(9)(ii)(B)(4) of this section exceeds the assistance excluded under paragraph (b)(9)(i) of this section.

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

(11) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire.

(12)(i) Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);

(ii) Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (e.g., special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;

(iii) Amounts received under a resident service stipend not to exceed \$200 per month. A resident service stipend is a modest amount received by a resident

for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development.

(iv) Incremental earnings and benefits resulting to any family member from participation in training programs funded by HUD or in qualifying Federal, State, Tribal, or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives and are excluded only for the period during which the family member participates in the employment training program unless those amounts are excluded under paragraph (b)(9)(i) of this section.

(13) Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era.

(14) Earned income of dependent full-time students in excess of the amount of the deduction for a dependent in § 5.611.

(15) Adoption assistance payments for a child in excess of the amount of the deduction for a dependent in § 5.611.

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

(17) Payments related to aid and attendance under [38 U.S.C. 1521](#) to veterans in need of regular aid and attendance.

(18) Amounts received by the family in the form of refunds or rebates under State or local law for property taxes paid on the dwelling unit.

(19) Payments made by or authorized by a State Medicaid agency (including through a managed care entity) or other State or Federal agency to a family to enable a family member who has a disability to reside in the family's assisted unit. Authorized payments may include payments to a member of the assisted family through the State Medicaid agency (including through a managed care entity) or other State or Federal agency for caregiving services the family member provides to enable a family member who has a disability to reside in the family's assisted unit.

(20) Loan proceeds (the net amount disbursed by a lender to or on behalf of a borrower, under the terms of a loan agreement) received by the family or a third party (*e.g.*, proceeds received by the family from a private loan to enable attendance at an educational institution or to finance the purchase of a car).

(21) Payments received by Tribal members as a result of claims relating to the mismanagement of assets held in trust by the United States, to the extent such payments are also excluded from gross income under the Internal Revenue Code or other Federal law.

(22) Amounts that HUD is required by Federal statute to exclude from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in paragraph (b) of this section apply. HUD will publish a notice in the **Federal Register** to identify the benefits that qualify for this exclusion. Updates will be published when necessary.

(23) Replacement housing “gap” payments made in accordance with [49 CFR part 24](#) that offset increased out of pocket costs of displaced persons that move from one federally subsidized housing unit to another Federally subsidized housing unit. Such replacement housing “gap” payments are not excluded from

	<p>annual income if the increased cost of rent and utilities is subsequently reduced or eliminated, and the displaced person retains or continues to receive the replacement housing “gap” payments.</p> <p>(24) Nonrecurring income, which is income that will not be repeated in the coming year based on information provided by the family. Income received as an independent contractor, day laborer, or seasonal worker is not excluded from income under this paragraph, even if the source, date, or amount of the income varies. Nonrecurring income includes:</p> <ul style="list-style-type: none"> (i) Payments from the U.S. Census Bureau for employment (relating to decennial census or the American Community Survey) lasting no longer than 180 days and not culminating in permanent employment. (ii) Direct Federal or State payments intended for economic stimulus or recovery. (iii) Amounts directly received by the family as a result of State refundable tax credits or State tax refunds at the time they are received. (iv) Amounts directly received by the family as a result of Federal refundable tax credits and Federal tax refunds at the time they are received. (v) Gifts for holidays, birthdays, or other significant life events or milestones (e.g., wedding gifts, baby showers, anniversaries). (vi) Non-monetary, in-kind donations, such as food, clothing, or toiletries, received from a food bank or similar organization. (vii) Lump-sum additions to net family assets, including but not limited to lottery or other contest winnings. <p>(25) Civil rights settlements or judgments, including settlements or judgments for back pay.</p> <p>(26) Income received from any account under a retirement plan recognized as such by the Internal Revenue Service, including individual retirement arrangements (IRAs), employer retirement plans, and retirement plans for self-employed individuals; except that any distribution of periodic payments from such accounts shall be income at the time they are received by the family.</p> <p>(27) Income earned on amounts placed in a family's Family Self Sufficiency Account.</p> <p>(28) Gross income a family member receives through self-employment or operation of a business; except that the following shall be considered income to a family member:</p> <ul style="list-style-type: none"> (i) Net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations; and (ii) Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family. <p>(c) <i>Calculation of Income.</i> The PHA or owner must calculate family income as follows:</p> <ul style="list-style-type: none"> (1) <i>Initial occupancy or assistance and interim reexaminations.</i> The PHA or owner must estimate the income of the family for the upcoming 12-month period: <ul style="list-style-type: none"> (i) To determine family income for initial occupancy or for the initial provision of housing assistance; or (ii) To determine family income for an interim reexamination of family income under §§ 5.657(c), 960.257(b), or 982.516(c) of this title.
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(2) *Annual Reexaminations.* (i) The PHA or owner must determine the income of the family for the previous 12-month period and use this amount as the family income for annual reexaminations, except where the PHA or owner uses a streamlined income determination under §§ 5.657(d), 960.257(c), or 982.516(b) of this title.

(ii) In determining the income of the family for the previous 12-month period, the PHA or owner must take into consideration any redetermination of income during the previous 12-month period resulting from an interim reexamination of family income under §§ 5.657(c), 960.257(b), or 982.516(c) of this title.

(iii) The PHA or owner must make adjustments to reflect current income if there was a change in income during the previous 12-month period that was not accounted for in a redetermination of income.

(3) *Use of other programs' determination of income.* (i) The PHA may, using the verification methods in paragraph (c)(3)(ii) of this section, determine the family's income prior to the application of any deductions applied in accordance with § 5.611 based on income determinations made within the previous 12-month period for purposes of the following means-tested forms of Federal public assistance:

(A) The Temporary Assistance for Needy Families block grant (*, et seq.*).

(B) Medicaid ([42 U.S.C. 1396 et seq.](#)).

(C) The Supplemental Nutrition Assistance Program ([42 U.S.C. 2011 et seq.](#)).

(D) The Earned Income Tax Credit ([26 U.S.C. 32](#)).

(E) The Low-Income Housing Credit ([26 U.S.C. 42](#)).

(F) The Special Supplemental Nutrition Program for Woman, Infants, and Children ([42 U.S.C. 1786](#)).

(G) Supplemental Security Income ([42 U.S.C. 1381 et seq.](#)).

(H) Other programs administered by the Secretary.

(I) Other means-tested forms of Federal public assistance for which HUD has established a memorandum of understanding.

(J) Other Federal benefit determinations made in other forms of means-tested Federal public assistance that the Secretary determines to have comparable reliability and announces through the **Federal Register**.

(ii) If a PHA or owner intends to use the annual income determination made by an administrator for allowable forms of Federal means-tested public assistance under this paragraph (c)(3), the PHA or owner must obtain it using the appropriate third-party verification. If the appropriate third-party verification is unavailable, or if the family disputes the determination made for purposes of the other form of Federal means-tested public assistance, the PHA or owner must calculate annual income in accordance with [24 CFR part 5, subpart F](#). The verification must indicate the tenant's family size and composition and state the amount of the family's annual income. The verification must also meet all HUD requirements related to the length of time that is permitted before the third-party verification is considered out-of-date and is no longer an eligible source of income verification.

(4) *De minimis errors.* The PHA or owner will not be considered out of compliance with the requirements in this paragraph (c) solely due to de minimis errors in calculating family income. A de minimis error is an error where the PHA or owner determination of family income deviates from the correct income determination by no more than \$30 per month in monthly adjusted income (\$360 in annual adjusted income) per family.

(i) The PHA or owner must still take any corrective action necessary to credit or repay a family if the family has been overcharged for their rent or family share as a result of the de minimis error in the income determination, but

	<p>families will not be required to repay the PHA or owner in instances where a PHA or owner has miscalculated income resulting in a family being undercharged for rent or family share.</p> <p>(ii) HUD may revise the amount of de minimis error in this paragraph (c)(4) through a rulemaking published in the Federal Register for public comment.</p> <p>○</p>
Applicant	A person or a family that has applied for admission to the program but is not yet a participant in the program.
Area of Operation	The jurisdiction of the HA as described in applicable State law and the HA's Articles of Incorporation.
Assets	Assets mean cash (including checking accounts), stocks, bonds, savings, equity in real property, or the cash value of life insurance policies. Assets include the value of personal property listed in the chart under the NET Family Assets definition. IMPORTANT: See the definition of Net Family Assets, for assets used to compute annual income. (See the definition of Net Family Assets)
Care Attendant	A person that regularly visits the unit of a HA resident to provide supportive or medical services. Care attendants are not live-in aides, since they have their own place of residence (and if requested by HA must demonstrate separate residence) and do not live in the public housing unit. Care attendants have no rights of tenancy.
Catastrophic Involuntary Displacement	Displacement that may be caused by fire, acts of nature
Child	A member of the family, other than the family head or spouse, who is under 18 years of age.
Childcare Expenses	<p>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 (which shall be documented by the family to the satisfaction of the HA), 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 childcare, and, in the case of childcare necessary to permit employment, the amount deducted shall not exceed the amount of income received from such employment. The reasonable amount of charges is determined by the HA, by conducting surveys of local childcare providers.</p> <hr/> <p>If the Total Annual Income less the above allowances result in a rent that is less than the established minimum rent, the tenant rent will be established at the HA established minimum rent.</p> <hr/>
Child Custody	<ul style="list-style-type: none"> • The applicant/participant must have primary custody of the child. • The applicant/participant must provide sufficient evidence that the child would reside with the Section 8 participant. <hr/> <p>The same child cannot be claimed by more than one applicant/participant.</p> <hr/>
Citizen	A citizen or national of the United States.
Co-head of Household	A household where two persons are held responsible and accountable for the family, and where each co head contributes to the rent.
Common Space	In shared housing: Space available for use by the assisted family and other occupants of the unit.
Congregate Housing	Housing for elderly persons or persons with disabilities that meets the HQS for congregate housing.
Contiguous Metropolitan Statistical Area (MSA)	In portability, an MSA that shares a common boundary with the MSA in which the jurisdiction of the initial HA 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 Section 8 program.
Contract Authority	The maximum annual payment by HUD to an HA for a funding increment.

Cooperative Housing (Mutual Housing)	Housing owned by a non-profit corporation or association, and where a member of the corporation or association has the right to reside in a particular apartment, and to participate in management of the housing.
Covered Person	For the purposes of screening and terminating participation for criminal activity, a tenant, any member of the tenant's household, a guest, or another person under the tenant's control.
Day Laborer	An individual hired and paid one day at a time without an agreement that the individual will be hired or work again in the future.
Dependent	A member of the household, other than head, spouse, sole member, foster child, or Live-in Aide, who is under 18 years of age, or 18 years of age or older and disabled, or a full-time student, and qualifies for a \$480 deduction when computing income-based rent. [24 CFR 5.603] An unborn child shall not be considered a dependent.
Disabled Family	A family whose head including co-head, spouse, or sole member is a person with disabilities. (Person with disabilities is defined later in this section.) The term includes two or more persons with disabilities living together, and one or more such persons living with one or more persons including live-in aides determined to be essential to the care and well-being of the person or persons with disabilities. A disabled family may include persons with disabilities who are elderly. [24 CFR 5.403]
Disabled Person	(See Handicapped Person)
Displaced Family	A person, or family, displaced by governmental action, or whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to Federal disaster relief laws.
Displaced Person	A person displaced by government action or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise recognized pursuant to Federal disaster relief laws. This definition is used for eligibility determinations only. It should not be confused with the former Federal preference for involuntary displacement. [(42 USC 1437a(b)(3)]
Divestiture Income	Imputed income from assets, including business assets, disposed of by applicant or resident in the last two years at less than fair market value. (See the definition of Net Family Assets [24 CFR 5.603] in this section.)
Domicile	The legal residence of household head or spouse as determined in accordance with State and local law.
Drug	A controlled substance as defined in the Controlled Substances Act. [24 CFR 5.100]
Drug-related Criminal Activity	The illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell distribute or use the drug. [24 CFR 5.100]
Earned Income	Income or earnings from wages, tips, salaries, other employee compensation, and net income from self-employment. Earned income does not include any pension or annuity, transfer payments (meaning payments made or income received in which no goods or services are being paid for, such as welfare, social security, and governmental subsidies for certain benefits), or any cash or in-kind benefits.
Elderly Family	A family whose head including co-head, or spouse (or sole member) is at least 62 years of age. It may include two or more elderly persons living together, and one or more such persons living with one or more persons, including live-in aides, determined to be essential to the care and well-being of the elderly person or persons. An elderly family may include elderly persons with disabilities and other family members who are not elderly. [24 CFR 5.403]
Elderly Person	A person who is at least 62 years of age. [42 USC 1437a(b)(3)]
Enterprise Income Verification (EIV)	A computerized Social Security Number matching system utilized to obtain income information.
Evidence of Citizenship or Eligible Immigration Status	The documents that must be submitted to evidence citizenship or eligible immigration status.
Extremely Low Income Family	A Family whose Annual Income does not exceed 30% of the higher of 30% of the Area Median Income or the Federal poverty level. Where the higher of 30% of the Area Median Income or the Federal poverty level exceeds the Very Low-Income (VLI) limit, the ELI limit is reduced to equal the VLI limit as published by HUD. This effects the targeting requirements of 75% of new admissions to the housing choice voucher program.

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. FMRs 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 woman and individuals in the process of obtaining custody of any individual who has not attained the age of 18 years are processed for occupancy the same as a single person. Individuals in the process of obtaining custody of any individual who has not attained the age of 18 years are only entitled to a one-bedroom unit. However, a single pregnant woman must be treated as a 2-person family to determine subsidy standard. Once custody is obtained, the family's subsidy standard will be redetermined and authorized to transfer as outlined in the Transfer Section if larger unit is required.
Family	<p>Includes, but is not limited to, the following, regardless of actual or perceived sexual orientation, gender identity, or marital status:</p> <ul style="list-style-type: none"> • A single person, who may be an elderly person, displaced person, disabled person, near-elderly person, or any other single person: <ul style="list-style-type: none"> ○ A group of persons residing together, and such group includes, but is not limited to: <ul style="list-style-type: none"> ○ An otherwise eligible youth who has attained at least 18 years of age and not more than 24 years of age and who has left foster care, or will leave foster care within 90 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act (42 U.S.C. 675(5)(H)), and is homeless or is at risk of becoming homeless at age 16 or older: • A group of persons residing together, and such group includes, but is not limited to: <ul style="list-style-type: none"> ○ A family with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family) • An elderly family • A near-elderly family • A disabled family • A displaced family • The remaining member of a tenant family • A foster care arrangement, or a kinship care arrangement <hr/> <p>By definition, a family must contain a competent adult of at least 18 years of age or a minor who has been relieved of the disability of non-age by the juvenile court or is an unemancipated minor who is 18 years old and of sound mind, notwithstanding his or her minority to enter into a contract and capable of functioning as the head of the household.</p> <hr/> <p>Other persons, including members temporarily absent (e.g., a child temporarily placed in foster care or a student temporarily away at college), may be considered a part of the applicant family's household if they are living or will live regularly with the family. [24 CFR § 5 and 960]</p> <ul style="list-style-type: none"> • Live-in Aides may also be considered part of the applicant family's household. However, live-in aides are not family members and have no rights of tenancy or continued occupancy. • Foster Care Arrangements include situations in which the family is caring for a foster adult, child, or children in their home who have been placed there by a public child placement agency, or a foster adult or adults placed in the home by a public adult placement agency. For purposes of continued occupancy: the term family also

	includes the remaining member of a resident family with the capacity to execute a lease.
Family Self-Sufficiency (FSS) Program	The program established by an HA to promote self-sufficiency of assisted families, including the provision of supportive services (42 U. S. C. 1437u). Reference 24 CFR, part 984.
Family Share	The portion of rent and utilities paid by the family.
Family Unit Size	The appropriate number of bedrooms for a family. Family unit size is determined by the HA under the HA subsidy standards.
Foster Children	<p>With the prior written consent of the Landlord, a foster child may reside on the premises.</p> <p>The factors considered by the Landlord in determining whether or not consent is granted may include:</p> <ul style="list-style-type: none"> • Whether the addition of a new occupant may require a transfer of the family to another unit, and whether such units are available. • The Landlord's obligation to make reasonable accommodation for handicapped persons.
Foster Adult	A member of the household who meets the definition of a foster child under State law. In general, a foster child is placed with the family by an authorized placement agency (e.g., public child welfare agency) or by judgment, decree, or other order of any court of competent jurisdiction.
Full -Time Student	A member of a family (other than the head of household or spouse) who is carrying a subject load that is considered full-time for day students under the standards and practices of the educational institution attended. Educational institution shall include but not be limited to: college, university, secondary school, vocational school, or trade school [24 CFR 5.603]. The attended educational institution will supply verification.
Funding Increment	Each commitment of budget authority by HUD to an HA under the consolidated ACC for the HA program.
Gross Rent	The sum of the rent to owner plus any utility allowance.
Group Home	A dwelling unit that is licensed by a State as a group home for the exclusive residential use of two to twelve persons who are elderly or persons with disabilities (including any live-in-aid).
Guest	A guest is a person temporarily staying in the unit with the consent of a tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant. The requirements of the lease apply to a guest as so defined.
Handicapped Assistance Expense	Reasonable expenses that are anticipated, during the period for which Total Annual Family Income is computed, for attendant care and auxiliary apparatus for a Handicapped or Disabled family member and that are necessary to enable a family member (including the Handicapped or Disabled member) to be employed, provided that the expenses are neither paid to a member of the family nor reimbursed by an outside source.
Handicapped Person And/or Disabled Person	<p>A person having a physical or mental impairment which:</p> <ul style="list-style-type: none"> • Is expected to be of long continued and indefinite duration, • Substantially impedes his/her ability to live independently, and • Is of such a nature that such disability could be improved by more suitable housing conditions. <hr/> <p>All three conditions must be met to qualify as handicapped.</p> <p>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 USC 6001(7)), or is handicapped as defined below:</p> <ul style="list-style-type: none"> • Section 223 of the Social Security Act defines disability as: <ul style="list-style-type: none"> ○ "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 ○ 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(I) 1 of this

	<p>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 has previously engaged with some regularity and over a substantial period of time."</p> <ul style="list-style-type: none"> • Section 102(5), of the Development Disabilities Services and Facilities Construction Amendments of 1970 defines disability as: <ul style="list-style-type: none"> ○ "A disability attributable to mental retardation, 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." <hr/> <p>No individual shall be considered to be a person with a disability for purposes of eligibility for low-income housing solely on the basis of any drug or alcohol dependency.</p> <hr/>
Hazardous Duty Pay	Pay to a family member in the Armed Forces away from home and exposed to hostile fire.
Head Of Household	The adult member of the family (identified by the family) who is the head of the household for purposes of determining income eligibility and rent. Also, the head of household is primarily responsible and accountable for the family, particularly in regard to family obligations.
Homeless Family	<p>Any individual or family who:</p> <ul style="list-style-type: none"> • Lacks a fixed, regular, and adequate nighttime residence; • Has a primary nighttime residence that is: <ul style="list-style-type: none"> ○ A supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing or housing for the mentally ill); ○ An institution that provides a temporary residence for individuals intended to be institutionalized; or ○ A public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings. <p>A homeless family does not include:</p> <ul style="list-style-type: none"> • Any individual imprisoned or otherwise detained pursuant to an Act of the Congress or a State Law; or • Any individual who is a Single Room Occupant that is not considered substandard housing.
Household	The family and a HA-approved Live-in Aide.
Housing Agency	Housing Agency (Public Housing Agency (PHA), PHA and HA are the same thing) 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.
Housing Assistance Payment (HAP)	<p>The monthly assistance payment made by the HA. The total assistance payment consists of:</p> <ul style="list-style-type: none"> • A payment to the owner for rent to the owner under the family's lease. • An additional payment to the family if the total assistance payment exceeds the rent to owner. The additional payment is called a "utility reimbursement." <hr/> <p>The HA may elect to pay the appropriate amount directly to the utility provider.</p> <hr/>
Housing Assistance Payment Contract	A written contract between an HA and an owner, in the form prescribed by HUD, in which the HA agrees to make housing assistance payments to the owner on behalf of an eligible family.
Housing Quality Standards (HQS)	The HUD minimum quality standards for housing assistance under the tenant-based programs. (NSPIRE)

HUD - Housing and Urban Development	The U. S. Department of Housing and Urban Development.
HUD Requirements	HUD requirements for the Section 8 program. HUD requirements are issued by HUD headquarters, as regulations, Federal Register notices or other binding program directives.
Income Exclusions	○ See Annual Income
Independent Contractor	An individual who qualifies as an independent contractor instead of an employee in accordance with the Internal Revenue Code Federal income tax requirements and whose earnings are consequently subject to the Self-Employment Tax. In general, an individual is an independent contractor if the payer has the right to control or direct only the result of the work and not what will be done and how it will be done.
Infant	A child under the age of two years.
Initial Contract Rent	In the certificate program, the contract rent at the beginning of the initial lease term.
Initial HA	In portability, the term refers to both: <ul style="list-style-type: none"> • A HA that originally selected a family that subsequently decides to move out of the jurisdiction of the selecting HA. • An HA that absorbed a family that subsequently decides to move out of the jurisdiction of the absorbing HA.
Initial Lease Term	The initial term of the assisted lease. The initial lease term must be for at least one year.
Initial Payment Standard	The payment standard at the beginning of the HAP contract term.
Initial Rent to Owner	The rent to owner at the beginning of the initial lease term.
INS	The U. S. Immigration and Naturalization Service.
Interim Redetermination of Rent	Changes of rent between admissions and reexaminations and the next succeeding reexamination.
Involuntary Displacement	Families that meet the definition of involuntary displaced qualify for a preference in the selecting applicants for admission to public housing.
Jurisdiction	The area in which the HA has authority under State and local law to administer the program.
Lease	A written agreement between an owner and a tenant for the leasing of a dwelling unit to the tenant. The lease establishes the conditions for occupancy of the dwelling unit by a family with housing assistance payments under a HAP contract between the owner and the HA. <hr/> In cooperative housing, a written agreement between a cooperative and a member of the cooperative. The agreement established the conditions for occupancy of the member's cooperative dwelling unit by the member's family with housing assistance payments to the cooperative under a HAP contract between the cooperative and the HA. For purposes of part 982, the cooperative is the Section 8 "owner" of the unit, and the cooperative member is the Section 8 "tenant." <hr/>
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 an elderly person(s), near elderly person(s) or person(s) with disabilities and who: <ul style="list-style-type: none"> • Is determined by HA to be essential to the care and wellbeing of the person(s); • Is not obligated to support the family member; and • Would not be living in the unit except to provide the necessary supportive services [24 CFR 5.403]. HA policy on Live-in Aides stipulates that: <ul style="list-style-type: none"> ○ Before a Live-in Aide may be moved into a unit, a third-party verification must be supplied that establishes the need for such care and the fact that the live-in aide is qualified to provide such care; <ul style="list-style-type: none"> ▪ Move in of a Live-in Aide must not result in overcrowding of the existing unit according to the maximum-number-of-persons-per-unit standard (although, a reasonable accommodation for a resident with a disability may be to move the family to a larger unit); ▪ Live-in Aides have no right to the unit as a remaining member of a resident family;

	<ul style="list-style-type: none"> ▪ Relatives who satisfy the definitions and stipulations above may qualify as Live-in Aides, but only if they sign a statement prior to moving in relinquishing all rights to the unit as the remaining member of a resident family; ▪ A Live-in Aide will be required to meet HA's screening requirements with respect to past behavior especially: <ul style="list-style-type: none"> ✦ A record of disturbance of neighbors, destruction of property, or living or housekeeping habits at present or prior residences that may adversely affect the health, safety, or welfare of other tenants or neighbors; ✦ Criminal activity such as crimes of physical violence to persons or property and other criminal acts including drug related criminal activity that would adversely affect the health, safety, or welfare of other residents or staff or cause damage to the unit or the development; and ✦ A record of eviction from housing or termination from residential programs.
Low-income Household	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 [42 USC 1437a(b0)]
Manufactured Homes	A Manufactured structure that is built on a permanent chassis that is designed for use as a principal place of residence and meets the HQS.
Manufactured Home Space	In manufactured home space rental: a space leased by an owner to a family. A manufactured home owned and occupied by the family is located on the space.
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	The HA has the discretion to establish the minimum rent from \$0 up to \$50.
Minimum Rent hardship Exemptions	<p>The HA 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:</p> <ul style="list-style-type: none"> • The family has lost eligibility for, or is awaiting an edibility determination for 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 nationalization act who would be entitled to public benefits but for Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. • The family would be evicted as a result of the implementation of the minimum rent. • The income of the family has decreased because of changed circumstance, including loss of employment. • A death in the family has occurred which affects the family circumstances. • Other circumstances which may be decided by the HA on a case-by-case basis. <hr/> <p>All of the above must be proven by the Resident providing verifiable information in writing to the HA prior to the rent becoming delinquent and before the lease is terminated by the HA.</p> <hr/> <p>If a resident requests a hardship exemption (prior to the rent being delinquent) under this section, and the HA reasonably determines the hardship to be of a temporary nature, exemption shall not be granted during a ninety day period beginning upon the making of the request for the exemption. A resident may not be evicted during the ninety-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 basis, the HA shall retroactively exempt the resident from the applicability of the minimum rent requirement for such ninety-day period. This Paragraph does not prohibit the HA from taking eviction action for other violations of the lease.</p>
Minor	A member of the family, other than the head of family or spouse, who is under 18 years of age
Mixed Family	A family whose members include those with citizenship or eligible immigration status, and those without citizenship or eligible immigration status.

Monthly Adjusted Income	One twelfth of Adjusted Annual Income.
Monthly Income	One twelfth of Annual Income.
Mutual Housing	See definition of “cooperative housing.”
Multifamily Housing Project	For purposes of Section 504, means a project containing five or more dwelling units. [24 CFR 8.3]
National	A person who owes permanent allegiance to the United States, for example, as a result of birth in a United States territory or possession.
Net Family Assets	<p>The net cash value of all assets owned by the family, after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of investment, except as excluded (see Exclusions below).</p> <p>Assets with negative equity. The cash value of real property or other assets with negative equity would be considered \$0 for the purposes of calculating net family assets. Negative equity in real property or other investments does not prohibit the family from selling the property or other investments, so negative equity alone would not justify excluding the property or other investments from family assets.</p> <p>Assets disposed of for less than fair market value. In determining the value of net family assets, PHAs must include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received.</p> <p>Exclusions: Required exclusions from net family assets include the following:</p> <ul style="list-style-type: none"> • The value of necessary items of personal property. (See chart below) • The value of all non-necessary items of personal property with a total combined value of \$50,000 or less, annually adjusted for inflation. • The value of any account under a retirement plan recognized as such by the Internal Revenue Service, including Individual Retirement Accounts (IRAs), employer retirement plans (e.g., 401(k), 403(b)), and retirement plans for self-employed individuals. • The value of real property that the family does not have the effective legal authority to sell in the jurisdiction in which the property is located. • Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence, or other breach of duty owed to a family member arising out of law that resulted in a member of the family being a person with disabilities. • The value of any Coverdell education savings account under section 530 of the Internal Revenue Code of 1986; the value of any qualified tuition program under section 529 of such Code; and the amounts in, contributions to, and 61 distributions from any Achieving a Better Life Experience (ABLE) account authorized under section 529A of such code. • The value of any “baby bond” account created, authorized, or funded by the federal, state, or local government (money held in trust by the government for children until they are adults). • Interests in Indian trust land. • Equity in a manufactured home where the family receives assistance under 24 CFR Part 982. • Equity in property under the Homeownership Option for which a family receives assistance under 24 CFR Part 982. • Family Self-Sufficiency accounts. • Federal tax refunds or refundable tax credits for a period of 12 months after receipt by the family. • The full amount of assets held in an irrevocable trust. (See paragraph F.4.d (Trusts) of this notice.) • The full amount of assets held in a revocable trust where a member of the family is the beneficiary, but the grantor/owner and trustee of the trust is not a member of the participant family or household. (See paragraph F.4.d (Trusts) of this notice) <p style="text-align: center;">Examples of Necessary and Non-Necessary Personal Property</p>

	Necessary Personal Property	Non-Necessary Personal Property
	Car(s)/vehicle(s) that a family relies on for transportation for personal or business use (e.g., bike, motorcycle, skateboard, scooter)	Recreational car/vehicle not needed for day-to-day transportation (campers, motorhomes, travel trailers, all-terrain vehicles (ATVs))
	Furniture, carpets, linens, kitchenware	Bank accounts or other financial investments (e.g., checking account, savings account, stocks/bonds)
	Common appliances	Recreational boat/watercraft
	Common electronics (e.g., radio, television, DVD player, gaming system)	Expensive jewelry without religious or cultural value, or which does not hold family significance
	Clothing	Collectibles (e.g., coins/stamps)
	Personal effects that are not luxury items (e.g., toys, books)	Equipment/machinery that is not used to generate income for a business
	Wedding and engagement rings	Items such as gems/precious metals, antique cars, artwork, etc.
	Jewelry used in religious/cultural celebrations and ceremonies	
	Religious and cultural items	
	Medical equipment and supplies	
	Health care-related supplies	
	Musical instruments used by the family	
Non-citizen	A person who is neither a citizen nor national of the United States.	
Notice of Funds Availability (NOFA)	For budget authority that HUD distributes by competitive process, the federal register document that invites applications for funding. The document explains how to apply for assistance and the criteria for awarding the funding.	
Other Person Under the Tenant's Control	The person although not staying as a guest in the unit is or was at the time of the activity in question, on the premises because of an invitation from the tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant. Absent evidence to the contrary, a person temporarily and infrequently on the premises solely for legitimate commercial purposes is not under the tenant's control (e.g. the Pizza Delivery person)	
Owner	Any person or entity with the legal right to lease or sublease a unit to a participant.	
Participant	A family that has been admitted to the HA 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 HA for the family.	
Payment Standard	The maximum subsidy payment for a family (before deducting the family contribution). The HA sets a payment standard in the range from 90 percent to 110 percent of the current FMR.	
Person with Disabilities [42 USC 1437a(b)(3)]	<p>Means a person who:</p> <ul style="list-style-type: none"> • Has a disability as defined in Section 223 of the Social Security Act (42 USC 423); or, • Has a physical, mental or emotional impairment that: <ul style="list-style-type: none"> ○ Is expected to be of long continued and indefinite duration; ○ Substantially impedes his/her ability to live independently; and, ○ Is of such nature that such disability could be improved by more suitable housing conditions; or, ○ Has a developmental disability as defined in Section 102 (5) (b) of the Developmental Disabilities Assistance and Bill of Rights Act [42 USC 6001 (5)]. <p><u>A person with disabilities may be a child.</u></p>	
Portability	Renting a dwelling unit with Section 8 tenant-based assistance outside the jurisdiction of the initial HA.	
Preference	At the option of the HA, a preference system can be used to select among applicant families.	

Premises	The building or complex in which the dwelling unit is located, including common areas and grounds.
Private Space	In shared housing: The portion of a contract unit that is for the exclusive use of an assisted family.
Program	The tenant-based housing voucher program.
Project Based	Rental assistance that is attached to the structure.
Public Housing Agency (HA)	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 of operation of housing for lower income families.
Reasonable Rent	A rent to owner that is not more than either: Rent charged for comparable units in the private unassisted market; or Rent charged by the owner for a comparable unassisted unit in the building or premises.
Receiving HA	In portability, an HA that receives a family selected for participation in the tenant-based program of another HA. The receiving HA issues a certificate or voucher, and provides program assistance to the family.
Reexamination	Reexamination is sometimes called recertification. The process of securing documentation, which 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 reexamination of eligibility and rent. The reexamination date(s) is the anniversary date (month) of the lease.
Remaining Member Of The Resident Family	The person(s) of legal age remaining in the leased unit after the person(s) who signed the lease has (have) left the premises, other than by eviction, which may or may not normally qualify for assistance on their own circumstances. An individual must occupy the unit to which he claims head of household status for one year before becoming eligible for subsidized housing as a remaining family member. This person must complete forms necessary for housing within ten days from the departure of the leaseholder and may retain assistance for a reasonable time pending the verification and hearing process. This person must, upon satisfactory completion of the verification process, then execute a new lease and cure any monetary obligations in order to remain on the program. Any person who claims him or herself as a remaining member shall, in the event that the HA declares him or her ineligible for remaining member status, be entitled to the hearing process upon notice to him or her that he or she is not considered to be a remaining member of the household. The person requesting remaining member status must request this hearing in writing within ten days from the date of the departure of the head of household. The HA does not recognize the person as a participant by giving him or her opportunity for a hearing. A remaining member shall not be considered to be a participant until such time as a new lease is executed by the HA and the person granted tenant status after the verification status.
Rent to Owner	The total monthly rent payable to the owner under the lease for the unit. Rent to Owner covers payment for any housing services, maintenance and utilities that the owner is required to provide and pay for.
Seasonal Worker	An individual who is hired into a short-term position and the employment begins about the same time each year (such as summer or winter). Typically, the individual is hired to address seasonal demands that arise for the particular employer or industry.
Set-Up Charges	In a manufactured home space rental: charges payable by the family for assembling, skirting, and anchoring the manufactured home.
Shared Housing	A unit occupied by two or more families. The unit consists of both common space for shared use by the occupants of the unit and separate private space for each assisted family.
Single Person	A person who lives alone or intends to live alone, and who does not qualify as an elderly family or a displaced person, or as the remaining member of a tenant family.
Single Room Occupancy	Single Room Occupancy (SRO) Housing is a unit which does not contain sanitary facilities or food preparation facilities, or which contains one but not both types of facilities, and is suitable for occupancy by an eligible individual who is capable of independent living. SRO Housing is not substandard solely because it does not contain sanitary facilities or food preparation facilities, or both.
Special Admission	Admission of an applicant that is not on the HA waiting list, or without considering the applicant's waiting list position.
Spouse	Either member of a married pair in relation to the other.

Standard Permanent Replacement Housing	<p>Is housing:</p> <ul style="list-style-type: none"> • That is decent, safe, and sanitary; • That is adequate for the family size; and • That the family is occupying pursuant to a lease or occupancy agreement. <p>Such housing does not include transient facilities, such as motels, hotels, or temporary shelters for victims of domestic violence or homeless families, and in the case of domestic violence, does not include the housing unit in which the applicant and the applicant's spouse or other member of the household who engages in such violence live.</p> <hr/> <p>A "homeless family" does not include any individual imprisoned or otherwise detained pursuant to an Act of the Congress or a State law.</p>
Subsidy Standards	Standards established by an HA to determine the appropriate number of bedrooms and amount of subsidy for families of different sizes and composition.
Substandard Housing	<p>A unit is substandard if it:</p> <ul style="list-style-type: none"> • Is dilapidated: <ul style="list-style-type: none"> ○ Does not have operable indoor plumbing; ○ Does not have a usable flush toilet inside the unit for the exclusive use of a family; ○ Does not have a usable bathtub or shower inside the unit for the exclusive use of a family; ○ Does not have electricity, or has inadequate or unsafe electrical service; ○ Does not have a safe or adequate source of heat; ○ Should, but does not, have a kitchen; or ○ Has been declared unfit for habitation by an agency or unit of government. • A housing unit is dilapidated if it does not provide safe and adequate shelter, and in its present condition endangers the health, safety, or well-being of a family, or it has one or more critical defects, or a combination of intermediate defects in sufficient number or extent to require considerable repair or rebuilding. The defects may involve original construction, or they may result from continued neglect or lack of repair or from serious damage to the structure. <p>An applicant who is a "homeless family" is living in substandard housing. For purposes of the preceding sentence, a "homeless family" includes any individual or family who:</p> <ul style="list-style-type: none"> • Lacks a fixed, regular, and adequate nighttime residence; and • Has a primary nighttime residence that is: <ul style="list-style-type: none"> ○ A supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing programs); ○ An institution that provides a temporary residence for individuals intended to be institutionalized; or ○ A public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.
Suspension	Stopping the clock on the term of a family's certificate or voucher on the date that the HA receives the request for lease approval by the family.
Temporarily Absent Family Members	Any person(s) on the lease that is not living in the household for a period of more than thirty days (30) is considered temporarily absent. Absences of more than six months are not generally considered to be temporary and must be approved by the HA.
Tenant Rent	<p>The amount payable monthly by the Family as rent to the landlord.</p> <p>Where all utilities (gas, water, and electricity) are supplied by the landlord, Tenant Rent equals Total Tenant Payment or minimum rent. Where some or all utilities (gas, water and electricity) are not supplied by the HA and the cost thereof is not included in the amount paid as rent, Tenant Rent equals Total Tenant Payment or minimum rent less the utility allowance. Telephone and cable television service is not a utility.</p>
Total Tenant Payment	The TTP, or income-based rent, is calculated using the following formula:

(TTP)	<ul style="list-style-type: none"> • For the Public Housing Program, the TTP must be the greater of: <ul style="list-style-type: none"> ○ 30 percent of family monthly adjusted income (see note); ○ 10 percent of family monthly income; or ○ Which is the minimum rent set by the HA • If the Resident pays any of the utilities directly to the utility supplier, the amount of the Utility Allowance is deducted from the TTP. [24 CFR 5.613] See the definition for Tenant Rent. It is possible for Section 8 participants to qualify for a utility reimbursement despite the requirement of a minimum rent. For example, if a participant family's TTP is the minimum rent of \$25 and the utility allowance for the size and type unit the family has selected is \$60, the family would receive a utility reimbursement of \$35 (\$60 less \$25) for tenant purchased utilities.
Unearned income	Any annual income, as calculated under § 5.609, that is not earned income (see earned income definition above).
Utilities	Utilities means water, electricity, gas, other heating, refrigeration and cooking fuels, trash collection, and sewerage services. Telephone service is not included as a utility.
Utility Allowance	If the cost of utilities (except telephone and cable) and other housing services for an assisted unit is not included in the rent, but is the responsibility of the family occupying the unit, then the utility allowance is an amount equal to the estimate made or approved by the HA or HUD of the monthly cost of a reasonable consumption of such utilities and other services for the unit by an energy conservative household of modest circumstances consistent with the requirements of a safe, sanitary and healthful living environment. If the family pays directly for one or more utilities or services, the amount of the allowance is deducted from the gross rent in determining the contract rent and is included in the gross family contribution.
Utility Reimbursement Payment (URP)	<p>Utility Reimbursement Payment is the amount, if any, by which the Utility Allowance for the unit, if applicable, exceeds the Total Tenant Payment for the family occupying the unit. At the discretion of the HA, the check may be made payable jointly to the resident and utility provider or directly to the utility provider.</p> <p>IF THE TOTAL QUARTERLY REIMBURSEMENT PAYMENT DUE TO A FAMILY IS EQUAL TO OR LESS THAN \$45 PER QUARTER. THE HA MAY MAKE REIMBURSEMENT PAYMENTS RETROACTIVELY OR PROSPECTIVELY. THE HA MAY CHOOSE TO MAKE REIMBURSEMENT PAYMENTS RETROACTIVELY. A FAMILY MAY REQUEST A HARDSHIP EXEMPTION IN ACCORDANCE WITH 24 CFR 5.630(B)(2). IF A FAMILY RECEIVES A HARDSHIP EXEMPTION, THEN THE HA MAY EITHER REIMBURSE THE FAMILY ON A MONTHLY BASIS OR IT MAY MAKE PROSPECTIVE PAYMENTS TO THE FAMILY ON A QUARTERLY BASIS. THE HA WILL NOTIFY THE RESIDENTS IF QUARTERLY PAYMENTS WILL BE MADE.</p>
Very Low-Income Family	A lower Income Family means a family whose annual income does not exceed 50 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD may establish income limits higher or lower than 50 percent of the median income for the area on the basis of its finding that such variations are necessary because of unusually high or low family incomes [42 USC 1437a(b)].
Violent Criminal Activity	Any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause serious bodily injury or property damage.
Voucher	A document issued by an HA to a family selected for to the housing voucher program. The voucher describes the program and the procedures for HA approval of a unit selected by the family. The voucher also states the obligation of the family under the program.
Voucher Holder	A family holding a voucher with unexpired search time.
Wage Earner	<p>A person in a gainful activity who receives any wages. Said wages or pay covers all types of employee compensation including salaries, vacation allowances, tips, bonuses, commissions, and unemployment compensation.</p> <p><u>The terms "Wage Earner" and "Worker" are used interchangeably.</u></p>
Waiting List Admission	An admission from the HA waiting list.

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.
Gender Identity	Actual or perceived gender-related characteristics.
Sexual Orientation	Homosexuality, heterosexuality, or bisexuality.

Project Based Vouchers

Link: [24 CFR 983](#)

Except as noted in this chapter, the Administrative Plan policies stated for the HCV program also apply to the PBV program.

- **1.1 Overview**

The FHA may use up to 20 percent of Housing Choice Voucher authorized units for project based assistance. The FHA may increase the use of Project Based Vouchers additional 10 percent for homeless families, families with veterans, supportive housing for persons with disabilities or elderly persons, or in areas where vouchers are difficult to use.

The FHA does not currently have supportive services offered to families for a project to qualify for the exception.

The proposed location of any PBV units must comply with the goals of deconcentrating poverty, expanding housing opportunities, and affirmatively furthering fair housing.

The FHA uses project-based vouchers to encourage new construction or rehabilitation, promote voucher utilization and increase supportive housing options.

- **1.2 Proposal Selection**

Link: [24 CFR 983.52\(a\)\(b\)\(c\)](#):

Prior to issuing a Request for Proposal or selecting a project without following a competition process where the PHA has ownership interest, FHA will submit to the local field office all required information under §8(o)(13)(B) of the 1937 Act. The FHA will select proposals for PBV assistance using either the Request for Proposal method or the Previous Competition method.

[FHA Request for Proposals Method for Rehabilitated and Newly Constructed Units](#)

The FHA will advertise request for proposals for rehabilitated and newly constructed housing in local newspaper(s) and on the FHA web site. The advertisement will specify the number of units the FHA estimates that it will be able to assist and the submission deadline. Incomplete proposals will not be considered.

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

- Owner experience and capability to build or rehabilitate housing as identified in the RFP
- Extent to which the project furthers the FHA goal of deconcentrating poverty and expanding housing and economic opportunities
- The extent to which services for special populations are provided on site or in the immediate area for occupants of the property

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

D. [FHA Requests for Proposals for Existing Housing Units](#)

The FHA will advertise proposals for existing housing in local newspaper(s) and on the FHA web site. The advertisement will specify the number of units the FHA estimates that it will be able to assist. Owner proposals will be accepted on a first-come first-served basis and will be evaluated using the following criteria:

- Experience as an owner in the tenant-based voucher program and owner compliance with the owner’s obligations under the tenant-based program
- Extent to which the project furthers the FHA goal of deconcentrating poverty and expanding housing and economic opportunities
- If applicable, extent to which services for special populations are provided on site or in the immediate area for occupants of the property
- Extent to which units are occupied by families that are eligible to participate in the PBV program.

E. [FHA Selection of Proposals Subject to a Previous Competition under a Federal, State, or Local Housing Assistance Program](#)

The FHA will accept proposals for PBV assistance from owners that were competitively selected under another federal, state or local housing assistance program, including projects that were competitively awarded Low-Income Housing Tax Credits on an ongoing basis.

In addition to, or in place of advertising, the FHA may also directly contact specific owners that have already been selected for Federal, state, or local housing assistance based on a previously held competition, to inform them of available PBV assistance.

Proposals will be reviewed on a first-come first-served basis. The FHA will evaluate each proposal on its merits using the following factors:

- Extent to which the project furthers the FHA goal of deconcentrating poverty and expanding housing and economic opportunities
- Extent to which the proposal complements other local activities such as the redevelopment of a public housing site under the HOPE VI program, the HOME program, CDBG activities, other development activities in a HUD-designated Enterprise Zone, Economic Community, or Renewal Community.

- **1.3 Notice of Owner Selection**

Link: [24 CFR 983.51\(d\)](#)

FHA will notify the selected owner in writing of the owner's selection for the PBV program pursuant to HUD requirements. FHA will notify in writing all owners that submitted proposals that were not selected and advise such owners of the name of the selected owner.

The FHA will make available its rating and ranking sheets and documents that identify the FHA basis for selecting the proposal for one month after publication of the notice. The FHA will not include sensitive owner information, such as financial statements, etc.

The FHA will make these documents available for review at the FHA during normal business hours.

- **1.4 Agreement to Enter into HAP Contract**

Link: [24 CFR 983.152](#)

For rehabilitated or newly constructed units, FHA will enter into an Agreement to Enter into a HAP Contract with the property owner. In the Agreement the owner agrees to develop the PBV contract units to comply with HQS, and the FHA agrees that upon timely completion of development the FHA will enter into a HAP Contract with the owner for the contract units.

The FHA will enter into the Agreement with the owner after receiving both environmental review approval and notice that subsidy layering requirements have been met and before construction or rehabilitation work is started. Additional owner documents may be required. FHA will specify any additional documentation requirements in the Agreement.

For existing housing, the HAP contract will be executed after FHA determines that all units pass HQS.

- **1.5 Site Selection Standards**

Link: [24 CFR 983.57\(b\)](#)

FHA will follow HUD regulations regarding site selection requirements for existing housing, newly constructed housing and rehabilitated housing. Before entering into an agreement or HAP contract FHA will determine that the PBV assistance for housing at the selected site is consistent with the goal of deconcentrating poverty and expanding housing and economic opportunities.

In developing standards to apply in determining whether a proposed PBV development will be selected, FHA will consider the following:

- If the poverty rate in the proposed PBV development area is greater than 20%, FHA will consider whether in the past five years there has been an overall decline in the poverty rate;
- A census tract in which the proposed PBV development will be located in a HUD- designated Enterprise Zone, Economic Community, or Renewal Community;
- A census tract where the concentration of assisted units will be or has decreased as a result of public housing demolition;

- A census tract in which the proposed PBV development will be located is undergoing significant revitalization;
- A census tract where there are meaningful opportunities for educational and economic advancement.
- The site meets HQS standards.
- Other factors as determined by FHA to meet the needs of the community.

F. FHA Owned Units

Link: [24 CFR 983.51\(e\)](#), [983.59](#)

HUD or a HUD-approved independent entity must review the selection process for FHA owned units to confirm appropriate selection. Initial rents and annual rent changes for FHA-owned units will be determined by the independent entity based on PBV program requirements. The term of the HAP contract and any HAP contract renewal must be agreed upon by FHA and the independent entity. HQS inspections will be performed by the independent entity.

G. Eligible Units/Cap on PBV Units

Link: [24CFR 983.52](#), [24 CFR 983.56\(a\)](#)

Project based assistance may be attached to up to 25% of the total number of units in a project. Project is defined as a single building, multiple contiguous buildings, or multiple buildings on contiguous parcels of land. Units specifically made available to the homeless, veterans, disabled and / or elderly families, or that are for families eligible to receive supportive services (whether actually receiving services or not) are excepted from the maximum number of assisted units per project.

Supportive services that may be offered to a member of a qualified household include, but are not limited to, the following:

- Meal service adequate to meet nutritional need
- Housekeeping aid
- Personal assistance
- Transportation services
- Health-related services
- Educational and employment services
 - job training
 - computer skills
 - resume assistance
 - GED preparation
 - ESL Classes
 - financial literacy
- Services offered through the Family Self Sufficiency Program
- Other services designed to help the recipient live in the community as independently as possible.

Supportive services will be offered throughout the family's tenancy in the excepted unit. The family may continue to reside in the exempted unit following the successful completion of supportive services or when supportive services are no longer required. The unit loses its excepted status if the family becomes ineligible for the supportive services during its tenancy, provided that: (i) the family becomes ineligible for all supportive services available to the family, and (ii) the family becomes ineligible for reasons other than successfully completing the supportive services objective. In such event, the FHA may:

- Reduce the number of excepted units
- Substitute the excepted unit for a non-excepted unit
- Temporarily remove the unit from the PBV HAP contract and provide the family with tenant-based assistance

• **1.6 Uniform Relocation Act**

Link: [24 CFR 983.7](#), [49 CFR Part 24](#)

If as a result of the PBV selection, there are existing households that are determined to be ineligible for PBV; FHA will require the owner to comply with the Uniform Relocation Act and the implementing HUD regulations of the Act.

• **1.7 Housing Assistance Payments (HAP) Contracts**

Link: [24 CFR 152](#)

H. [Term of the HAP Contract](#)

The term of all PBV HAP contracts will be no less than one year, and no more than 20 years, and will be negotiated with the owner on a case-by-case basis. Contracts may be extended for an additional term(s) not to exceed a total of 20 years (40 cumulative years).

I. [Extending the HAP Contract](#)

When determining whether or not to extend an expiring PBV contract, the FHA will consider several factors including, but not limited to:

- The cost of extending the contract and the amount of available budget authority;
The condition of the contract units;
- The owner's record of compliance with obligations under the HAP contract and lease(s);
- Whether the location of the units continues to support the goals of deconcentrating poverty and expanding housing opportunities;
- The need for and availability of supportive services for the FHA population; and
- Whether the funding could be used more appropriately for tenant-based assistance.

J. [Amendments to the HAP Contract](#)

The FHA will consider HAP Contract amendments to add additional PBV units in the same building. The FHA will consider adding contract units to the HAP contract when the FHA determines that additional housing is needed to serve eligible low-income families.

Circumstances may include, but are not limited to:

- The local housing inventory is reduced due to a disaster (either due to loss of housing units, or an influx of displaced families); and
- Voucher holders are having difficulty finding units that meet program requirements.
- Adding additional PBV units which include supportive services.

- **1.8 Unit Inspections**

Link: [24 CFR 983.103](#)

All contract units will be inspected and comply with Housing Quality Standards prior to HAP contract execution.

At least biennially during the term of the HAP contract, the FHA will inspect a random sample, consisting of at least 20 percent of the contract units in each building, to determine if the contract units and the premises are maintained in accordance with the HQS. Turnover inspections are not counted toward meeting this inspection requirement.

If more than 20 percent of the inspected units in a building fail, the FHA will re-inspect 100 percent of the contract units in the building.

In the case of a property assisted with project-based vouchers that is subject to an alternative inspection, the FHA may rely upon inspections conducted at least triennially to demonstrate compliance with the inspection requirement.

Inspections for the entire building will occur at the same time. FHA will abate and terminate PBV HAP contracts for non-compliance with HQS in accordance with the policies used in the tenant-based voucher program.

In the case of FHA-owned units, the inspections will be performed by an independent agency designated by FHA and approved by HUD. The independent entity must furnish a copy of each inspection report to FHA and to the HUD field office where the project is located. FHA 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 FHA's-owner.

K. **Lead-based Paint**

Link: [24 CFR 983.101\(c\)](#); [HUD PIH Notice 2017-13](#)

The lead-based paint requirements for the tenant-based voucher program do not apply to the PBV program. Instead, The Lead-based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at 24 CFR part 35, subparts A, B, H, and R, apply to the PBV program. Under Subpart H, owners of target housing properties receiving more than \$5,000 annually per unit in project-based assistance are required to ensure that target housing receives a lead risk assessment by a certified risk assessor, regardless of whether there is a child under age 6 in residence, and that occupants are notified of the results of the risk assessment.

- **1.9 Initial Rent and Rent Increases**

Link: [24 CFR 983, Subpart G](#)

- L. **Initial Rent**

The amount of the initial rent to an owner of units receiving PBV assistance is established at the beginning of the HAP Contract term.

- M. **Rent Increases**

An owner's request for a rent increase must be submitted to the FHA 60 days prior to the anniversary date of the HAP contract and must include the new rent amount the owner is proposing.

- **1.10 Tenant Selection**

Link: [24 CFR 983.255](#)

Except where noted in the Administrative Plan, the FHA's tenant selection procedures for its project-based programs apply: When a vacancy exists at a PBV site, the FHA will notify the next families on the APPBV Wait List. An applicant who rejects an offer of a project-based unit or who is rejected by the owner of the housing unit will remain in the same position on the tenant-based assistance list, as if the offer had not been made. If a dwelling unit to which assistance is to be attached under the project-based voucher program is occupied, FHA must determine whether the unit's occupants are eligible for assistance. If a unit is occupied by an eligible family and the unit is selected by FHA, the family must be placed in an appropriately size project-based assisted unit in the project without requiring the family to be placed on the FHA's waiting list.

In the event that there are an insufficient number of eligible persons on the waiting list, the FHA will place applicants referred by the owner on the waiting list. Eligibility for selection in the Project-based voucher program will have preferences for elderly and near elderly.

The FHA will provide a selection preference when required by the regulation (e.g., eligible in-place families, qualifying families for "excepted units," mobility impaired persons for accessible units). The FHA will not offer any additional preferences for the PBV program or for particular PBV projects or units.

Applicants must meet all of FHA's applicable eligibility requirements. FHA will refer qualified applicants to the owner for all vacancies. If the FHA referrals do not provide the owner with a suitable tenant for the unit within 30 days, the owner may refer an eligible individual or family from the owner's waiting list to the FHA.

The owner chooses a tenant for occupancy from the qualified applicants referred by FHA based on their written tenant selection policy. When a family is approved by the owner, they will execute a lease with the owner.

The owner must notify the FHA in writing (mail, fax, or e-mail) within 5 business days of learning about any vacancy or expected vacancy. The FHA will make every reasonable effort to promptly refer families to the owner after receiving a vacancy notice from the owner.

- **1.11 Unit Moves/Transfers**

- N. **Overcrowded, Under-Occupied, and Accessible Units**

Link: [24 CFR 983.259](#)

The FHA will promptly notify the family and the owner of the family's need to move based on the occupancy of a wrong-size or accessible unit. The FHA will offer the family the following types of continued assistance in the following order, based on the availability of assistance:

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

When the FHA 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 FHA will terminate the housing assistance payments at the expiration of this 30-day period.

The FHA 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, or as a reasonable accommodation.

- O. **Moves Requested by the Tenant**

Link: [24 CFR 983.261](#)

PBV vouchers are mobile: after one-year families have the option to leave the PBV unit and receive a tenant-based voucher, if a voucher is available. The FHA will supply the owner with a referral for a new PBV tenant. Families who wish to relocate with continued assistance must inform the owner and the FHA in writing not less than 30 days prior to the date they plan to vacate the unit and in accordance with the lease. The FHA will then place the family on a PBV-HCV Voucher program transfer list according to the date and time of receipt by the FHA of written notification of the family's 30 day notice of intent to vacate. The FHA will issue the next available tenant based voucher to families on the PBV-HCV transfer list before proceeding to its regular HCV waiting list. Families from the regular HCV waiting list who have been notified of an eligibility appointment for a tenant based voucher will not be delayed from receiving their voucher.

- P. **Moves from Excepted Units**

FHA will allow families who initially qualified to live in an excepted unit to remain when circumstances change due to factors beyond the remaining family members' control.

In all other cases, when FHA determines that a family no longer meets the criteria for a “qualifying family” in connection with the 25 percent per project cap exception, FHA will provide written notice to the family and owner within 14 calendar days of making the determination. The family will be given 30 days from the date of the notice to move out of the PBV unit. If the family does not move out within this 30-day time frame, FHA will terminate the housing assistance payments at the expiration of this 30-day period. FHA 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.

FHA may refer other eligible families to the excepted units. However, if there are no eligible families on the waiting list and the owner does not refer eligible families to FHA, FHA will amend the HAP contract to reduce the total number of units under contract.

- **1. 12 Reduction in HAP Contract Due to Vacancies**

Link: [24 CFR 983.254](#)

If any contract units have been vacant for 120 days, the FHA will give notice to the owner that the HAP contract will be amended to reduce the number of contract units that have been vacant for this period. The FHA will provide the notice to the owner within 14 calendar days of the 120th day of the vacancy. The amendment to the HAP contract will be effective the 1st day of the month following the date of the FHA’s notice.