

Oak City Affordable Communities, Inc.
In-Place Family Rights and RAD TENANT SELECTION POLICY

OVERVIEW

On March 8, 2012, HUD issued PIH Notice 2012-18, Rental Assistance Demonstration. This notice provides program instructions for the Rental Assistance Demonstration (RAD or Demonstration), including eligibility and selection criteria. RAD is authorized by the Consolidated and Further Continuing Appropriations Act of 2012 (Public Law 112-55, approved November 18, 2011), which provided fiscal year 2012 appropriations for HUD (2012 Appropriations Act). The Rental Demonstration allows projects funded under the public housing and Section 8 Moderate Rehabilitation (Mod Rehab) programs to convert their assistance to long-term, project-based Section 8 rental assistance contracts. Under this component of RAD, public housing agencies (PHAs) and Mod Rehab owners may choose between two forms of Section 8 Housing Assistance Payment (HAP) contracts: project-based vouchers (PBVs) or project-based rental assistance (PBRA).

In 2021 RHA will convert four (4) public housing communities to project based vouchers. Once converted, these public housing communities will be owned by Oak City Affordable Communities, Inc. (OCAC). This policy defines the criteria for selecting tenants for these communities. This policy also outlines the rights of the original residents after the RAD conversion.

Federal rental subsidy offered to the portfolios is administered by the contract administrator, Raleigh Housing Authority's project based voucher (PBV) program. Should federal, state or local laws or regulations change during the period covered by this policy, those changes will be effective thirty days from the date of passage. If there is any conflict between this policy and laws/regulations, the laws and regulations will prevail.

All matters related to project based vouchers not addressed in this policy are addressed in the Raleigh Housing Authority's Administrative Plan and federal regulations 24 CFR PART 982. Management will follow HUD handbooks, guidebooks, notices and applicable state and local laws. RHA administers the vouchers for OCAC on behalf of the families who are residing in their rental portfolio. The terms "tenant" and "resident" are used interchangeably in this policy. Additionally, this policy uses the term "family" or "families" for residents or applicants, depending on context. In this policy, OCAC may also be referred to as; owner, or PBV owner.

A Board of Directors governs OCAC. OCAC refers to the "Board of Directors" or the "Board" when discussing its board of governing officials. The OCAC Board of Directors establishes policies under which OCAC conducts business and ensures that those policies are followed and made part of operations specified in the management agreement. OCAC will enter into a management agreement with Raleigh Housing Authority for the property management of all RAD converted communities. RHA hires staff to serve as landlord and manage the day-to-day operations of the OCAC rental portfolio.

In-Place Family Rights and Participation following RAD conversion

For the RAD PBV program, in-place family means a family who lived in a pre-conversion property at the time assistance was converted from public housing to PBV under RAD.

- 1. No Re-Screening of In-Place families upon conversion.** Pursuant to the RAD statute, at conversion, current households are not subject to rescreening, income eligibility, or income targeting provisions. Consequently, current households will be grandfathered for circumstances that occurred prior to conversion. Post-conversion, the tenure of all residents of the covered project is protected pursuant to PBV requirements regarding continued occupancy unless explicitly modified by Notice PIH 2019-23. For example, a unit with a household that was over-income at time of conversion would continue to be treated as an assisted unit. Thus, 24 CFR § 982.201, concerning eligibility and targeting, will not apply for current households. Once that remaining household moves out, the unit must be leased to an eligible family.
- 2. Right to exercise “Choice Mobility”** as defined in the PBV contract administrator Administrative Plan.
- 3. Renewal of Lease.** Under RAD, the Public Housing Agency (PHA) must renew all leases upon lease expiration, unless cause exists to terminate. Consequently, 24 CFR § 983.257(b)(3) will not apply.
- 4. Phase-In of tenant rent increases**

For in-place tenants, if a tenant’s monthly rent amount (rent and utilities) would increase by more than the greater of 10 percent or \$25 purely as a result of conversion, the rent increase will be phased in over a period of three years as follows:

- Year 1: Any recertification (interim or annual) performed prior to the second annual recertification after conversion: 33 percent of the difference between the most recently paid TTP and the calculated PBV TTP. (If the family was paying flat rent immediately prior to conversion, the PHA will use the flat rent amount to calculate the phase-in for Year 1.)
- Year 2: Year 2 annual recertification (AR) and any interim recertification (IR): 50 percent of the difference between the most recently paid TTP and the calculated PBV TTP
- Year 3: Year 3 AR and all subsequent recertifications: Full calculated TTP

The family’s public housing tenant rent at the date of conversion to calculate the family’s tenant rent in PBV.

Once the standard TTP is equal to or less than the previous TTP, the phase-in ends and

tenants will pay full TTP from that point forward.

To implement this provision, HUD is waiving section 3(a)(1) of the 1937 Act, as well as 24 CFR § 983.3 (definition of “total tenant payment” (TTP)) only to the extent necessary to allow for the phase-in of tenant rent increases. For families who were on EID at the time of conversion to RAD PBV, upon the expiration of the EID, the rent adjustment is not subject to rent phase-in.

5. Right to fund and operate a Resident Organization

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

6. Resident Procedural Rights

The following items are incorporated into the owner’s lease, which includes the required tenancy addendum, as appropriate.

Additional termination notification requirements are provided for public housing projects that convert assistance under RAD to PBV beyond those for the standard PBV program. In addition to the regulations at 24 CFR 983.257 related to owner termination of tenancy and eviction, the termination procedure for RAD conversions to PBV requires that PHAs provide adequate written notice of termination of the lease, which is:

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

Additional procedural rights to a grievance process related to termination is provided. For issues related to tenancy and termination of assistance, PBV program rules require the PHA to provide an opportunity for an informal hearing as outlined in requirements for 24 CFR § 982.555(b) in part, which outlines:

- a. In addition to reasons that require an opportunity for an informal hearing given in 24 CFR § 982.555(a)(1)(i)-(v),[2] an opportunity for an informal hearing must be given to residents for any dispute that a resident may have with respect to a Project Owner action in accordance with the individual’s lease or the contract administrator in accordance with RAD PBV requirements that adversely affect the resident’s rights, obligations, welfare, or status.

- i. For any hearing required per regulation, the Raleigh Housing Authority, the PBV contract administrator, will perform the hearing, as is the current standard in the program.
 - ii. For any additional hearings required under RAD, the onsite Property Manager will perform the hearings.
- b. An informal hearing will not be required for class grievances or to disputes between residents not involving OCAC or Raleigh Housing Authority. This hearing requirement does not apply to and is not intended as a forum for initiating or negotiating policy changes between a group or groups of residents and OCAC or Raleigh Housing Authority.
- c. OCAC, through its management agent, will give residents notice of their ability to request an informal hearing as outlined in 24 CFR § 982.555(c)(1) that will address circumstances that fall outside of the scope of 24 CFR § 982.555(a)(1)(i)-(vi).
- d. OCAC will provide an opportunity for an informal hearing before any lease termination with the onsite Property Manager.

7. Earned Income Disregard (EID)

Original residents who are employed and are currently receiving the EID exclusion at the time of conversion will continue to receive the EID after conversion, in accordance with regulations at 24 CFR § 5.617.

Upon the expiration of the EID for such families, the rent adjustment shall not be subject to the three year rent phase-in, as described in Section 4; instead, the rent will automatically rise to the appropriate rent level based upon tenant income at the time.

In order to allow all tenants (including non-disabled persons) who are employed and currently receiving the EID at the time of conversion to continue to benefit from this exclusion in the PBV project, the provision in section 5.617(b) limiting EID to only disabled persons is waived. The waiver and resulting alternative requirement only applies to tenants receiving the EID at the time of conversion. No other tenant (e.g., tenants who at one time received the EID but are not receiving the EID exclusion at the time of conversion (e.g., due to loss of employment); tenants that move into the property following conversion, etc., is covered by this waiver.

8. Choice Mobility

HUD seeks to provide all residents of covered projects with viable Choice Mobility options. The contract administrator of the PBV will provide a Choice Mobility option to residents of covered RAD projects. The PBV contract administrator, Raleigh Housing Authority, will provide directive on this process in their Administrative Plan.

RAD TENANT SELECTION POLICY

The primary goal of this policy is to specify the criteria for selecting tenants for developments owned by Oak City Affordable Communities, Inc. (OCAC). This policy ensures applicants are properly screened for community and subsidized housing program requirements. Applicants will be evaluated to determine whether, based on their past and recent behavior, such behavior could reasonably be expected to result in non-compliance with the community's lease agreement. Management may look at past conduct as an indicator of future conduct. Emphasis will be placed on whether a family's admission could reasonably be expected to have a detrimental effect on the community, other residents, employees, or other people residing in the immediate vicinity of the property.

A separate screening will take place related to PBV housing guidelines per the RHA Administrative Plan. Practices are in place to ensure applicants and tenants are not discriminated against. No otherwise qualified person will be denied housing or otherwise discouraged from obtaining housing because of his/her race, color, religion, national origin, sex, familial status, or disability.

Fair Housing and Equal Opportunity

The Owners and the Management Agent and their respective employees will comply with the Fair Housing Act, the 1988 Fair Housing Amendments Act, Title VI of the Civil Rights Act of 1964, Title VIII and Section 3 of the Civil Rights Act of 1968 (as amended by the Community Development Act of 1974), Executive Order 11063, the Violence Against Women Act (VAWA), the Age Discrimination Act of 1975, and any legislation protecting the individual rights which may subsequently be enacted. Management will take reasonable steps to ensure meaningful access to the property and its programs by persons with Limited English Proficiency (LEP), including but not limited to, the use of Oral Language Services (i.e. Interpretation) and Written Language Services (i.e. Translation).

Income Restrictions

RAD converted public housing communities follow the Raleigh Housing Authority Administrative Plan. This housing program consists of communities which must be rented to households whose income must be at 50% of area median income or below. There is no minimum income limit that must be met in order to qualify for this program. The current income limits are posted in on-site Management offices, in the Administrative office, is included with each application, and can be found on the HUD website. Households will be responsible for providing income information requested in order to verify income eligibility for occupancy.

Application Intake

Applications will be available to interested parties in person and online. Completed applications may be submitted to the on-site management office at 4816 Leafcrest Court Raleigh, NC 27604 or to 900 Haynes Street Raleigh, NC 27604 either in person or by mail. Applications will be date- and time-stamped on the business day received. If returned by mail, the time of the receipt will be close of business on the date received. Applications that are not complete, do not have all required documentation or do not have an original signature(s) will not be processed until missing information is provided. Any preferences will be awarded after all documentation is received.

Application Process

Applications for occupancy are taken on a first come, first served basis subject to PBV regulations and preferences as outlined in the Raleigh Housing Authority's Administrative Plan. All applications must be completed in full, dated, and signed by the applicant(s). The On-site Property Manager will note on the application the date and time the completed application is received.

Preliminary Determination

Upon receipt of an application, information provided by the applicant will be reviewed. Upon completion of such review, the applicant will be added to the RHA PBV waitlist and notified via mail. The written notification will notify the applicant that approval for housing is subject to verification of the information once their application is pulled from the list for final consideration and is subject to meeting program requirements and PBV income restrictions.

Waiting List

RAD converted public housing communities follow the Raleigh Housing Authority Administrative Plan.

1. Establishing the Wait List

For the purpose of establishing the initial PBV-wide waiting list, applicants on the current RHA public housing waiting will be added to the PBV-wide waiting list based on the date and time of their original housing application to the centralized public housing waiting list. Applicants on the current public housing waiting list will be notified of the addition to the PBV-wide waiting list via the RHA website, local media outlets, and other outreach as appropriate. Applicants must notify the contract administrator, Raleigh Housing Authority PBV program, if they do not wish to be added to the PBV-wide waiting list.

2. Maintaining the Waiting List

After the initial waiting list is established, the waiting list for the converted project will be administered in accordance with 24 CFR § 983.251(c). Preferences for the PBV-wide waiting list will be adopted and administered per the RHA Administrative Plan in compliance with the requirements of 24 CFR §982.207.

Applicants will be added, selected and removed from the RHA Project Based Voucher waiting list in accordance with the RHA Administrative Plan and the additional suitability screening criteria detailed in this policy.

Screening Criteria for Admission

There are a number of eligibility requirements for admission. Applicants must submit a housing application and:

- Qualify as a family
- Have an annual income at or below HUD's income limits for PBV
- Meet citizenship/eligible immigrant criteria
- Provide documentation of Social Security numbers and birth certificates
- Sign consent to authorization of release of documents to determine eligibility

Applicants may not be rejected for lack of rental history, but may be rejected for unsatisfactory rental history. Any applicant who has been evicted for nonpayment of rent within three years prior to admission, damages, or material noncompliance will not be accepted. Applicants must meet the income or credit requirements. Guarantors are not accepted. All applicants may appeal the rejection in writing.

Credit Reports

Credit reports will be obtained for all applicant household members who are 18 years of age or older. The credit report must demonstrate that the applicant has a history of paying housing and utility obligations as agreed. Expenses and debts that do not affect housing or utilities may be disregarded.

The management company will review and assess an applicant's credit performance, assigning greater weight to activity reported over the most recent three year period. An applicant may be rejected if the report demonstrates a history of poor credit with little or no effort made to address the outstanding debts related to housing and utilities. An applicant will be denied if the credit report shows:

- Unpaid balance(s) owed to current or previous landlord(s) in the past three years.
- Outstanding debt to a utility company that would prohibit the applicant from establishing utility service in his/her name prior to move-in. Applicants may be re-considered if they provide evidence the debt has been paid and the utility company will provide service.
- A bankruptcy that has not been discharged.

Should the applicant be rejected based on credit, the landlord will provide the applicant with the name and contact information of the credit reporting agency and his or her right to a free copy of the report. The management company will send a written notice of ineligibility to the applicant stating the specific reason for denial and advise the applicant of their appeal rights. The applicant will be provided ten business days from the date of the letter to dispute and provide written verification of the inaccuracy of the credit report.

Criminal Record Checks

The management company will conduct a criminal background check on each adult member of an applicant household, including any live-in aides. An adult means a person 18 or older. RAD converted public housing communities follow the criminal screening guidelines published in the Raleigh Housing Authority Administrative Plan. The management company will conduct an individualized assessment of the criminal record and its impact on the household's suitability for occupancy. All applicants may appeal the rejection in writing.

Occupancy Policy

RAD converted public housing communities follow the occupancy guidelines published in the Raleigh Housing Authority Administrative Plan.

Final Determination

Upon receipt of all screenings and required verifications, the on-site Property Manager will determine if the applicant is eligible for occupancy. If eligible, the applicant is notified in writing they have been approved for occupancy and advised their application packet will be forwarded to the PBV contract administrator, Raleigh Housing Authority. The final approval determination will be determined by the PBV contract administrator, RHA.

Lease Unit

When a unit becomes available, the applicant who successfully completed the screening process will be notified using all contact information on file. The management office will contact the applicant first by telephone to set up the leasing appointment. The family will be given a 24 hour time frame to accept or reject any offer made via telephone. If the family cannot be reached by telephone, the family will be notified email or sent a letter via first class mail. The family will be given five (5) business days from the date of the letter to contact the management office to lease the available unit. If no response is received to management's efforts to lease the available unit, the offer will expire and will be offered to the next qualified applicant on the waiting list. **The applicant will be removed from the waiting list.**

Smoking Policy

In an effort to protect the health and wellness of all residents, guests, and employees, the Owners adopted a smoke-free policy at this community. Smoking is prohibited in residents' apartments and in common areas. Outdoor smoking must be conducted at least 25 feet from any owner owned and operated building or structures.

Security Deposit

The approved applicant will pay a security deposit at the time of lease signing. The security deposit will be equal to one month's gross rent or \$500.00 whichever is greater.

Pet Deposit

With prior written management consent, an applicant may have one pet per household with a weight not exceeding 35lbs. A one-time, refundable pet deposit of \$300 is charged. The full **Pet Policy** is available in the on-site Management office for view.

All pets must comply with the posted Pet Policy. A pet deposit of \$300 must be paid in advance.

Reasonable Accommodations

RAD converted public housing communities follow the reasonable accommodation guidelines published in the Raleigh Housing Authority Administrative Plan.

Violence Against Women Act (VAWA)

The purpose of VAWA is to protect the victims of domestic violence, dating violence, sexual assault, or stalking. The protection afforded to victims of domestic violence, dating violence, sexual assault and stalking extends to all household members listed on a housing assistance application or lease agreement. It is the responsibility of the applicant and the resident to immediately notify the Housing Authority that he/she was a victim of domestic violence. Otherwise, RHA will handle the criminal activity or other infraction as a lease or program violation. HUD Form 50066 Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking, and HUD Form 5383 Emergency Transfer Request for Certain Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking will be available in each management office and the administrative offices of the Housing Authority located at 900 Haynes Street. RHA will accept other certifications in lieu of this form such as a letter from a physician, police report or signed written statement that contains the same information as requested in the HUD certification.