

**ADMINISTRATIVE PLAN
FOR THE HOUSING CHOICE VOUCHER
PROGRAM (SECTION 8)**

**HOUSING AUTHORITY OF THE CITY
OF RALEIGH**

DECEMBER 2021

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I. STATEMENT OF POLICIES AND OBJECTIVES

A. ADMINISTRATIVE PLAN

The Administrative Plan of the Housing Choice Voucher Program (HCV) shall be in compliance with the Department of Housing and Urban Development's (HUD) Section 8 Code of Federal Regulations (24 CFR) as well as all Federal, State and Local Fair Housing Laws and Regulations. Funding for the Housing Choice Voucher Program is allocated by Congress thru the Department of Housing and Urban Development (HUD) and administered according to the rules and regulations developed by HUD. The Raleigh Housing Authority (RHA) is not a federal department or agency. RHA is a governmental or public body, created and authorized by state law to develop and operate housing and housing programs for low-income families. The RHA enters into an Annual Contributions Contract with HUD to administer the program requirements on behalf of HUD. There is no guarantee that full funding will be provided for the Housing Choice Voucher Program. If the necessary funding is not allocated, program activities are impacted. Section XV of this policy addresses the actions that may occur should funding not be available. There are also notes throughout the policy that relate to changes that may occur as a result of funding changes. The following policies and procedures have been established by the Housing Authority of the City of Raleigh (also referred to as the "Authority"):

B. Organization and Structure

The Section 8 tenant-based Housing Choice Voucher (HCV) assistance program is funded by the federal government and administered by the Housing Authority of the City of Raleigh for the jurisdiction of Wake County.

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

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

C. MISSION STATEMENT

The mission of the Raleigh Housing Authority is to provide safe, decent and sanitary housing conditions for very low-income families and to manage resources efficiently. The RHA is to promote personal, economic and social upward mobility to provide families the opportunity to make the transition from subsidized to non-subsidized housing.

D. LOCAL OBJECTIVES

The Housing Authority of the City of Raleigh shall provide expanded opportunities to lower-income families by:

- (1) Providing decent, safe, and sanitary housing for very low-income families while maintaining their rent payments at an affordable level;
- (2) Promoting freedom of housing choice and spatial de-concentration of very low-income families of all races and ethnic backgrounds;
- (3) Providing an incentive to private property owners to rent to very low-income families by offering timely assistance payments.

E. COMMITMENT TO ETHICS AND SERVICE

As a public service agency, the RHA is committed to providing excellent service to HCV program participants, m owners, and to the community. The RHA standards include:

- Administer applicable federal and state laws and regulations to achieve high ratings in performance measurement indicators while maintaining efficiency in program operation to ensure fair and consistent treatment of clients served.
- Provide decent, safe, and sanitary housing - in compliance with program housing quality standards – for very low income families while ensuring that family rents are fair, reasonable and affordable.
- Encourage self-sufficiency of participant families and assist in the expansion of family opportunities which address educational, socio-economic, recreational and other human service needs.
- Promote fair housing and the equal opportunity for very low-income families of all ethnic backgrounds to experience freedom of housing choice.
- Promote a housing program which maintains quality service and integrity while providing an incentive to private property owners to rent to very low-income families.
- Promote a market-driven housing program that will help qualified low-income families be successful in obtaining affordable housing and increase the supply of housing choices for such families.
- Create positive public awareness and expand the level of family, owner, and community support in accomplishing the RHA's mission.

- Attain and maintain a high level of standards and professionalism in day-to-day management of all program components.
- Administer an efficient, high-performing agency through continuous improvement of the RHA's support systems and a high level of commitment to our employees and their development.

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

F. FAIR HOUSING POLICY [24 CFR 982.54(D) (6)]

It is the policy of the Raleigh Housing Authority to comply fully with all Federal, State, and local nondiscrimination laws; the Americans With Disabilities Act; and the U.S. Department of Housing and Urban Development regulations governing Fair Housing and Equal Opportunity.

No person shall, on the grounds of race, color, sex, religion, national or ethnic origin, familial status, disability, marital status, gender identity, or sexual orientation be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under the Raleigh Housing Authority Housing Choice Voucher Programs.

To further its commitment to full compliance with applicable Civil Rights laws, the RHA will provide Federal/State/local information to applicants for and tenants in the Housing Choice Voucher Program (HCVP) regarding discrimination and any recourse available to them if they believe they may be victims of discrimination. Such information will be made available with the application, and all applicable Fair Housing Information and Discrimination Complaint Forms will be made available. In addition, all appropriate written information and advertisements will contain the appropriate Equal Opportunity language. The Raleigh Housing Authority will keep records of all complaints, investigations, notices and corrective actions for three years.

. RHA staff may attend fair housing training and is informed of the importance of affirmatively furthering fair housing and providing equal opportunity to all families, including providing reasonable accommodations to persons with disabilities, as a part of the overall commitment to quality customer service. Posters and housing information are displayed in easily readable formats in locations throughout the offices. The Housing Authority's office is accessible to persons with disabilities. Accessibility for the hearing impaired is provided by the TTY telephone service provider number 1-800-821-6922.

G. REASONABLE ACCOMMODATIONS POLICY [24 CFR 100.202]

It is the policy of the RHA to be service-directed in the administration of its housing programs, and to exercise and demonstrate a high level of professionalism while providing housing services to families. A participant with a disability must first ask for a specific change to a policy or practice as an accommodation of their disability prior to being treated differently than anyone else. The RHA's policies and practices will be designed to provide assurances that persons with disabilities will be given reasonable accommodations, upon

request, so that they may fully access and utilize the housing program and related services. This policy is intended to afford persons with disabilities an equal opportunity to obtain the same result, to gain the same benefit, or to reach the same level of achievement as those who do not have disabilities and is applicable to all situations described in this Administrative Plan including when a family initiates contact with the housing authority, when the housing authority initiates contact with a family including when a family applies, and when the housing authority schedules or reschedules appointments of any kind.

To be eligible to request a reasonable accommodation, the requester must first certify (if apparent) or verify (if not apparent) that they are a person with a disability under the Americans with Disabilities Act (ADA) definition that indicates a disabled person is a person that:

Has a physical or mental impairment that substantially limits one or more of the major life activities of an individual; has a record of such impairment; or is regarded as having such an impairment

Note: This is not the same as the HUD definition used for purposes of determining allowances. Rehabilitated former drug users and alcoholics are covered under the ADA. However, a current drug user is not covered. In accordance with Section 5.403, individuals are not considered disabled for eligibility purposes solely based on any drug or alcohol dependence. Individuals whose drug or alcohol addiction is a material factor to their disability are excluded from the definition. Individuals are considered disabled if disabling mental and physical limitations would persist if drug or alcohol abuse discontinued.

Once the person's status as a qualified person with a disability is confirmed, the housing authority may require that a professional third party competent to make the assessment provide written verification that the person needs the specific accommodation due to their disability and the change is required for them to have equal access to the housing program. If the RHA finds that the requested accommodation creates an undue administrative or financial burden, the RHA may either deny the request and/or present an alternate accommodation that will still meet the need of the person.

The RHA will provide a written decision to the person requesting the accommodation. If a person is denied the accommodation or feels that the alternative suggestions are inadequate, they may request an informal hearing to review the RHA's decision. Reasonable accommodation will be made for persons with a disability that require an advocate or an accessible office. A designee will be allowed to provide some information, but only with the written permission of the person with the disability. All mailings will be made available in an accessible format upon request, as a reasonable accommodation.

Verification of Disability

Raleigh Housing Authority is entitled to obtain information that is necessary to evaluate if a requested reasonable accommodation may be necessary because of a disability.

- A. If the requester's disability is obvious or otherwise known to the provider, and if the need for the requested accommodation is also readily apparent or known, Raleigh Housing Authority will not request any additional information.
- B. If the requestor's disability is obvious, but the need for the accommodation is not readily apparent or known, Raleigh Housing Authority may request information that is necessary to evaluate the disability related need for the accommodation.
- C. If the requestor's disability is not obvious, Raleigh Housing Authority may request reliable disability-related information that (1) is necessary to verify that the person meets the Fair Housing Act's definition of disability (i.e. has a physical or mental impairment that substantially limits one or more major life activities), (2) describes the needed accommodation, and (3) shows the relationship between the person's disability and the need for the requested information.

COMMUNICATION

All Applicants, Voucher Holders or their caretakers will be provided a Request for Reasonable Accommodation Form when requested. A resident may submit the request in writing, orally, or may use another equally effective means of communication to request the accommodation. All decisions granting or denying request for reasonable accommodations will be in writing and provided to the family within 30 days after the date upon which the request is submitted, or if applicable within 30 days after the date upon which any additional information or verification reasonably necessary for RHA's decision is provided. The notice will inform the family of the right to appeal the housing authority's decision. Reasonable accommodations may be verified on an annual basis.

Notification of reexamination, inspection, appointment, or termination of assistance will include information about requesting a reasonable accommodation. Any notification requesting action by the tenant will include information about requesting a reasonable accommodation.

H. VIOLENCE AGAINST WOMAN ACT (VAWA)

VAWA PROTECTIONS

Under the Violence Against Women Act (VAWA, notwithstanding the title of the statute, protections are not limited to women but cover victims regardless of sex, gender identity, or sexual orientation), Housing Choice Voucher participants have the following specific protections, which will be observed by the Raleigh Housing Authority (RHA):

- A. An incident or incidents or actual or threatened domestic violence, dating violence, sexual assault, or stalking will not be construed as a serious or repeated violation of the lease by the victim or threatened victim of that violence, and shall not in itself be good cause for terminating the assistance, tenancy, or occupancy rights of the victim of such violence by either the Raleigh Housing Authority or the owner or property manager.

B. The Raleigh Housing Authority shall provide each applicant and participant a HUD prescribed Notice of Occupancy Rights and Certification form. It shall also be provided with any notice of eviction. In addition, the Authority shall make an adopted Emergency Transfer Plan and Emergency Transfer Request available upon request.

C. The Raleigh Housing Authority shall keep a record of all emergency transfer requests requested under the Emergency Transfer Plan and the outcome of these requests for three years.

D. RHA may terminate the assistance to remove a lawful occupant or tenant who engages in criminal acts or threatened acts of violence, dating violence, sexual assault, or stalking to affiliated individuals or others without terminating the assistance or evicting victimized lawful occupants. Also, the owner or property manager may evict a lawful occupant or tenant who engages in criminal acts or threatened acts of violence, sexual assault, or stalking to family members or affiliated individuals without evicting other victimized lawful occupants. This is also true even if the household member or affiliated individual is not a signatory to the lease. Under VAWA, both the Raleigh Housing Authority and the owner or property manager are granted the authority to bifurcate the lease. The VAWA victim must be the one who retains the assistance. If such bifurcation occurs and removed tenant or lawful occupant was the sole tenant eligible to receive assistance under the covered housing program, Raleigh Housing Authority will provide any remaining tenant the opportunity to establish eligibility for the covered housing program. If the remaining tenant cannot establish eligibility, Raleigh Housing Authority will provide the tenant 30 days to find new housing or establish eligibility under another covered housing program.

E. RHA and owner or property manager will honor court orders regarding the rights of access or control of the property.

F. There is no limitation on the ability of RHA to terminate assistance for other good cause unrelated to the incident or incidents of domestic violence, dating violence, sexual assault, or stalking, other than the victim may not be subject to a “more demanding standard” than non-victims. Likewise, an owner or property manager can evict for good cause unrelated to the incident or incidents of domestic violence, dating violence, sexual assault, or stalking. This is provided that neither subjects such a tenant to a more demanding standard than other tenants in making the determination whether to evict, or to terminate assistance or occupancy rights.

G. There is no prohibition on the owner evicting if it “can demonstrate an actual and imminent threat to other tenants or those employed at or providing goods or services to the property if that tenant’s (victim’s) tenancy is not terminated.” An actual and imminent threat consists of a physical danger that is real, would occur within an immediate timeframe, and could result in death or serious bodily harm. In determining whether an individual would pose an actual and imminent threat, the factors to be considered include: the duration of the risk, the nature and severity of the potential

harm, the likelihood that the potential harm will occur, and the length of time before the potential harm would occur.

H. Any protections provided by court of law which give greater protection to the victim are not superseded by these provisions.

VERIFICATION OF DOMESTIC VIOLENCE, DATING VIOLENCE, *SEXUAL ASSAULT*, OR STALKING

The Raleigh Housing Authority shall require and the owner or property manager may require verification in all cases where an individual claims protection under VAWA against an action involving such individual proposed to be taken by RHA.

A. Requirement for Verification. The law allows, but does not require, the Raleigh Housing Authority or a Section 8 owner or property manager to verify that an incident or incidents of actual or threatened domestic violence, dating violence, sexual assault, or stalking claimed by a tenant or other lawful occupant is bona fide and meets the requirements of the applicable definitions set forth in this policy. RHA will require verification in all cases where an individual claims protection against an action involving such individual proposed to be taken by the RHA. Section 8 owners or managers receiving rental assistance administered by RHA may elect to require verification, or not to require it as permitted under applicable law.

Verification of a claimed incident or incidents of actual or threatened domestic violence, dating violence, sexual assault, or stalking may be accomplished in one of the following three ways:

1. HUD-approved form - By providing to RHA or to the requesting Section 8 owner or property manager a written certification, on the form approved by the U.S. Department of Housing and Urban Development (HUD), that the individual is a victim of domestic violence, dating violence, sexual assault, or stalking that the incident or incidents in question are bona fide incidents of actual or threatened abuse meeting the requirements of the applicable definition(s) set forth in this policy. The incident or incidents in question must be described in reasonable detail as required in the HUD-approved form, and the completed certification must include the name of the perpetrator, only if the name of the perpetrator is safe to provide and is known to the victim.

2. ***Other documentation*** - by providing to RHA or to the requesting Section 8 owner or property manager documentation signed by an employee, agent, or volunteer of a victim service provider, an attorney, or a medical professional, from whom the victim has sought assistance in addressing the domestic violence, dating violence, sexual assault, or stalking, or the effects of the abuse, described in such documentation. The professional providing the documentation must sign and attest under penalty of perjury (28 U.S.C. 1746) to the professional's belief that the incident or incidents in question are bona fide incidents of abuse meeting the requirements of the applicable definition(s) set forth in this policy. The victim of the incident or incidents of domestic violence, dating violence, sexual assault, or stalking described in the documentation must also sign and attest to the documentation under penalty of perjury.
3. ***Police or court record*** – by providing to RHA or to the requesting Section 8 owner or property manager a Federal, State, tribal, territorial, or local law enforcement or court record describing the incident or incidents in question.

B. Time allowed to provide verification/failure to provide. An individual who claims protection against adverse action based on an incident or incidents of actual or threatened domestic violence, dating violence, sexual assault, or stalking, and who is requested by RHA, or a Section 8 owner or property manager to provide verification, must provide such verification within 14 business days after receipt of the written request for verification. Failure to provide verification, in proper form within such time will result in loss of protection under VAWA and this policy against a proposed adverse action. The submission of false information may be the basis for the termination of assistance or for eviction.

C. Managing conflicting documentation. In cases where the Raleigh Housing Authority receives conflicting certification documents from two or more members of a household, each claiming to be a victim and naming one or more of the other petitioning household members as the perpetrator, the Raleigh Housing Authority may determine which is the true victim by requiring third-party documentation as described in 24 CFR 5.2007 and in accordance with any HUD guidance as to how such determinations will be made. RHA shall honor any court orders addressing rights of access or control of the property, including civil protection orders issued to protect the victim and issued to address the distribution or possession of property among the household.

VAWA SELF-PETITIONER (NON-CITIZEN)

VAWA self-petitioners are those who claim to be victims of “battery or extreme cruelty.” VAWA covers the following types of battery or extreme cruelty: domestic violence, dating violence, sexual assault, and stalking.

HUD has determined that self-petitioners can indicate that they are in “satisfactory immigration status” when applying for assistance or continued assistance from Section 214-covered housing providers. “Satisfactory immigration status” means an immigration status which does not make the individual ineligible for financial assistance.

Applicability to other VAWA Housing Protections. Not every non citizen victim who has been subjected to battery or extreme cruelty will qualify under these procedures. In order to qualify, the noncitizen victim must have been battered or subjected to extreme cruelty by their spouse or parent, who is a U.S. citizen or LPR. RHA may receive a petition at any time, but submissions will most likely be related to a request for VAWA protections pursuant to 24 CFR Part 5 Subpart L (e.g. with a request for an emergency transfer or family breakup resulting from domestic violence, dating violence, sexual assault, or stalking). Once RHA receives a self-petition (INS Form I-360 or I-130) or INS Form 797, it is prohibited from requesting any additional information from the VAWA self-petitioner, other than what is required to complete the verification.

CONFIDENTIALITY

All information provided under VAWA including the fact that an individual is a victim of domestic violence, dating violence, sexual assault, or stalking, shall be retained in confidence and shall not be entered into any shared database or provided to any related entity except to the extent that the disclosure is:

- A. Requested or consented to by the individual in writing;
- B. Required for use in an eviction proceeding; or
- C. Otherwise required by applicable law.

An emergency transfer to another available and safe dwelling under a covered housing program may be available to a tenant if the tenant requests a transfer, and either the tenant reasonably believes he or she is threatened with imminent harm from further violence if he or she remains in the unit or, if the tenant is a sexual assault victim, and the sexual assault occurred on the premises during the 90 day period preceding the transfer request.

The Raleigh Housing Authority shall provide its participants notice of their rights under VAWA including their right to confidentiality and the limits thereof.

I. OWNER OUTREACH

The Housing Authority encourages owners of decent, safe and sanitary housing units to lease to Voucher families. The Housing Authority will make available a list of websites to be used in the housing search.

In addition, the Housing Authority encourages participation by owners of units located outside areas of poverty or minority concentration. An area is considered an area of poverty concentration if it is located within a census tract with a poverty rate greater than 10% based on the most recent United States Census data. A map showing the current areas of poverty concentration in Wake County will be kept on file at the administrative offices for the Housing Authority and is available for public review upon request. The Housing

Authority will use the information gained from this map to help inform voucher holders about the full range of areas where they may locate housing.

The Housing Authority's strategies for landlord outreach may include:

- Regular informational workshops and seminars to explain the voucher program
- Brochures displayed in the Leased Housing Department and Housing Authority Webpage(rhaonline.com)
- Promotion of a positive image of the program by the Housing Inspectors while doing field inspections
- Landlord Newsletter
- Staff presentations
- Public meetings and events upon request.

In addition, the following actions may also be taken by the Housing Authority, as needed, to encourage participation by owners of units located outside areas of poverty or minority concentration:

- Membership in the Triangle Apartment Association.
- Informational mailings about the Voucher program to property owners with rental units in areas of low poverty concentration.

J. NONDISCRIMINATION

The Housing Authority does not discriminate on the basis of race, color, religion, sex, national origin, creed, age, familial status or handicap as established by Title VI of the Civil Rights Act of 1964, the objectives of the U.S. Housing Act of 1937 and its amendments, title VIII of the Civil Rights Act of 1968, Section 504 of the Rehabilitation Act of 1973 and the Age Discrimination Act of 1975.

K. RIGHT TO PRIVACY

All adult members of both applicant and tenant households are required to annually sign HUD Form 9886, Authorization for Release of Information and Privacy Act Notice. The Authorization for Release of Information and Privacy Act Notice states how family information will be released and includes the Federal Privacy Act Statement.

Any request for applicant or tenant information will not be released unless there is a signed release of information request from the applicant or tenant. This includes transmitting data to a Receiving Housing Authority under Portability.

II. ELIGIBILITY FOR ADMISSION

A. ELIGIBILITY FACTORS

To be eligible for participation, an applicant must meet all of the following criteria:

- (1) The Applicant must qualify as a “family” as defined in Appendix 1;
- (2) Annual income does not exceed the Maximum Income Limits for Admission as established by HUD. Current Income limits are found in Appendix 2;
- (3) Verifications of Social Security numbers, birth certificates for all members of the household and a completed application for housing are on file with the Authority;
- (4) Proof of Citizenship/Eligible Immigrant Status is furnished;
- (5) No family member may have been terminated from the Housing Choice Voucher Program within the last (5) years.
- (6) An applicant who has in the past vacated a public housing or voucher unit and still owes rental or other balances to the Authority must pay the balance in full;
- (7) No family member may have committed any misdemeanor drug related or violent criminal activities within the last 5 years or felonious drug-related or violent criminal activities within the last 7 years (*An exception may be granted by the Authority if the family member who violated the family obligation is not a current member of the household, not on the application, will not reside in the unit, and can prove residence elsewhere);
- (8) No family member may have committed fraud, bribery or any other corrupt or criminal activity in connection with any federal program;
- (9) No family member may have engaged in or threatened abusive or violent behavior toward Housing Authority personnel or members of its Board of Commissioners.
- (10) No family member may have been evicted from any federally assisted housing in the last five years.
- (11) No family member may have a pattern of alcohol abuse that may adversely affect the health, safety or right to peaceful enjoyment of the premises by other residents.
- (12) No family member may have been convicted of manufacturing or producing methamphetamine.
- (13) No family member may be registered under the state Sex Offender Registration Program.

The family’s initial eligibility for placement on the waiting list will be made with an applicant’s pre-application statement of income eligibility. Changes that occur during the period between placement on the waiting list and issuance of a voucher may affect the family’s eligibility. In addition to the eligibility criteria, families must also meet the Raleigh Housing Authority screening criteria in order to be admitted to The Housing Choice Voucher Program. The screening process continues until the first reason for disqualifying. Should that reason be overturned through appeal, the staff will continue the screening process until all required screening has been completed.

B. CRITERIA FOR DECIDING TO DENY ASSISTANCE

1. Evidence

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

Preponderance of the evidence is defined as which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not, Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

2. Consideration of Circumstances

HUD authorizes the PHA to consider all relevant circumstances when deciding whether to deny assistance based on a family's past history except in the situations for which denial of assistance is mandatory

RHA will consider the following facts and circumstances prior to making its decision:

1. The seriousness of the case, especially with respect to how it would affect other residents' safety or property
2. The effects that denial of assistance may have on other members of the family who were not involved in the action or failure to act
3. The extent of participation or culpability of individual family members, including whether the culpable family member is a minor or a person with disabilities, or a victim of domestic violence, dating violence, sexual assault, or stalking
4. The length of time since the violation occurred, including the age of the individual at the time of the conduct, as well as the family's recent history and the likelihood of favorable conduct in the future

While a record or records of arrest will not be used as the sole basis for denial, an arrest may, however, trigger an investigation to determine whether the applicant actually engaged in disqualifying criminal activity. As part of its investigation, RHA may obtain the police report associated with the arrest and consider the reported circumstances of the arrest. RHA may also consider:

1. Any statement made by witnesses or the applicant not included in the police report
2. Whether criminal charges were filed
3. Whether, if filed, criminal charges were abandoned, dismissed, not prosecuted, or ultimately resulted in an acquittal

4. Any other evidence relevant to determining whether or not the applicant engaged in disqualifying activity

Evidence of criminal conduct will be considered if it indicates a demonstrable risk to safety and/or property

In the case of drug or alcohol abuse, whether the culpable household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program or has otherwise been rehabilitated successfully

RHA will require the applicant to submit evidence of the household member's current participation in or successful completion of a supervised drug or alcohol rehabilitation program, or evidence of otherwise having been rehabilitated successfully.

C. RESTRICTIONS ON ASSISTANCE TO NON-CITIZENS

The Housing Authority will follow HUD requirements (24 CFR Part 982 Guidebook, Part 5, subpart E) in determining eligibility and proration of assistance.

D. NOTICE OF INELIGIBILITY/ELIGIBILITY

Families determined to be ineligible shall be notified in writing of the reason(s) therefore. Any applicant determined to be ineligible will have at least an exemption as outlined in Section II A of this plan from being able to reapply for housing assistance. Eligible applicants will be notified in writing.

E. APPEAL OF INELIGIBLE DETERMINATION

Denied applicants may request an informal review of the determination by filing a written request within ten (10) business days of notification of denial and submitting it to the Housing Authority.

F. INFORMAL REVIEW PROCESS

When an Informal Review Is Required: An Informal Review is a review of an applicant's file and circumstances by a Housing Authority staff person. An applicant who is denied a place on the waiting list, denied issuance of a Housing Choice Voucher, or denied participation in the program after the voucher is issued shall be provided an opportunity for an Informal Review of the Housing Authority's decision. The denial or termination of assistance on the basis of ineligible immigration status requires an Informal Hearing as provided in 24 C.F. R. § 5.514 as discussed in Section XI C of this plan.

When an Informal Review Is Not Required: Informal Reviews are not required for the following:

1. Discretionary administrative determinations by the Housing Authority, including, but not limited to, determinations as to what constitutes a complete application, how and when applications will be assigned for review, and what resources will be devoted to the review of a particular application or applications in general;
2. General policy issues or class grievances, such as local preferences and income eligibility;
3. The determination of the family unit size under the Housing Authority's subsidy standards;
4. A determination not to approve an extension or suspension of a voucher term;
5. A determination not to grant approval of the tenancy;
6. A determination that a unit selected by an applicant is not in compliance with Housing Quality Standards (HQS); or
7. A determination that unit is not in accordance with HQS due to family size or composition.

Notice of Denial and Procedure for Requesting Informal Review: The Housing Authority will give an applicant for the voucher program prompt notice of a decision that denies the applicant a place on the waiting list, issuance of a Housing Choice Voucher, or participation in the program after the voucher is issued. The notice will contain a brief statement of the reasons for the Housing Authority's decision.

When an application is denied because of criminal activity described in a criminal record, the Housing Authority will provide a copy of the criminal record upon which the denial decision is based to the applicant upon request.

The notice of decision will alert the applicant that he or she may request an Informal Review of the decision within 10 business days of the date of the denial of assistance and will describe how to obtain the Informal Review.

Request for Informal Review: A request for an Informal Review must be submitted in writing to the Housing Authority no later than 10 business days from the date of the Housing Authority's denial notice. The request should be mailed or hand-delivered to the Leased Housing Department reception desk at the Housing Authority's offices located at 900 Haynes Street, Raleigh, North Carolina, 27604.

If the Housing Authority does not receive the applicant's written request for an Informal Review within 10 business days of the date of the Housing Authority's denial notice, then the family waives its right to a review, and the Housing Authority's decision becomes final.

Procedure for Informal Review: The Informal Review will be conducted by any person or persons designated by the Housing Authority (“Review Officer”), other than a person who made or approved the decision under review or a subordinate of this person.

The applicant will be given the opportunity to present oral or written objections to the decision. The applicant may, at the applicant’s own expense, be represented by an attorney or other representative. This representation does not give the representative the authority to act on the behalf of a participant or access to all the information regarding the participant. The Informal Review will concern only the issues directly related to the Housing Authority decision in question.

When an applicant is denied assistance because of criminal activity as shown by a criminal record, the applicant family will be given the opportunity to dispute the accuracy and relevance of the criminal record.

Written notice of the Review Officer’s decision will be provided to the applicant within 14 business days after the date of the Informal Review. The written decision will provide a brief statement of the reasons for the decision. There is no further appeal process for applicants beyond this Informal Review process.

All requests for an Informal Review, supporting documentation, and a copy of the final decision will be retained in the applicant’s file.

Failure to Appear for an Informal Review: After an Informal Review date is agreed upon, the applicant may request to reschedule or continue the hearing only upon a showing of “good cause”. Good cause is defined as an emergency situation that will seriously affect the health, safety or long-term welfare of the applicant family. The review will be rescheduled, in any event, only one time. If the applicant fails to appear for a review and has not successfully rescheduled it at least 48 hours in advance, then the applicant will be deemed to have waived his/her or their right to a review, and the Housing Authority’s decision becomes final.

III. APPLICATION AND TENANT SELECTION

A. APPLICATION PROCESSING

The application process will involve three (3) phases. The first is the initial application for housing assistance. The application form requires the family to provide minimal identifier information including name, phone number, family composition and family unit size, racial or ethnic designation of the head of household, income level and information establishing any preferences to which they may be entitled. This first phase results in the family’s placement on the waiting list if deemed apparently eligible.

The second phase is when the family nears the top of the waiting list, the Housing Authority may send an “interest” letter to the family. The “interest” letter requires the family to submit updates to the application along with indicating if they are still in need of housing

from RHA. The Housing Authority will remove the family's name from the waiting list if they fail to respond to this letter within thirty (30) days from the date of the letter. The third phase is the final determination of eligibility, referred to as the full application. The full application review for approval occurs once the family has reached the top of the waiting list and RHA sends an "appointment" letter to the family. RHA will ensure that verification of all preferences, eligibility, and suitability selection factors are current in order to determine the family's final eligibility for admission into the Housing Choice Voucher Program (HCVP).

The Housing Authority may reinstate a disabled applicant to their original position on the waiting list if they failed to respond to the Housing Authority's correspondence and if their lack of response was due to their disability. Reinstatement may be made if the disabled applicant submits a reinstatement request in writing within ninety (90) days from the date of the Housing Authority's correspondence.

Under current statutes, at least 75% of the families admitted to the tenant based program during the Authority's fiscal year will be families whose annual income does not exceed 30% of the area median income, with adjustments for smaller and larger families (as determined by HUD).

B. SPECIAL ADMISSIONS

When HUD gives the Housing Authority funds for specific families living in identified units (e.g., tenants living in a Section 23 project being converted to Vouchers, tenants of public housing units being demolished, tenants of moderate rehabilitation projects with expiring HAP contracts, opt-outs and prepayment of mortgages), the Housing Authority may admit eligible families without putting the family's name on the waiting list or without regard to waiting list position. For opt-outs and prepayments a special voucher referred to as "an enhanced voucher" will be issued to eligible tenants who were residing in the unit at the time of the opt-out or prepayment.

All Special Admissions must be approved by the RHA Board of Commissioners on a case by case basis.

C. LOCAL PREFERENCE

PHAs are permitted to establish local preferences, and to give priority to serving families that meet those criteria. HUD specifically authorizes and places restrictions on certain types of local preferences. HUD also permits the PHA to establish other local preferences, at its discretion. Any local preferences established must be consistent with the PHA plan and the consolidated plan, and must be based on local housing needs and priorities that can be documented by generally accepted data sources.

- (1) **VAWA PROTECTION** – When presented with a claim for initial assistance based on incidents or actual or threatened domestic violence, dating violence, sexual

assault, stalking, or criminal activity related to any of these forms of abuse, the Housing Authority will offer five (5) referrals per RHA fiscal year for voucher Housing assistance when vouchers are available. The referrals will be handled in date and time order and the Agency on behalf of the individual may satisfy the Housing Authorities request by providing any one of the following three forms of documentation (24 CFR 5.2007 (b))

- a. **A completed and signed HUD**-approved certification form (HUD-5382, Certification of Domestic Violence, Dating Violence, Sexual Assault or Stalking), which must include the name of the perpetrator only if the name of the perpetrator is safe to provide and is known to the victim. The form may be filled out and submitted on behalf of the victim.
- b. A federal, state, tribal, territorial, or local police report or court record, or an administrative record.
- c. Documentation signed by or person who has assisted the victim in addressing domestic violence, dating violence, sexual assault or stalking, or the effects of such abuse. This person may be an employee, agent, or volunteer of a victim service provider; an attorney; a mental health professional; or a medical professional. The person signing the documentation must attest under penalty of perjury to the person's belief that the incidents in question are bona fide incidents of abuse. The victim must also sign the documentation [VAWA final rule].

(2) Coordinated Entry referrals– In support of the city of Raleigh's initiative to coordinate services established to end homelessness, RHA has agreed to offer a local preference to housing choice voucher applicants received through the Continuums of Care coordinated entry system. Those referred through this system must be homeless families that have been recognized to be the greatest in need. The referrals must still meet all other eligibility requirements for voucher assistance. This assistance will provide vouchers for up to 50 fifty homeless families per any RHA fiscal year.

(3) Olmstead Referrals- In support of the State of North Carolina's efforts to assist with increasing housing opportunities that are available for individuals with disabilities who are transitioning from, or at serious risk of entering, institutions, hospitals, nursing homes, adult care facilities, and other restrictive, segregated settings. RHA has agreed to offer a local preference to housing choice voucher applicants received through Alliance Management/NC Housing & Finance Agencies coordinated entry system. Families referred through the system must meet the Olmstead requirements for voucher assistance. This assistance will provide vouchers for up to (15) fifteen voucher families per RHA fiscal year as voucher are available.

(4) Support Circle- Support Circle referrals– In an effort to end homelessness and in response to requests from the community, RHA has agreed to offer a preference for graduates of the Support Circle program. These are homeless families that

have successfully participated in the Support Circle program offered by a number of faith-based organizations. The families still have to meet all other eligibility requirements for voucher assistance. These families will receive a voucher contingent to the family maintaining full time employment of at least 35 hours per week. This assistance will provide vouchers for up to five (5) families per RHA fiscal year.

(5) Displaced Families-RHA MAY offer special admissions to applicants who have been displaced through no fault of their own because of a natural disaster declared by the President of the United States, governmental action as directed by RHA Board of Commissioners, or due to the acquisition of local affordable housing complex which results in the complex no longer maintain its affordable housing status to current residents. This assistance will be subject to the availability of vouchers and funding.

D. TARGETED FUNDING

HUD may award a PHA funding for a specified category of families on the waiting list. The PHA must use this funding only to assist the families within the specified category. In order to assist families within a targeted funding category. Within this category of families, the order in which such families are assisted is determined according to the policies provided.

RHA has been awarded the following Targeted Funding Vouchers

Emergency Housing Vouchers (EHV) The Housing Authority received funding for one hundred thirty eight (138) vouchers through the American Rescue Plan Act of 2021. These vouchers are to be used by the following types of families and will be referred to the Housing Authority through the Wake/Raleigh COC.

Family Types

1. Homeless
2. At Risk of homelessness
3. Fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking.

E. REMOVAL FROM WAITING LIST AND PURGING

If an applicant fails to respond to a mailing from the Housing Authority within thirty (30) days from the date of the correspondence, the applicant will be removed from the waiting list. If a letter is returned from the Post Office, the applicant will be removed without further notice, and the envelope and letter will be maintained in the electronic file.

F. TENANT SELECTION

There are four (4) selection preferences for The Housing Choice Voucher Program. Each preference will be given a value when placed on the waiting list. Families are selected by date and time from the preference list and by the accumulated points as follows:

Wake County Resident	Non Wake County Resident
18 & 19 20%	8 10%
15 & 16 20%	5 5%
13 & 14 20%	3 5%
10 & 11 15%	0 5%

1. Elderly or disabled (Singles, families or both)-(5)
 - a) Elderly – The applicant must provide verification of age (elderly is defined as 62 years of age or older).
 - b) Disabled – The applicant must: provide proof of receipt of disability payments under Section 223 of the Social Security Act, be a person with developmental disability as defined in Section 10 (7) of the Developmental Disabilities Assistance Act, provide a record or statement from a medical provider of any other impairment that is expected to be long-term or provide proof of an impediment to the ability to live independently where the nature of the impairment could be improved by more suitable living conditions. (See the definition of “Disabled” in Appendix 1.)
2. Residency – (10) Applicant must be a Wake County resident or can provide proof that employment has been secured in Wake County in order to receive preference.
3. Working-(3) Applicants must be working 20 hours per week and have been employed for at least 6 months. Applicant must provide verification of working. (Check Stubs)
4. Graduate of the Wake County Ready to Rent class-(1) – Effective April 1, 2018 RHA has agreed to offer a preference for all current graduates of the Wake County Ready to Rent (RTR) program. These are housing choice voucher applicants who have successfully graduated from the RTR program. This RTR preference is limited to applicants who live in Wake County. The applicants must still meet all other eligibility requirements for voucher assistance. Applicants are responsible for providing RHA with a copy of their Ready to Rent Certificate of Completion Wake County issues to graduates.

The date and time of application will be utilized to determine the sequence within the above-prescribed preferences. Notwithstanding the above, if necessary to meet the statutory requirement that 75% of newly admitted families in any fiscal year be families who are extremely low-income (unless a different target is agreed to by HUD), the Raleigh Housing Authority retains the right to skip higher income families on the waiting list to reach extremely low-income families. This measure will only be taken if it appears the goal will not otherwise be met. To ensure this goal is met, the Housing Authority will monitor incomes of newly admitted families and the income of the families on the waiting list.

All other eligible applications will be filed and selected based on date and time of pre-application. All unit sizes will be consolidated into one voucher waiting list. When there is insufficient funding available, the Housing Authority does not select any other applicant until funding is available for the applicant at the top of the waiting list.

G. APPLICATION INTERVIEW

- (1) The head of household and family members 18 years of age and older will be required to participate in a full application interview with a Housing Authority representative where the applicant will be required to furnish and certify complete and accurate information. If the applicant misses a scheduled interview, the Housing Authority may reject the application.
- (2) If the Housing Authority determines at or after the interview that additional information or document(s) are needed, the Housing Authority will request the document(s) or information be submitted to the Housing Authority. If the information is not supplied within the specified timeframe, the Housing Authority will provide the family a notification of denial of assistance.
- (3) A live-in aide may reside in the unit to provide necessary supportive services for a member of the assisted family who is a person with disabilities. The live-in aide will be counted in determining the family unit size under the Housing Authority's subsidy standards. The Housing Authority may refuse to approve a particular live-in aide if he/she does not meet the eligibility requirements referred to in Section II, A (Eligibility Factors). Eligibility for live-in aid will be reviewed annually.

H. VERIFICATIONS

The Housing Authority ensures that the verification of all HUD and Housing Authority eligibility factors is current in order to determine the family's eligibility for issuance of a voucher. Verifications may not be more than sixty (60) days old at the time of issuance of the voucher. If the family is determined to be eligible, a briefing will be scheduled for the issuance of a voucher and the family's orientation to the housing program.

The Housing Authority may enhance the screening process of applicants in the area of income verifications by accessing the wage data of the Employment Security Commission (ESC), Enterprise Income Verification (EIV) System or other sources that may be available to the Housing Authority.

I. CLOSING AND OPENING THE WAITING LIST

The Housing Authority may stop taking applications (entirely or for specific categories of applicants) when there are not enough voucher slots to assist all applicants in a reasonable period of time. Even when the list is closed, the Housing Authority may continue to accept applicants that qualify for preferences unless the Authority determines that there is an adequate pool of preference holders already on the list.

If the waiting list is to be closed, the Authority will publish a public notice prior to closing the waiting list. Before re-opening the waiting list, the Authority will announce the new application process before applications can be taken. The notice will be published in local newspapers of general circulation and in minority media.

J. PURGING THE WAITING LIST

The Raleigh Housing Authority will update and purge its waiting list at least annually to ensure that the pool of applicants reasonably represents interested families. Purging also enables the Housing Authority to update the information regarding address, family composition, income category and preferences. An applicant family will be allowed 30 business days to respond to the waiting list update.

IV. VOUCHER ISSUANCE AND BRIEFINGS

A. ISSUANCE OF VOUCHER

The number of vouchers issued will ensure that the Housing Authority stays as close as possible to 100% lease-up under the statutes, regulations, and guidelines in effect at the time. A calculation is performed to determine whether applications can be processed, the number of vouchers that can be issued, and whether and to what extent the Housing Authority can over-issue.

B. VOUCHER TIMEFRAME

During the briefing session, each household that has met program requirements and appears to be eligible will be issued a voucher, which represents a contractual agreement between the Housing Authority and the family specifying the rights and responsibilities of each party. It does not constitute admission to the program, which occurs when the lease and contract become effective and the unit passes the Housing Authority's inspection. The voucher is valid for a period of sixty (60) calendar days from the date of issuance unless it is terminated due to insufficient funding or the family becomes ineligible.

The family must submit a Request for Tenancy Approval form (HUD - 52517) within the sixty (60) day period. RHA, at its sole discretion, may grant an extension of search not to exceed 120 calendar days from the initial date of issuance without an extraordinary reason. All requests must be in writing and received prior to the voucher expiration date.

If the family includes a person with disabilities and the family requires an extension due to the disability, the Housing Authority will grant an extension allowing the family the full 120 calendar days search time. If the Housing Authority determines that additional search time would be a reasonable accommodation, it may grant additional search time.

If the voucher has expired, and has not been extended by the Housing Authority or expires after an extension, the family will be denied assistance. The family will not be entitled to a review or hearing. If the family is currently assisted, they may remain as a participant in their unit if there is an assisted lease/contract in effect.

C. TOLLING/SUSPENSION

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

Tolling will only be applied in the following events: the family is unable to afford the rent, the Landlord is no longer willing to rent the unit to the family, or the unit is not recommended for the program.

D. SUBSIDY STANDARDS

The Housing Authority does not determine who shares a bedroom/sleeping room, but there must be at least one person per bedroom on the voucher. The unit size on the voucher remains the same as long as the family composition remains the same, regardless of the actual unit size rented. The Housing Authority may grant exceptions from the standards if the family requests and the Housing Authority determine the exceptions are justified by the health or disability of family members, or other circumstances. Requests based on health-related reasons must be specific to the need and must be verified in writing by a doctor or medical professional.

The following standards shall provide guidelines for the number of bedrooms recommended to accommodate each family without overcrowding or over housing:

Voucher Size	Persons in Household (Minimum #)
0 Bedroom	1
1 Bedroom	1
2 Bedroom	2
3 Bedroom	4
4 Bedroom	6
5 Bedroom	8
6 Bedroom	10

E. ANNUAL INCOME, ASSETS AND ALLOWANCES

- (1) Annual income is the anticipated total income from all sources available to the family, including all **gross** income derived from assets for the twelve (12) month period following the effective date of the initial determination or re-examination. The complete list of income sources used to determine rent amounts can be found in **Appendix 3**.
- (2) There are a number of income sources, which are not considered in determining eligibility and rent payments. The complete list can be found in **Appendix 4**.
- (3) There are certain deductions allowed from gross income to determine the Adjusted Income. These deductions are listed in **Appendix 5**.
- (4) There are no minimum income requirements. Families who report zero income **will** be required to complete a written certification every thirty (30) days. **(This references that the entire household receives no income.)**
- (5) Total Tenant Payment (TTP) – A family renting a unit below the Housing Authority's payment standard pays as gross rent the highest of:
 - 30 percent of Monthly Adjusted Income; or
 - 10 percent of Monthly Income; or
 - the Housing Authority's minimum rent; or
 - the welfare rent (an amount specifically designated for shelter and utilities that is subject to adjustments by the welfare assistance agency and is currently not available in North Carolina)

A family renting a unit above the Housing Authority's payment standard pays the highest of the following plus any rent above the payment standard.

- 30 percent of Monthly Adjusted Income; or
 - 10 percent of Monthly Income; or
 - the Housing Authority's minimum rent; or
 - the welfare rent (an amount specifically designated for shelter and utilities that is subject to adjustments by the welfare assistance agency and is currently not available in North Carolina)
- (6) If the family reports changes in factors that will affect the Total Tenant Payment prior to the effective date of the HAP Contract, the information will not be accepted. Note: changes will only be accepted after the execution of the HAP Contract.
 - (7) Maximum Initial Rent Burden – A family must not pay more than 40% of adjusted income for rent when the family first receives voucher -based assistance for occupancy of a particular unit. The maximum initial rent burden requirement is applicable each time a family moves to a new unit.
 - (8) Annual income also includes income from assets earned during the 12-month period and to which any family member has access. A summary of Asset Inclusions and

Exclusions can be found in **Appendix 6**. As long as permitted by HUD, Raleigh Housing Authority will allow families to self-certify having assets of less than \$5,000.

- (9) Adjusted income is the annual income of the members of the family residing in or intending to reside in the dwelling unit, less the following mandatory deductions:
- \$480 for each dependent
 - \$400 for any elderly family or disabled family
 - Child Care
 - Disability assistance; and
 - Medical expenses

F. UTILITY ALLOWANCES AND UTILITY REIMBURSEMENT PAYMENTS

- (1) The utility allowances are based on actual rates and average consumption studies, not on a family's actual consumption. The Housing Authority will review the Utility Allowance Schedule on an annual basis and revise if needed.
- (2) After Total Tenant Payment is determined, an amount will be deducted to allow for the balance of utility costs not included in the rent. This calculation will be based on the actual unit size selected and not the unit size for which a family qualifies.
- (3) Where the utility allowance exceeds the family's Total Tenant Payment, the Housing Authority will provide a utility reimbursement check each month. The initial check may be made payable either to the tenant or directly to the utility company. The voucher holder should provide RHA with a copy of their electric bill prior to the second month of RHA utility assistance payment. The Housing Authority does not need the permission of the family to pay the Utility Reimbursement Payment directly to the utility company.
- (4) On request from a family that includes a person with disabilities, the Housing Authority may approve a utility allowance that is higher than the amount on the Utility Allowance Schedule if a higher utility allowance is needed as a reasonable accommodation.

G. MINIMUM RENT

The Housing Authority adopted a minimum rent policy effective September 1, 2004. The minimum rent amount increased from \$0 to \$50.

If a family is unable to pay the minimum rent because of financial hardship the Housing Authority must grant an exemption if the family provides evidence of Financial Hardship.

Financial hardship includes the following situations:

- (1) The family has lost eligibility for or is awaiting an eligibility determination for a federal, state, or local assistance program. This includes a family member who is a noncitizen lawfully admitted for permanent residence under the Immigration and Nationality Act who would be entitled to public benefits but for Title IV of the Personal Responsibility and Work Opportunity Act of 1996.

A hardship will be considered to exist by the Housing Authority only if the loss of eligibility has an impact on the family's ability to pay the minimum rent.

For a family waiting for a determination of eligibility, the hardship period will end as of the first of the month following: (1) implementation of assistance, if approved, or (2) the decision to deny assistance. A family whose request for assistance is denied may request a hardship exemption based upon one of the other allowable hardship circumstances.

- (2) The family would be evicted because it is unable to pay the minimum rent.

For a family to qualify under this provision, the cause of the potential eviction must be the family's failure to pay rent to the owner or tenant-paid utilities.

- (3) Family income has decreased because of changed family circumstances, including the loss of employment.

- (4) A death has occurred in the family.

In order to qualify under this provision, a family must describe how the death has created a financial hardship (e.g., because of funeral-related expenses or the loss of the family member's income).

- (5) The family has experienced other circumstances determined by the PHA.

H. REQUEST FOR TENANCY APPROVAL (RFTA)

- (1) After families are issued a voucher, they may search for a unit anywhere within the jurisdiction of the Housing Authority (Wake County).
- (2) The family will not be permitted to submit more than one request at a time.
- (3) The submitted Request for Tenancy Approval will be disapproved if the maximum initial rent burden is over 40% of the adjusted income.
- (4) The Request for Tenancy Approval must be submitted by the family within the term of the voucher. The HUD tenancy addendum must be attached and executed to all leases. The initial term of the lease must be for one year unless the Housing Authority determines a shorter term will improve housing opportunities and is the prevailing market practice.
- (5) If a request is disapproved, and there is part of the voucher term remaining, the Housing Authority will furnish another Request for Tenancy Approval (RFTA) to the family so that the family can continue to search for eligible housing.

I. SECURITY DEPOSIT REQUIREMENTS

Security deposits charged by owners may not exceed those charged to unassisted tenants or the maximum prescribed by State or Local law. The Housing Authority does not assist with payment of security deposits.

J. FAMILY BREAKUP

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 Housing Authority is bound by the court's determination of which family members continue to receive assistance in the program. In those instances when there is no determination by a court, the Housing Authority will consider which family member was the head of household when the voucher was initially issued.

When the breakup of the family results in a reduction of the size of the voucher, the family will be required to move to a smaller unit if the current landlord is unwilling to accept the rent level of the smaller size voucher.

K. TEMPORARILY/PERMANENTLY ABSENT FROM UNIT

RHA must compute all applicable income of every family member who is on the lease, including those who are temporarily absent. In addition, RHA must count the income of the spouse or the head of the household if that person is temporarily absent, even if that person is not on the lease.

"Temporarily Absent" is defined as away from the unit for less than 30 days. It is the family's responsibility to notify RHA of all absences, whether temporary or permanent, and also when those deemed absent return to the home.

Income of persons permanently absent will not be counted. If the spouse is temporarily absent and in the military, all military pay and allowances (except hazardous duty pay when exposed to hostile fire and any other exceptions to military pay HUD may define) is counted as income.

It is the responsibility of the head of household to report changes in family composition. RHA will evaluate absences from the unit using this policy.

Absence of Any Member

Any member of the household will be considered permanently absent if he/she is away from the unit for a 30-day period in a 12-month cycle, except as otherwise provided in this chapter.

Absence due to Medical Reasons

If any family member leaves the household to enter a facility such as hospital, nursing home, or rehabilitation center, RHA will seek advice from a reliable qualified source as to the likelihood and timing of their return. If the verification indicates that the family member will be permanently confined to a nursing home, the family member will be considered permanently absent. If the verification indicates that the family member will return in less than 30 days, the family member will not be considered permanently absent.

If the person who is determined to be permanently absent is the sole member of the household, assistance will be terminated in accordance with RHA's "Absence of Entire Family" policy.

Absence Due to Incarceration

If the sole member is incarcerated for more than 30-days, he/she will be considered permanently absent. Any member of the household, other than the sole member, will be considered permanently absent if incarcerated for 90-days. RHA will determine if the reason for incarceration is for drug-related, violent criminal activity or probation violation.

Absence of Children due to Placement in Foster Care

If the family includes a child or children temporarily absent from the home due to placement in foster care, RHA will determine from the appropriate agency when the child/children will be returned to the home.

If the period is to be greater than 6 months from the date of removal of the child/children, the voucher size will be reduced. If all children are removed from the home permanently, the voucher size will be reduced in accordance with RHA's subsidy standards.

Absence of Entire Family

These policy guidelines address situations when the family is absent from the unit, but has not moved out of the unit. In cases where the family has moved out of the unit, RHA will terminate assistance in accordance with appropriate termination procedures contained in this Plan.

Families are required both to notify RHA before they move out of a unit and to give RHA information about any family absence from the unit.

Families must notify RHA in writing at least 1 day before leaving the unit or no less than 5 days after leaving the unit if they are going to be absent from the unit for more than 30-days. If the entire family is absent from the assisted unit for more than 30-days, the unit will be considered to be vacated and the assistance will be terminated.

If it is determined that the family is absent from the unit, RHA may continue assistance payments for a maximum of 1 month.

In order to determine if the family is absent from the unit, RHA may:

- Write letters to the family at the unit;
- Telephone the family at the unit;
- Conduct a special inspection; or
- Contact the landlord.

A person with a disability may request an extension of time as an accommodation if the extension does not go beyond the HUD-allowed 180 consecutive calendar day's limit.

If the absence, resulting in the termination of assistance, was due to a person's disability; and RHA can verify that the person was unable to notify RHA in accordance with the family's responsibilities, and if funding is available, RHA may reinstate the family as an accommodation if requested by the family, as long as the period was less than 180 days.

L. VISITORS

Any adult not included on the HUD form 50058 who has been in the unit more than 14 calendar days (including weekends) within a 12- month period without PHA approval will be considered living in the unit as an unauthorized household member.

Absence of verifiable evidence of any other address will be considered verification that the visitor is a member of the household. Statements from neighbors and/or the landlord may be considered in making the determination.

Use of the unit address as the visitor's current residence for any purpose that is not explicitly temporary shall be construed as permanent residence. The family must provide proof that the individual is a visitor. In the absence of such proof, the individual will be considered an unauthorized member of the household and RHA will terminate assistance since prior approval was not requested for the addition.

Minors and full-time college students who were part of the family but who now live away from home during the school year and are no longer on the lease may visit for up to 120 days per year without being considered a member of the household.

In a joint custody arrangement, if the minor is in the household less than 183 days per year, the minor will be considered an eligible visitor and not a family member.

M. REPORTING ADDITIONS TO OWNER AND RHA

Reporting changes in household composition to RHA is both a HUD and an RHA requirement.

The family obligations require the family to request Raleigh Housing Authority's approval to add any other family member as an occupant of the unit and to inform RHA of the birth, adoption or court-awarded custody of a child.

The family must request prior approval from the Landlord and RHA of additional household members in writing prior to the family member being added to household (except for newborns of the family members presently in the household). If any new family member is added, the income of the additional member will be included in the family income as applicable under HUD regulations. The criminal records of each adult will be checked prior to adding them to the household.

If the family does not obtain prior written approval from the Landlord and RHA, any person the family has permitted to move in will be considered an unauthorized household member.

An interim reexamination will be conducted for any additions to the household.

When reporting the birth of a child, submit a certified copy of the birth certificate and a copy of the Social Security card.

N. REPORTING ABSENCES TO RHA

Reporting changes in household composition is both a HUD and an RHA requirement. If a family member leaves the household, the family must report this change to RHA, in writing, within 30 days of the change and certify as to whether the member is temporarily absent or permanently absent. RHA will conduct an interim **reexamination** for changes, in accordance with the interim policy.

O. RENT LIMITATIONS

The sum of the contract rent and any allowance for utilities and other services shall not exceed applicable Fair Market Rents (FMR), established by HUD. The Housing Authority may set a payment standard that is 90% to 110% of the published FMR. As of January 1, 2015 the payment standard set by the Authority is 100% of the published FMR. HUD can approve a higher exception payment standard for a designated part of the FMR area (called "exception area"). Rent reasonableness will still be used as a measure of whether the rent is approvable.

Rent Formula – Maximum Subsidy is the lower of: (1) the payment standard minus TTP or (2) gross rent minus TTP. Effective 10/1/99, the rent formula will apply to all new admissions, moves and new lease.

P. ELIGIBLE TYPES OF HOUSING

The Housing Authority will follow HUD requirements (24 CFR 982.352) in approving housing types in the voucher program.

Q. INFORMATION TO BE PROVIDED TO PROSPECTIVE OWNERS

Due to the Privacy Act the Housing Authority does not release information to prospective owners.

R. ILLEGAL DISCRIMINATION

Under the Fair Housing Act, it is against the law for an owner to discriminate against a family based on race, color, national origin, religion, sex, familial status or a disability. If a family believes that their rights have been violated (including sexual harassment), the family should promptly contact RHA. If the family wants to notify another entity a referral can be made to HUD or a State or local Fair Housing Agency. Families have one year from the date of the alleged act of discrimination to file their complaints. HUD-903.1 discrimination forms are distributed to all voucher holders at the time of the briefing and are available at the Leased Housing office. The information collected will be used to investigate and to process the housing discrimination complaints.

S. HOUSING SEARCH ASSISTANCE FOR DISABLED FAMILIES

Many disabled families may be unfamiliar with the Wake County jurisdiction and the location of accessible units. RHA no longer maintains a listing of available housing. However, RHA is able to supply a list of websites to utilize in the search for a unit. These websites are not maintained or associated with the Raleigh Housing Authority; the information available on the websites is subject to change without notice.

Staff may identify accessible units through resources at its disposal and make contact with the owners on behalf of the disabled family and encourage them to accept the voucher. Staff may also be available to assist a disabled family in negotiating contract rent.

Sometimes people with disabilities may need a reasonable accommodation in order to take full advantage of the voucher program and related services. The Housing Authority will follow HUD guidelines in granting reasonable accommodations. Requests for reasonable accommodations should be specific to need and submitted in writing as soon as the need is known to the family. Section I D provides more information on requesting and processing of requests for reasonable accommodation.

V. CONTRACT EXECUTION/TERMINATION

A. HOUSING ASSISTANCE PAYMENT CONTRACT

- (1) The Housing Assistance Payment (HAP) Contract is the contract between the owner and the Housing Authority, which defines the responsibilities of both parties and must be executed each year. The initial term of the lease is for at least 1 year (12 months). The term of the HAP contract begins on the first day of the initial term of the lease or the passed inspection date, whichever is later. Copies of the document will be furnished to the owner.
- (2) The HAP Contract may not be executed more than sixty (60) days after commencement of the lease term or the passed inspection date (whichever is later). No payments will be made until the contract is executed and the unit passes the

inspection. The Director, Assistant Director of Leased Housing, and the Housing Supervisor are authorized to execute the HAP Contract.

- (3) Owners must provide an Employer's Identification Number or Social Security Number.
- (4) The owner is responsible for performing all of the owner's obligations under the HAP Contract and the lease. Changes in ownership may require the execution of a new HAP contract and potentially a new lease agreement.
- (5) The amount of the monthly housing assistance payment to the owner is determined by the Housing Authority in accordance with HUD regulations and other requirements. The amount of the housing assistance payment is subject to change during the HAP Contract term.
- (6) The family is not responsible for payment of the portion of rent to owner covered by the housing assistance payment under the HAP Contract between the owner and the Housing Authority. If the family continues to occupy the unit after the HAP contract is terminated, the family is solely responsible for the total amount of rent due to the owner.
- (7) HA usually pays subsidy on the second business day of the month contingent upon the timely receipt of HAP funds from HUD. The owner may keep the housing assistance payment for the month when the family moves out of the unit. The term of the lease for the new *assisted* unit may begin during the month the family moves out of the first assisted unit. Overlap of the last housing assistance payment (for the month when the family moves out of the old unit) and the first assistance payment for the new unit, is not considered a duplicate housing subsidy. (24 CFR 982.311d2)

B. MANAGEMENT COMPANY

If an Owner desires to hire a property Management Company to oversee the day to day operation of the properties under the HAP contract, the Owner and the Management Company must complete and submit the RHA Management Company Notification Form to be reviewed for approval by RHA. The documents listed below must be completed and submitted to the RHA within five (5) business days of the hiring decision and management contract implementation.

- 1. RHA Management Company Notification Form
- 2. RHA Management Company Application
- 3. Copy of Management Agreement
- 4. Tax Identification Number or Social Security Number. (IRS W-9 Form)
- 5. RHA Direct Deposit Form with required bank documentation

C. HAP CONTRACT TERMINATION

The HAP Contract between the owner and the Housing Authority may be terminated by the Housing Authority, or by the owner or by the tenant terminating the lease in accordance with the lease provisions. If the family continues to occupy the unit after the HAP Contract is terminated, the family is solely responsible for the total amount of rent due to the owner. The Housing Authority will provide the owner and family with at least thirty (30) days advance written notice of termination of the contract unless there are special circumstances.

After a contract termination, if the family meets the criteria for a move with continued assistance, the family may lease-up in another unit. The contract for the new unit may begin during the month in which the family moved from the old unit. The Housing Authority may not permit portability if the family has moved out of the assisted unit in violation of the lease.

If the tenant or owner request an extension to the date provided on the Request to Vacate (from tenant) or the Notice to Vacate (from owner), the extension requested may be granted for the following time periods.

- A 30 day extension may be granted if there is a delay of the inspection for the new apartment/home due to RHA processing times; or
- A 30 day extension may be granted if the new unit fails, AND the previous owner and the tenant submit written and signed request to RHA for the tenant to remain in the unit pass the original requested vacate date.

1. TERMINATION BY THE FAMILY

The family is obligated for the initial term of the lease agreement and may not move during this timeframe without Housing Authority approval. Notice to move is subject to the terms of the lease agreement.

When a family has voluntarily given up their housing assistance and becomes in need of housing assistance again in the future, they must reapply for housing assistance and be placed back on the waiting list.

RHA will make termination effective at the end of the month in which notice is received. Consideration for reinstatement of assistance is subject to approval by the Director or Assistant Director of Leased Housing.

2. TERMINATION OF TENANCY BY OWNER

- (1) **Requirements.** The owner may only terminate the tenancy in accordance with the lease and HUD requirements. The owner is expected to enforce the lease agreement and follow through with eviction proceedings for tenants that cause damage to the unit or fail to pay their portion of the rent.
- (2) **Grounds.** During the term of the lease (the initial term of the lease or any extension term), the owner may terminate the tenancy for the following reasons:
 - (a) Serious or repeated violation of the lease. This includes issues such as non-payment of rent, property damage, disruption to the community, failure to allow access to the rental unit following reasonable notice, and threatening behavior to the landlord or other staff.

- (b) Violation of Federal, State, or local law that imposes obligations on the tenant in connection with the occupancy or use of the unit and the premises. This may include situations where the tenant's behavior or failure to act results in a fine to the property owner. This addresses fines levied by the city for code violations.
- (c) Criminal activity or alcohol abuse. The owner may terminate the tenancy during the term of the lease if any member of the household, a guest or another person under a resident's control commits any of the following types of criminal activity:
 - (1) Any criminal activity that threatens the health or safety of, or the right to peaceful enjoyment of the premises by other residents (including property management staff residing on the premises);
 - (2) Any criminal activity that threatens the health or safety of, or the right to peaceful enjoyment of their residences by persons residing in the immediate vicinity of the premises;
 - (3) Any violent or drug-related criminal activity on or near the premises;
 - (4) Fleeing to avoid prosecution, or custody or confinement after conviction, for a crime, or attempt to commit a crime, that is a felony under the laws of the place from which the individual flees, or that, in the case of the State of New Jersey, is a high misdemeanor;
 - (5) The owner may terminate the tenancy for criminal activity by a household member in accordance with this section if the owner determines that the household member has committed the criminal activity, regardless of whether the household member has been arrested or convicted for such activity. Mere suspicion of criminal activity should not warrant the termination of tenancy.
 - (6) The owner may terminate the tenancy during the term of the lease if any member of the household has engaged in abuse of alcohol that threatens the health, safety or right to peaceful enjoyment of the premises by other residents.
- (d) During the initial lease term or during any extension terms, other good cause includes but is not limited to the following:
 - (1) Disturbance of neighbors.
 - (2) Destruction of property,
 - (3) Living or housekeeping habits that cause damage to the unit or premises.
 - (4) The tenant's failure to accept the owner's offer of a new lease or revision.
 - (5) The owner's desire to use the unit for personal or family use or for a purpose other than use as a residential rental unit; or

(6) There is a business or economic reason for termination of the tenancy (such as sale of the property, renovation of the unit, the owner's desire to rent the unit for a higher rent).

(3) **Eviction by court action.** The owner may only evict the tenant by a court action.

(4) **Owner notice of grounds**

(a) At or before the beginning of a court action to evict the tenant, the owner must give the tenant a notice that specifies the grounds for termination of tenancy. The notice may be included in or combined with any owner eviction notice.

(b) The owner must give the Authority a copy of any owner eviction notice at the same time the owner notifies the tenant.

(c) Eviction notice means a notice to vacate, or a complaint or other initial pleading used to begin an eviction action under state or local law.

(5) **Other Notice to Vacate**

If a notice to vacate is not due to a serious or repeated violation of the lease, and if the Housing Authority has no other grounds for termination of assistance, the Housing Authority may issue a new voucher so that the family can move with continued assistance provided the family remains in compliance with program requirements and funding is available.

(6) **Change of Ownership**

A written request by the owner who executed the HAP contract must be submitted to RHA in order to make changes regarding who is to receive the Raleigh Housing Authority (HAP) payment or the address to where the rent payment should be sent.

Additionally, the Raleigh Housing Authority requires the documents listed below from the new owner to process a change of ownership. The following documents must accompany the written request:

- A. Deed of Trust or other documents showing the transfer of title or management agreement;
- B. Tax Identification Number or Social Security Number. (IRS W-9 Form)
- C. Raleigh Housing Authority Owner's Application
- D. Raleigh Housing Authority Direct Deposit Form with required bank documentation.

3. TERMINATION BY THE HOUSING AUTHORITY

The contract will terminate automatically if one hundred eighty (180) calendar days have passed since the last housing assistance payment to the owner. Reinstatement

of housing assistance may be at the discretion of the Housing Authority and considered on a case-by-case basis because of extenuating circumstances.

Any of the following actions will be considered a breach of contract by the owner (including a principle, property manager or other interested party acting on the owner's behalf):

1. The owner has violated any obligation under the HAP Contract for the dwelling unit, including maintaining the unit to HQS standards, including any standards the Housing Authority has adopted in this policy.
2. The owner has violated any obligation under any other housing assistance payments contract under the voucher program.
3. The owner has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program.
4. The owner has engaged in any drug-related criminal activity or any violent criminal activity.
5. The owner has engaged in abusive or violent behavior towards the Housing Authority's staff members, tenants, or Board members.
6. The owner has failed to pursue eviction of tenant families who have engaged in illegal activity or have a history of community disruption.
7. The owner has failed to execute a new HAP contract and/or lease agreement each year as required.
8. If an owner uses the services of a property manager or other agent to handle business with the voucher program, this agent must provide the name and contact information of the owner upon a written request from RHA.
9. If an agent or owner fails to provide or provides inaccurate contact or tax information as requested by RHA.
10. The landlord is registered under the state Sex Offender Registration Program.

The Housing Authority may also terminate the contract if:

1. The Housing Authority terminates assistance to the family.
2. The family is required to move from a unit, which is under-occupied or overcrowded.
3. Funding is no longer available under the ACC.
4. The landlord has intimidated the family through threats or false claims such as damages to prevent moving or claiming rent that is not owed by the family.
5. The landlord intentionally withholds information from RHA in order to continue to receive HAP payments. Examples of this type of violation include, but are not limited to, having knowledge that utilities are not on at the unit without informing RHA, family not living in the unit, children on the lease not present in the unit on a regular basis, criminal activity, the death of a family member, or failure to immediately disclose information regarding a unit fire or other damages caused by acts of nature.
6. The landlord or agent fails to immediately return payments to which they are not entitled to receive.

D. DISAPPROVAL OF OWNER

The owner does not have a right to participate in the Section 8 program. Participation is optional. The Housing Authority may pre-screen prospective landlords/owners by obtaining information from any federal, state or local agency. The Housing Authority will disapprove an owner for the following reasons:

- (1) HUD has informed the Housing Authority that the owner has been debarred, suspended, or subject to a limited denial of participation under 24 CFR part 24.
- (2) HUD has informed the Housing Authority that the federal government has instituted an administrative or judicial action against the owner.
- (3) The owner has committed fraud, bribery or any other corrupt act in connection with any federal housing program.
- (4) The owner has committed any misdemeanor drug-related or violent criminal activities within the last 5 years or felonious drug-related or violent criminal activities within the last 7 years.
- (5) The owner has a history or practice of renting units that fail to meet state, local or federal housing codes including repeatedly failing HQS inspections.
- (6) The owner has a history of failing to evict families for drug-related or violent criminal activity or activity that threatens the health, safety or right of peaceful enjoyment of premises by tenants or of residences by neighbors.
- (7) The owner has engaged in abusive or violent behavior towards the Housing Authority's staff members.
- (8) The owner fails to repay housing assistance payment(s) that were overpaid by the Housing Authority.
- (9) The owner has lost his right to rent property because of violations identified with the local ordinance that established a permit program for landlords/owners in violation of city codes.
- (10) The landlord is registered under the state Sex Offender Registration Program.

E. OWNER RESTRICTIONS

If the owner commits serious contract violations, the Housing Authority will restrict the owner from future participation in the program for a period of time commensurate with the seriousness of the offense. The Housing Authority may also terminate some or all contracts with the owner. Before imposing any penalty against the owner, the Housing Authority will review all relevant factors pertaining to the case, and will consider such factors as the owner's record of compliance and the number of violations.

Owner Restriction Timeframe:

- Lifetime Ban: If the owner has been convicted of any drug-related criminal activity or any violent criminal activity. .
- Lifetime Ban: If the owner is registered under the state Sex Offender Registration Program.

- One Year Ban: If the owner does not notify the housing authority of any of the following within seven (7) calendar days:
 - Foreclosure Proceeding on the Assisted Unit
 - Fire/Flood to the unit

If the owner has been overpaid as a result of fraud, misrepresentation, or violation of the contract, the Housing Authority may terminate the contract and arrange for restitution to the Housing Authority or family as appropriate. If restitution is not made, legal action may be initiated.

F.INSPECTING RHA OWNED UNITS

1. For Raleigh Housing Authority owned units, the inspections required under this section will be performed by an independent entity approved by HUD. The independent entity that performs these inspections may be the unit of general local government for the Raleigh Housing Authority jurisdiction (unless the Raleigh Housing Authority is itself the unit of general local government or an agency of such government) or another HUD-approved public or private independent entity.
2. The independent entity shall provide a copy of each inspection report to the Raleigh Housing Authority and to the HUD field office where the project is located.
3. The Raleigh Housing Authority will take all necessary actions in response to inspection reports from the independent entity, including exercise of contractual remedies for violation of the HAP contract by the owner (Raleigh Housing Authority).

VI. HOUSING QUALITY STANDARD INSPECTIONS

A. TYPES OF INSPECTIONS

Housing Quality Standards (HQS) are the HUD minimum quality standards for tenant-based programs. HQS Inspections are required both at initial occupancy and during the term of the lease. HQS standards apply to the building and premises, as well as the unit.

There are four (4) types of inspections the Housing Authority will perform:

1. **Initial/New:** Conducted upon receipt of Request for PHA Approval of Assisted Tenancy.

2. **Bi-Annual/Renewal:** Must be conducted within twelve (12) months of the previous HQS inspection.
3. **Special/Complaint:** At the notification by the owner, family or third party of emergency conditions in the unit, unaddressed Landlord repairs and/or tenant program violations.
4. **Quality Control (QC):** Performed by a supervisor or senior inspector on a sampling of inspections having recently passed. A cross-section of neighborhoods, types of inspections and inspectors will be audited when performing QC inspections.

B. STANDARDS FOR INSPECTION/REPAIRS

- (1) HQS deficiencies, which cause a unit to fail, must be corrected by the landlord. The family is only responsible for breaches of HQS, which are caused by:
 1. Non-payment of utilities paid by the family,
 2. Not providing, or failing to maintain appliances not provided by the owner, and
 3. Damages to the unit or premises caused by a household member or guest beyond normal wear and tear. The owner must provide evidence that damages were caused by the family or guests. This includes inoperable vehicles, trash or other refuse items on the porches or in the yard.
- (2) The landlord should notify RHA and the tenant in writing of the damages caused by the tenant beyond normal wear and tear or if the utilities are not operational. This written notice should be received at least ten (10) business days prior to the first scheduled inspection date.
- (3) The family must allow the Landlord and the Housing Authority to inspect the unit at reasonable times with reasonable notice. If the tenant refuses to allow the Landlord into the unit to inspect and make repairs, the tenant is in violation of the Section 8 program and in jeopardy of having their housing assistance terminated. If the tenant refuses to allow the inspector to complete the scheduled inspection, both the Landlord and tenant share the responsibility for the missed or cancelled inspection. This is the reason that the landlord, or their representative, is encouraged to be present for every scheduled inspection.
- (4) The Housing Authority notifies the family and the landlord in writing of the date and time of the inspection prior to the scheduled inspection date. The Landlord will be notified by email of the scheduled inspection and all inspection results. The tenant will be notified of the scheduled inspection and all inspection results by regular mail. The family and/or landlord must be present for the scheduled inspection with a valid photo ID or may designate a person 18 years of age or older with a valid photo ID to allow completion of the inspection within the required time allotted. The family and the landlord are expected to work together to ensure RHA has access to the unit to complete the inspection. Missed inspections may result in the loss of rental subsidy (HAP payment) for the landlord.

- (5) The Landlord and tenant must report emergency (life threatening) events that endanger the family's health or safety to the Housing Authority within 24 hours of occurrence. An inspection will be scheduled within 24 hours of notification of the emergency. All corrective actions must be completed within 24 hours of notification. Some examples of life-threatening conditions include but are not limited to: missing or inoperable smoke detectors exhaust fumes, inoperable HVAC equipment in winter and summer months, exposed electrical wiring, sewage backup, ruptured hot water heaters, collapsed ceilings and floors and unit fires. In most cases, a follow-up HQS inspection will be scheduled within 48 hours of the first inspection. If the deficiencies are not corrected within 24 hours of notification, the Housing Authority will stop the HAP payments and the HAP contract will terminate.
- (6) For non-emergency items, repairs must be made within thirty (30) calendar days of notification. For major repairs such as exterior painting, the Director, Assistant Director of Leased Housing, or the Inspection Supervisor, at their discretion, may approve an extension beyond thirty (30) days.
- (7) For an interruption of power, water or gas caused by the City, and/or Utility Company RHA will not penalize the tenant or landlord if a written statement is provided to the RHA Inspections Division on City letterhead no later than 24 hours before the scheduled inspection.
- (8) The landlord is responsible for having the unit ready to pass the HQS inspection year round. Landlords are strongly encouraged to inspect the unit prior to RHA's scheduled inspection to allow time for completion of all repairs found, including tenant-caused damages, prior to the first scheduled HQS inspection. Visit the RHA website at www.rhaonline.com for a downloadable copy of the HUD HQS inspection form and the Supplemental Checklist identified by RHA to be inspected during the process. RHA has 31st -35th business days to complete each follow up inspection. If the repairs are not completed and the unit does not pass the second scheduled inspection, the HAP payment is abated. The HAP payment remains in abatement until the unit passes inspection or the HAP Contract terminates. HAP payment will only be released from the inspection pass date forward. No back HAP payment will be released and RHA's HAP portion cannot be requested from the tenant. A landlord may request a Punch List service appointment for the rental unit which would be completed by an inspector. There is a fee associated with this service and further details are located on RHA's website at www.rhaonline.com, Section 8 Landlords-Optional Resident Retention.
- (9) Upon the inspector's arrival at the unit, if it is determined that the unit is obviously and/or substantially not ready or any of the required utilities are not in service, or if the tenant reports current bedbug activity, then the inspection will not be completed. The inspection will be considered Inconclusive and count as a failed inspection. All Inconclusive inspection results require a FULL inspection of the unit to be completed

at the next scheduled inspection. Examples of inconclusive inspections include, but are not limited to the owner or owner's representatives working on repairs such as painting, drywall, floor and/ or carpet replacement, etc., when the inspector arrives; utilities not on; and/or at least ten (10) other identified HQS violations. The owner and/or owner's representative will be emailed a copy of the Inconclusive inspection report documenting the violations found that stopped the inspection along with a letter notifying the owner and/or owner's representative of the date and time of the rescheduled inspection. It is up to the landlord to determine whether they wish to be present at the rescheduled inspection to guarantee Raleigh Housing Authority has access to the unit. If the inspection is still inconclusive and the Housing Authority has not been able to perform a complete inspection of the unit within 12 months of the last annual inspection, the Housing Assistance Program (HAP) payment will be abated and the HAP Contract may be terminated.

- (10) Housing Inspectors will not enter attics or crawl spaces to verify proper installation or operation of the water heater. In either instance, the Landlord will be required to complete a Hot Water Heater Certification, which can be found at www.rhaonline.com. (Section 8 Landlords- Inspection Information) The certification should be submitted within 72 hours of the inspection or when identified as needed on the inspection report.

- (11) Pre-1978 units:
Annual/Bi-Annual Inspections - Units on the Section 8 program as of January 1, 2012 built before 1978 that failed the HUD HQS inspection for chipping, peeling and/or chalking paint, and where a child under the age of six (6) or a pregnant female resides will be required to have a Risk Assessment completed on the entire unit at the Landlord's expense. At the same time, the tenant will be required to have an Elevated Blood Lead Level (EBLL) test completed on all children under six (6) at the time of the failed inspection.

The risk assessment of the entire unit must be conducted inside and outside, inclusive of the X-Ray Fluorescence (XRF) testing, and a copy of the risk assessment must be submitted to the RHA Inspections Division within fifteen (15) business days of the date of the letter notifying of the failure. The method of delivery of the risk assessment to the Inspections Division is at the discretion of the Landlord, but must be received within fifteen (15) business days. If, for any reason, the risk assessment is not received within the specified fifteen (15) business days, the tenant will be processed to relocate.

If the risk assessment results are NEGATIVE, another inspection will be scheduled by letter to both the Landlord and the tenant. However, if the risk assessment result is NEGATIVE, yet there is indication of high lead levels, though the area is "INTACT", the tenant will be notified of the findings.

If the risk assessment results are POSITIVE, the Landlord and tenant will be notified

by letter. At the Landlord's expense, repair to the items positive for lead must be completed by a licensed NC contractor certified in the remediation of lead based paint and a clearance report from a company licensed to conduct risk assessments and clearances other than that of the contractor must be provided. A copy of the contractor's license and the clearance report must be submitted to the RHA Inspections Division within thirty (30) business days of the date of the letter of notification of the positive risk assessment results. If for any reason, a copy of the contractor's Lead Base Paint (LBP) or General Contractors (GC) license and clearance report are not submitted with the specified thirty (30) business days the tenant will be processed to relocate.

Initial Inspections: Beginning August 1, 2013, all Landlords with units built prior to 1978 may be required to certify their pre 1978 unit through the state of North Carolina prior to that unit being allowed on the Section 8 Program.

C. ABATEMENT

- (1) When a unit fails to meet HUD HQS after two inspection attempts, the HAP payment to the landlord will be abated/ stopped, unless the failures are previously determined to be the tenant's responsibility. Abatement means that the rental assistance payment will not be released until the unit has passed inspection and then only from the date that the unit passes inspection through the end of the month. The unit must pass inspection before the new HAP contract term. Notification of the abatement date will be included in each reschedule letter. The abatement will be effective on the first day of the month following the second scheduled inspection where the unit does not pass. The abatement will continue until the unit passes inspection or the HAP contract terminates.
- (2) HUD regulations do not allow the release of HAP payments without a passed inspection report after a payment has been abated.
- (3) A Housing Authority inspector must visually verify the completion of all cited repairs.

D. FAMILY RESPONSIBILITIES

Both the landlord and the family share the responsibility to make sure the Housing Authority has access to the unit to complete the HUD HQS inspection. RHA expects the landlord and family to work together to ensure that an adult, 18 years of age or older with valid ID, is present for the inspection. A scheduled inspection may only be cancelled by the landlord. The cancelled inspection date starts the clock toward the abatement of the HAP payment. RHA is not responsible for the lack of communication and/or misrepresented information between the tenant and landlord. If the housing inspector is not able to access the unit, the inspection is considered a "Not at Home" and counts as a missed inspection against both the landlord and the tenant. RHA will schedule a second inspection after 30 business days and if the unit does not pass this second scheduled inspection, the HAP

payment will be abated. HQS inspections are a required component for participation in the voucher program and participants, both landlord and tenant, are expected to make every effort to assist RHA to complete the inspection in a timely manner. A combination of two missed inspections or an inspection cancellation at the unit by the tenant and a missed inspection may result in the termination of the family's assistance. A pattern of missed inspections may also result in termination of the family's assistance.

It is the family's responsibility to ensure that all pets are confined securely during the inspection or the inspector may refuse to conduct the inspection with penalty to the tenant and landlord.

It is the family's responsibility to ensure that all utilities (electricity, gas, water) are on in the unit at all times unless the landlord has notified RHA in writing that they will be responsible to pay the utilities. Failure to have utilities on during a scheduled inspection will result in an "Inconclusive – Utilities Off" inspection result. The tenant will have thirty (30) business days from the date of the failed inspection to have their utilities re-connected. If there are two scheduled inspection results of "Inconclusive – Utilities Off" the tenant may be in jeopardy of having their housing assistance terminated.

It is also the responsibility of the family to ensure that indoor mold formed in bathrooms, kitchens and on or near windows is cleaned and maintained. If the mold persists after proper ventilation and cleaning, tenant should notify the landlord in writing, for assistance. If the landlord does not respond to the notification within fourteen (14) business days, the tenant should submit a copy of the same letter to the Inspections Division.

If the tenant is having a problem with any item(s) in the unit, they should first contact the landlord. If the landlord does not respond within three (3) business days, then the tenant should put their complaint in writing to the landlord. If the landlord still does not respond within two (2) business days, the tenant should notify RHA in writing of the problem and the attempts to contact the landlord. All non-life threatening complaints must be in writing and submitted to the Inspections Division.

The family is responsible for damages to the unit beyond normal wear and tear. The payment of these damages is between the landlord and the tenant. The landlord may terminate the lease agreement or evict the family as a result of tenant damages. Landlords are expected to notify RHA in writing of tenant caused damages within a minimum of ten (10) business days prior to the first scheduled inspection. If RHA is not notified in advance, all repairs are considered the responsibility of the landlord.

E. BASIC LANDLORD INFORMATION

Basic Information for Initial Inspections

- All utilities (electric, gas, water, etc.) must be on in the unit at the time of the scheduled inspection. Tenants should not have utilities on in their name at the unit until after the unit has passed inspection, unless they are currently living in the unit.

- Any equipment or mechanism installed must be in working order and functioning as designed.
- The unit scheduled for inspection must be completely empty or occupied by the tenant for whom the inspection is being performed. The Landlord cannot be living in the unit nor have personal property stored in the unit, or on the property to be rented at the time of the scheduled inspection.
- The Unit submitted must be in “Move-In Ready” condition. To qualify, the unit must meet the following requirements (in addition to others required by HUD regulations):
 1. Must meet all requirements by the city or governing municipality as a habitable dwelling.
 2. Floors should be clean and free of dirt and trash.
 3. Bathroom sinks, tubs, and toilets must be free of debris, dirt, grim and/or rust.
 4. Stove top, Oven, Microwave, Refrigerator, and Dishwasher must be free of debris, dirt, grim and/or rust.
 5. Walls clean (painted as needed).
 6. Free of bugs and rodents (extermination as needed).
 7. Garbage and debris removed from interior and exterior of unit.
- Once a unit passes inspection, a Passed Inspection letter will be emailed to the landlord. Landlords should submit all requested documentation to the HAP Contract Processing Team as quickly as possible to avoid a delay in the processing of the HAP payment.
- After the unit has passed inspection and the rent has been determined reasonable, the tenant should occupy the unit within seven (7) days of the date of the letter. If the tenant does not move into the unit within seven (7) days, the landlord should notify the HAP Contract Processing Team immediately. Exceptions must be approved by the Director or the Assistant Director of Leased Housing.

Basic Information for Annual/Bi-Annual Inspections

- All utilities (electric, gas, etc.) must be on in the unit at the time of the scheduled inspection. Tenants must have utilities on in their unit at all times. Failure to maintain utility service is a violation of the Section 8 program and is grounds for termination of housing assistance.
- All necessary repairs should be completed prior to the first scheduled inspection date. Inspectors are instructed not to wait for repairs to be completed on the day of the scheduled inspection, no matter how small the repair. For guidance on what will be inspected, visit our website and access the [Downloadable HUD Form and the Supplemental Inspection Checklist](#).

- All pets must be securely confined during the inspection or the inspector may refuse to complete the inspection with penalty to the tenant and landlord.

Basic Information for All Inspections

- A courtesy call will be made on the day (morning or afternoon) of the scheduled inspection to the telephone number provided to RHA in an attempt to narrow the inspection timeframe window. There is no guarantee as to how much additional notice will be provided and the official notice remains the written correspondence.
- Double keyed dead bolt locks on exterior doors are not allowed; the locking mechanism to the inside of the house must have a thumb bolt. (BOCA National Fire Prevention Code § Section F-608.0 - Egress Doors F-608-1, F-608.2)
- Recently passed US Senate Bill 1924 requires a minimum of one operable carbon monoxide detector per rental unit per level. The carbon monoxide detector must be listed by a nationally recognized testing laboratory that is OSHA-approved to test and certify to American National Standards Institute/Underwriters Laboratories Standards of ANSI/UL2034 or ANSI/UL2075. Installation of the carbon monoxide detector must be in accordance with the National Fire Protection Association or the minimum protection designated in the manufacturer's instructions. The Landlord must retain or provide proof of compliance. Both the tenant and Landlords will be deemed responsible for inoperable carbon monoxide detectors due to dead or missing batteries.
- The landlord may not utilize any portion of the property being rented for personal storage or storage of any kind.
- The Housing Authority will only complete two inspections. If the unit does not pass after the 2nd inspection, the Landlord or Owner has the option to participate in the Housing Authority's Optional Resident Retention Services.
- The inspector will not stop by the office of apartment complexes nor attempt additional telephone notification of the landlord once at the unit.
- Swimming pools and Jacuzzi hot tubs are prohibited.
- The failure of one item in or on the property will fail the entire unit.
- Tape of any kind on a refrigerator seal is not an acceptable repair for a broken or torn seal. The seal must be replaced to avoid a failed inspection result.

- All appliances and/or equipment present in the unit must be operational to avoid a failed inspection result.
- Lighting fixtures inside and outside of the unit, which are designed for a globe cover, must have a globe cover to avoid a failed inspection result.
- All interior and exterior debris including tree branches, tall grass, trash and old appliances should be removed prior to the inspection.
- All vehicles on the property must have a valid license plate and current vehicle registration to avoid a failed inspection result.
- Housing Choice Voucher units are required to comply with local and state building codes.
- Manufactured homes are required to be secured with the appropriate tie downs. The tie downs must be installed within the requirements and specifications of the manufacturer.
- Verbal and/or nonverbal threats communicated by the tenant or the landlord to any member of the Inspections Division will not be tolerated. These actions could result in the inability to participate in the Section 8 program.
- Landlords renting property within the city limits of Raleigh are also subject to the City of Raleigh code enforcement. For more information visit www.raleighnc.gov.

Optional Resident Retention Services:

The Housing Authority is offering three optional services to landlords to help maximize the benefits of being a landlord under the Housing Choice Voucher Program (HCV). The three optional services offered by RHA include:

1. Optional Punch List Service
2. Optional Third Inspection
3. Optional Additional Inspection

Participation in any of these optional services does not guarantee that a unit will pass the HQS inspection at the time it is done. To participate, please visit RHA's website for fees and payment instructions.

Landlord Communication

E-mail Communication - RHA has upgraded its communication to Section 8 Landlords by using e-mail to send all correspondence. This change will allow quicker communication from RHA to Section 8 Landlords and assure that important information is sent by RHA and received by the Landlord in an expeditious manner.

VII. OWNER RENT/RENT REASONABLENESS/PAYMENT STANDARD

A. OWNER PAYMENT

The Payment Standard is initially set by the Housing Authority at the Fair Market Rent in effect at the time the Annual Contributions Contract (ACC) for the first increment of Voucher funding is approved by HUD. The Voucher size issued to the family is based on the Housing Authority's Subsidy Standards. The Payment Standard for the family is based on the lesser of the Payment Standard for the Voucher size issued and the Payment Standard for the unit selected. The Housing Assistance Payment to the owner is the lesser of the subsidy described above or the rent charged by the owner.

B. MAKING PAYMENTS TO OWNERS

Once the unit passes inspection and the HAP Contract is executed, the Housing Authority begins processing payments to the landlord. This process may take up to eight (8) weeks before the first payment is received. The owner will be notified of the effective date and the amount of the payment. A HAP Register will be used as a basis for monitoring the accuracy and timeliness of payments. Checks that are not received will only be replaced upon receipt of written request from the payee.

Direct deposit of HAP payments is required for all current, new and prior landlords participating in the Section 8 program. Additionally, each participating landlord **must** have a valid email address for communication. This service is a convenience to the landlords and helps streamline the payment process. A direct deposit form is available at www.rhaonline.com. Landlords should note the following:

- (a) You must have a checking or saving account.
- (b) Direct Deposit will only be made to one bank account.
- (c) The entire amount of the HAP will be deposited. No partial deposits will be made.
- (d) Monthly HAP payments will normally be deposited on the second business day of the month, but is subject to funding availability from HUD.
- (e) Any changes to your account information must be submitted in writing along with a new Direct Deposit form.

C. Landlord/Owner Overpayment-Fraud

If a Landlord/Owner receives Housing Assisted Payments (HAP) for a Voucher Holder, that is no longer in the unit; for a unit they no longer own or that was released before RHA's notification of the unit being vacated, the Landlord/Owner must return the funds to the Housing Authority immediately. Landlord/Owner failure to repay the overpayment of federal funds to which he/she is not entitled could be considered fraudulent activity.

Once the Housing Authority identifies the date the Voucher Holder moved out of the unit, the Housing Authority will send a written request for the reimbursement of the HAP funds retroactive to the month the Voucher Holder moved out of the unit.

Landlords/Owners with active Voucher Holders on the program who do not return the funds by the specified deadline listed on the written request from the Housing Authority will have the HAP funds owed automatically deducted. The funds will be deducted from the next HAP payment and each HAP payment thereafter until the debt is paid in full. If the Landlord/Owner does not have active Voucher Holders on the program and the reimbursement is not made, the Housing Authority's attorney may send a demand letter. If RHA does not receive a response to the demand letter, the debt owed will be filed with the local magistrate court to obtain a judgment against the Landlord/Owner, then RHA will submit the judgment to a debt recovery agency and the Landlord/Owner will be banned from renting units under the Housing Authority's Section 8 Program.

If a banned Landlord/ Owner requests to be reinstated to the program, the following steps must be taken:

1. Pay a \$300.00 reinstatement fee.
2. Pay the entire balance due.
3. Attend a Landlord Briefing prior to being reinstated.

D. RENT REASONABLENESS METHODOLOGY

Rent reasonableness determinations are made when units are placed under a HAP Contract for the first time. The Housing Authority must conduct a redetermination of reasonable rent in two (2) other cases:

1. Before any increase of rent to the owner; or
2. If there is at least a 10% decrease in the published FMR in effect 60 days before the contract anniversary (for the unit size rented by the family) as compared with the FMR in effect one year before the contract anniversary.

The Housing Authority will determine and document the rent reasonable comparisons at the time of the initial inspection and on an annual basis during the HQS inspection.

Additional rent reasonableness comparisons may be required for the following reasons:

1. Does not exceed rents currently charged by the same owner for an equivalent assisted or unassisted unit in the same building or complex, and
2. Is reasonable in relation to rents currently charged by other owners for comparable units in the unassisted market.

The Housing Authority's Rent Reasonableness Point System assures that a fair rent is paid for selected units under the Housing Choice Voucher program. The Housing Authority's method takes into consideration the following HUD factors: location, size, type, quality, age of the unit, the amenities (adds value vs. nice to have), housing services, maintenance, and

utilities provided by the owner under the lease. Points are assigned to each HUD rating factor. The Rent Reasonableness Database for unassisted units is compiled by gathering data from newspapers, realtors, professional associations, owner inquiries, market surveys, visiting the site, the Internet, and other available sources. The documentation of the data gathered is compiled in a Rent Reasonableness database and is updated every other month to reflect changes in the market. The units are selected for RHA's Rent Reasonableness Database based on the availability of similar unit in the ZIP codes pre-determined by the RHA ZIP code matrix. The Rent Reasonableness Database will identify the units to be used for the reasonableness assessment and landlords cannot contest the units selected for comparison.

When an inspection is completed, the Housing Inspector enters the information on the factors identified above and the Rent Comparability Database calculates the total points assigned to the proposed assisted unit. The Rent Reasonableness Database locates three to five unassisted units per ZIP code with total points within the comparable range. When this action is completed, a Rent Reasonableness Certification form is completed. If the current rent exceeds the reasonable rent then the Landlord/Owner will be requested to lower the HAP contract rent for the upcoming HAP contract term. If the current rent is determined not to be reasonable after an inspection, the Landlord/Owner will be notified usually within 72 hours of the need to reduce the rent. If the landlord does not agree to lower the rent within the requested timeframe for:

- Annual Inspections-the current HAP contract will terminate at the end of the contract term and no further HAP payments will be released for the unit.
- Initial Inspections- the unit cannot participate in the Section 8 program.

E. RENTAL INCREASES

HUD requires that a unit must be in compliance with the Housing Quality Standards (HQS) prior to the Housing Authority's approval of an increase in contract rent. All changes in the rent to owners shall be determined by the provisions of the lease. Owners may not request rent increases in the Voucher Program to be effective prior to the expiration of the first year of the lease. The rent to owners must be reasonable in comparison with rent charged for comparable units in the private unassisted market or for units assisted under the Section 8 program. The Landlord/Owner must submit the Rental Increase Request Form to be considered for a rental increase. The Housing Authority will review the Rental Increase Request Form on an annual basis to determine whether the rent increase is reasonable.

The Housing Authority will consider one (1) rental increase request per contract year, per tenant. The request to increase the contract rent must be received by the Housing Authority no more than 90 days and no less than 60 days prior to the HAP anniversary date or the tenant's recertification date. Requests for a rental increase must be submitted on the Rental Increase Request Form and contain the tenant's signature to be accepted. This form is the only acceptable format in order to process the request. Once the owner submits the Rental Increase Request Form, notification of the approval or denial will be received the month prior to the HAP anniversary or tenant re-certification date. Owners are notified of

the rental increase status by emailed letter and tenants receive a copy by regular mail. If the rental increase request is not received 60 days prior to the anniversary date, the unit does not pass the first scheduled inspection visit, there are other program violations and/or the unit goes into abatement, the rental increase will be denied.

Rental Increase Example:

Rule: Rental increase request received no more than 90 days and no less than 60 days prior to the re-certification/HAP contract date

HAP Contract Date = 9/1/XXXX

Rental Increase = 6/1/XXXX – 7/1/XXXX
(90 days) (60 days)

VIII. RECERTIFICATIONS/INTERIM CHANGES

A. TENANT RECERTIFICATION

The Housing Authority is required to recertify the family at least annually. Annual recertification may be held in one or more group sessions. If the family misses two (2) scheduled recertification appointments, the housing assistance may be terminated. The family is required to furnish information to the Housing Authority pertaining to total family income, allowable deductions from income, and family composition. Families are informed in advance, in writing, of the information required for the recertification appointment.

Failure to submit copies of the required information for the recertification briefing may result in a rescheduled appointment. If the family's income has increased or decreased, it will change the amount of the family's payment to the owner. This will affect the portion of the contract rent that is paid by the family, but it does not affect the total amount received by the owner from both the Housing Authority and the family.

RHA may mail recertification packets for elderly and/or disabled families on a fixed income.

RHA must determine if a source of income is fixed. This may *determine* by comparing the amount of income from the source to the amount generated during the prior year. If the amount is the same or if it has changed only as a result of a COLA or due to interest generated on a principal amount that remained otherwise constant, then the source is fixed. RHA may also make such a determination by requiring a family to identify which applicable sources of income are fixed. The tenant's electronic file will be documented with the determination of the verification source used.

The term "fixed-income" includes income from:

- Social Security payments that include Supplemental Security Income (SSI) and/or Supplemental Security Disability Insurance (SSDI);
- Federal, state, local, and private pension plans; and
- Other periodic payments received from annuities, insurance policies, retirement funds, disability or death benefits, and other similar types of periodic payments.

Families will be informed in advance, in writing, of the information needed along with the expected due date. The Housing Authority will provide advance written notice to the family and to the owner if the family's portion of the rent changes. If the family fails to cooperate in the recertification process and the assistance is terminated, the Housing Authority notifies the owner in writing. The payments to the owner will cease thirty (30) days following the written notice of termination provided to the owner.

B. INTERIM CHANGES

Program participants must report all changes in household composition and income to the Housing Authority within (30) calendar days. The change must be in writing using the Housing Authority's Change of Status form. The following income changes must be reported if there is a change in source of income such as going from unemployment benefits to earned income such as wages from an employer. Wages from a new job must be reported within 30 days of the hire date. All other sources of new income must be reported such as Unemployment benefits, Social Security/SSI Payments, Child Support, Pension/Retirement, Work First benefits within 30 calendar days of the first payment received date.

Loss of unearned income such as: unemployment benefits, Temporary Assistance for Needy Families (TANF), Social Security and Supplemental Security Income (SSI) benefits must be submitted in writing using the Housing Authority's Change of Status form within 30 calendar days of the last payment date. It is required by HUD for the family to submit verification concerning income changes. In order to report a loss of child support payments, the family must submit a 12 month child support printout if court ordered that shows no payment has been received within the last 90 days. If not court ordered, a notarized statement from the non-custodial parent with the last payment dates.

Income changes with decreases will be processed within 30 calendar days of the date the verification is received, however the change will be made retroactive to the first of the month following the date of the reported change.

Income changes with increases will not be processed until the next Annual Re-exam with exception of the income listed below. The exceptions listed below will be processed within 30 calendar days of the date the request and verification is received.

Income Change Increase Exceptions:

- a. New Employment (Must receive at least 4 consecutive check stubs for verification)

- b. (If paid monthly and you have only received one (1) partial paycheck stubs for the month, then you will be given (30) thirty additional days to provide this office with (2) monthly paycheck stubs or complete the, "Employment Verification Form")
- c. New Child Support (Must receive a 12-month print out from the child support office or other form of verification approved by the Housing Authority.)
- d. New Social Security or SSI (Must provide Award Letter from the Social Security Administration.)

Changes in household composition (ex. additions, name changes, etc.) will only be processed during the annual recertification, unless a family member is being removed or adding household members with Assets, Benefits, and or Income. These changes must be accompanied with an updated lease addendum from the landlord reflecting the household member being added or removed from the lease.

Unreported Income

New Income not reported within (30) calendar days will be made effective immediately. No 30-day notice will be given. Tenant will be investigated for income discrepancy to determine overpayments by the agency due to the tenant's failure to report income in a timely manner; which could result in the tenant repaying Housing Assistance Payments and Utility Assistance Payments back to the agency.

C. Non-Traditional Employment

Non-Traditional Employment is when someone does not work a traditional 12 months per year such as a 9, 10, or 11 month employee.

Reporting Out of Work and Returning to Work

Families who go out of work for the summer must submit Verification from the employer of the last day of work and the employees re-start date if expected to return. Once submitted to our office attached to a Change of Status form, the agency will process two (2) actions. The first action will be processed effective the first date of the month following the received date. The second action will be processed effective 30 days from the re-start date given by the employer. The income used to add the income back will be the last wage information submitted by the family which is the paystubs. No wage verification will be accepted from the employer, only paystubs. If no paystubs have been provided, the amounts used will be based upon the last four (4) quarters of the Enterprise Income Verification (EIV) or Employment Security Commission (ESC) whichever is the most current. The same process will be done for any family who reports they are temporarily out of work, but are expected to return.

IX. REVALIDATIONS/PORTABILITY

A. REVALIDATIONS

Generally, the Housing Authority does not permit families to move with continued assistance to another unit within the Housing Authority's jurisdiction during the first year of assisted occupancy at their current unit. The term of the HAP Contract should mirror the lease term. Families and landlords may end lease agreement by following the guidelines that are specified within the lease. Families that are in good standing with the Housing Authority may request to move only one time in a calendar year. Good standing means the family does not have any program violations such as unreported income, unauthorized persons in the home, history of missed annual recertification's, history of missed annual inspections, police activity, unit damages, or violations of any city/county code. No family will be permitted to move with continued assistance prior to their lease-end date. A criminal background check; sex offender registry check and Enterprise Income Verification report will be generated for each adult household member. After the first year, a family may move if:

1. The assisted lease for the old unit has terminated because the Housing Authority terminated the HAP Contract for owner breach.
2. The owner has not given the family a notice to vacate, or has not commenced an action of eviction, or has not obtained a court judgment or other process allowing the owner to evict the family and if the family continues to be eligible under the program (in accordance with the eligibility factors in Section II (A) of this plan).

The family is in compliance with HUD rules and the Housing Authority's policies. If the family has been court ordered to pay for damages to the unit, this debt must be satisfied to be eligible for continued assistance.

3. The family has located a new apartment or house and provide the name of the apartment complex or owner, the name of the Property Manager, the contact information and the effective move-in date.
4. The Housing Assistance Payment Contract may be extended up to a maximum of 30 days (1 month) after termination for families that owners allow to remain in their current unit until the new unit passes inspection.

B. PORTABILITY

Portability applies to families moving out of or into the Housing Authority's jurisdiction within the United States and its territories. The Housing Authority follows established procedures to monitor portability of vouchers, of both the initial and receiving Housing Authority, in accordance with federal regulations (24 CFR 982-353).

Port Out - (Initial Housing Authority)

The Raleigh Housing Authority will pull an Enterprise Income Verification (EIV) record and criminal background check on all outgoing portable requests. Any family requesting portability to another jurisdiction must be in good standing with their current landlord and the Housing Authority. When families owe unreported money to a landlord for rent or damages, the Housing Authority may notify the receiving Housing Authority. If satisfactory arrangements are not made by the family to pay this debt, the voucher may be terminated.

If a family chooses to port to another housing authority's jurisdiction, Raleigh Housing Authority shall inform the family that it may be re-screened by the Receiving Housing Authority and may lose its assistance if the family fails to meet the Receiving Housing Authority's screening criteria.

Port In-(Receiving Housing Authority)

When the Raleigh Housing Authority is the Receiving Housing Authority we will within ten (10) calendar days of the HAP contract execution (not its effective date) inform the Initial Housing Authority via email or other delivery confirmation that it will absorb the family into its program or notify the Initial Housing Authority within the time limit set forth in Part I of the 52665 that it will bill the Initial Housing Authority for assistance on behalf of the portable family.

The Raleigh Housing Authority will determine the family unit size for the portable family. The family unit size is determined in accordance with the Raleigh Housing Authority's subsidy standards. Also, when receiving a portable voucher, the Raleigh Housing Authority's policies will govern a ported voucher.

The Raleigh Housing Authority may deny or terminate assistance for family action or inaction in accordance with 24 CFR 982.552 and 24 CFR 982.553.

As the receiving housing authority, the Raleigh Housing Authority will accept all eligible portability families, with limited exceptions. If an exception is utilized, the Raleigh Housing Authority will seek prior approval from HUD.

Although the Raleigh Housing Authority will promptly issue a voucher to an incoming portability family, it will still subject the families to its normal screening procedures. If the family fails to pass the screening thresholds, either the voucher will be revoked or the family will be terminated from the program if the unit has already been leased.

X. TERMINATION OF ASSISTANCE

A. FAMILY OBLIGATIONS

The Housing Authority may deny or terminate assistance for a family because of the family's action or failure to act. The Housing Authority will provide families with a written description of the Family Obligations under the program, the grounds under which the Housing Authority can deny or terminate assistance, and the Housing Authority's informal hearing procedures. Listed below are the family's obligations:

- (1) The family must supply any information that the Housing Authority or HUD determines necessary in the administration of the program, including submission of required evidence of citizenship or eligible immigration status (as provided by 24 CFR part 812). "Information" includes any requested certification, release, or other documentation.
- (2) The family must disclose and verify Social Security Numbers of all members.
- (3) All information supplied by the family must be true and complete.
- (4) The family is responsible for any HQS breach caused by the family.
- (5) The family must allow the Housing Authority to inspect the unit at reasonable times with reasonable notice. The family must not miss two (2) scheduled inspection appointments in any 12-month period.
- (6) The family must notify the owner and, at the same time, notify the Housing Authority before the family moves out of the unit or terminates the lease on notice to the owner.
- (7) The family must promptly give the Housing Authority a copy of any owner eviction notice.
- (8) The family must use the assisted unit as its primary residence.
- (9) The composition of the assisted family residing in the unit must be approved by the Housing Authority in advance. The family must promptly inform the Housing Authority of the birth, adoption or court-awarded custody of a child. The family must request Housing Authority approval to add any other family member as an occupant of the unit.
- (10) The family must promptly notify the Housing Authority if any household member is being added or removed from the unit. When adding new household members the landlord must approve the addition using the housing authority's Change of Status Form. If there are changes to the household composition the landlord must submit an addendum to the lease to show the current household members.
- (11) If the Housing Authority has given approval, a foster child or a live-in aide may reside in the unit. If the family does not request approval or Housing Authority approval is denied, the family may not allow a foster child or live-in aide to reside with the assisted family.
- (12) The family must not sublease.
- (13) The family must not assign the lease or transfer the unit.
- (14) The family must supply any information or certification requested by the Housing Authority to verify that the family is living in the unit, or relating to family absence from the unit, including any Housing Authority requested information or certification

on the purposes of family absences. The family must cooperate with the Housing Authority for this purpose.

- (15) The family must not own or have any interest in the unit.
- (16) The members of the family must not commit fraud, bribery or any other corrupt or criminal act in connection with the program.
- (17) The members of the family may not engage in drug-related criminal activity, violent criminal activity, or other criminal acts in the vicinity of their home or elsewhere in the community that disrupt the community in which the family resides. Program participants may be responsible for the behavior of their guests. Acts that disrupt a neighborhood or interfere with the rights of others in the community to peaceful enjoyment of their homes is a program violation. These activities must represent a history or pattern of behavior unless the act is drug-related or violent crime, which requires only a one-time occurrence. An arrest or conviction is not required; a preponderance of the evidence is the standard.
- (18) An assisted family, or members of the family, may not receive Voucher tenant-based assistance while receiving another housing subsidy, for the same unit or for a different unit, under any duplicative Federal, State or Local housing assistance program.
- (19) The family may not engage in any abusive or violent behavior towards the Housing Authority's staff members, Board members or the owner/owner's representative.
- (20) The family must not engage in illegal use of any controlled substance; or abuse of alcohol that threatens the health, safety, or right to peaceful enjoyment of the premises by the surrounding community.
- (21) The family must not receive Voucher assistance while residing in a unit owned by a parent, child, grandparent, grandchild, sister or brother of any family member, unless approved in advance by RHA to provide a reasonable accommodation for persons with disabilities.
- (22) The family may not commit any serious or repeated violation of the lease. Examples include but are not limited to: nonpayment of rent, destruction of property, non-payment of damages beyond normal wear and tear, police activity or creating a disruptive influence in the neighborhood that is evidenced by repeated or multiple complaints from citizens.
- (23) Program participants must submit income increases during the annual recertification appointment. RHA must approve additions to the household in advance; this section only applies to persons leaving the household. Changes in household composition and loss of employment must be submitted in writing using the Housing Authority's Change of Status form within 30 calendar days. This form must be accompanied by a letter on company letterhead from the HR or payroll department.
Loss of unearned income such as: Child Support, unemployment benefits, TANF, Social Security and SSI benefits must be submitted in writing using the Housing Authority's Change of Status form within 30 calendar days. It is required by HUD for the family to submit verification concerning income changes.
- (24) The family must repay the Housing Authority in full any monies owed by the family. If a repayment agreement is executed between the Housing Authority and the family, the family must repay the funds in accordance with the repayment agreement.

- (25) The family must not be in breach of a repayment agreement with any housing authority.
- (26) The family must not be evicted from housing assisted under the program for serious or repeated violation of the lease.
- (27) The family must not be absent from the unit more than 30 consecutive days. A Reasonable Accommodation request will be considered.
- (28) A Welfare-to-Work family must not willfully or persistently fail to fulfill its obligations under the Welfare-to-Work program.
- (29) Family members may not flee to avoid prosecution, custody or confinement after conviction for a crime or an attempt to commit a crime that is a felony.

B. MEMBERS OF THE PUBLIC NOTIFICATION

The recommended administrative remedies for members of the public who wish to report undesirable or disruptive behaviors for any family participating in the Housing Choice Voucher Program are listed below:

- (1) Contact the owner of the property to report the disruptive behavior.
- (2) Gather adequate documentation and credible evidence such as newspaper articles and police reports. Unless a drug-related or violent criminal activity has occurred, the Housing Authority will need proof identifying a pattern of disruptive behavior (not an isolated incident.)
- (3) If additional assistance is recommended such as mediation services with another agency outside of the Housing Authority, the complainant should participate in these services.
- (4) If the family's assistance is in jeopardy of termination and the family requests that the complainant be invited to attend the informal hearing, the complainant should attend the hearing and present his/her side of the story.

C. FAMILIES INELIGIBLE FOR CONTINUED ASSISTANCE (\$0 ASSISTANCE PAYMENTS)

If the annual reexamination results in a zero Housing Assisted Payments (HAP), the family may continue as a program participant for six months from the date of the reexamination effective date. During that period the HAP contract between the Housing Authority and the owner remains in effect. If the family circumstances change during the six-month period and the family again needs assistance, the Housing Authority conducts an interim reexamination and reinstates assistance. At the end of six months, if the HAP has not been restored, the HAP contract will terminate. The Housing Authority must provide the family and the owners at least 30 days advance notification of the proposed termination and an opportunity to request an informal hearing. (*Note: If the family has a pre-10/2/95 contract, they may continue as a program participant for twelve months from the date of the reexamination effective date.)

XI. CLAIMS/COMPLAINTS/APPEALS

A. CLAIMS

Tenant Damage/Unpaid Rent: The Housing Authority does not pay for any damage or vacancy loss payments. The owner keeps the full housing assistance payment for the month in which the family moves out. If the security deposit is insufficient to cover unpaid rent, damages, or other amounts the family owes the owner, the owner may collect the balance from the tenant.

B. COMPLAINTS

The Housing Authority will respond promptly to complaints from families, owners, employees, and members of the public. All complaints and their resolution will be documented.

C. INFORMAL HEARING PROCESS

This quasi-legal process constitutes the appeal process for voucher program participants. The Informal Hearing process is the only appeal beyond the Leased Housing staff and is not to be taken lightly. This hearing process is in place to provide due process for program participants facing a negative action, in particular a termination of benefits. There is no appeal beyond this process except to pursue proceedings in a court of law. Program participants receive a letter that explains the process and this information is helpful to ensure the family understands the process.

When An Informal Hearing Is Required: The Housing Authority must give a participant family an opportunity for an Informal Hearing to consider whether the following Housing Authority decisions were in accordance with the law, HUD regulations, and the Housing Authority's policies:

- A. A determination of the family's annual or adjusted income, and the use of such income to compute the housing assistance payment.
- B. A determination of the appropriate utility allowance (if any) for tenant-paid utilities from the Housing Authority utility allowance schedule.
- C. A determination of the family unit size under the Housing Authority's subsidy standards.
- D. A determination that a family is residing in a unit with a larger number of bedrooms than appropriate for the family size under the Housing Authority's subsidy standards,
- E. Housing Authority's determination to deny the family's request for an exception from the standards.

- F. A determination to terminate assistance for a participant family because of the family's action or failure to act (see 24.C.F.R. § 982.552).
- G. A determination to terminate assistance because the participant family has been absent from the assisted unit for longer than the maximum period permitted under the Housing Authority's policy and HUD rules.

When An Informal Hearing Is Not Required for the following:

- A. Determination that a unit does not comply with housing quality standards;
- B. Refusal to extend or suspend a voucher term;
- C. Discretionary administrative determinations by the RHA;
- D. General policy or class grievances;
- E. How the RHA established its utility allowance schedule;
- F. RHA refusal to approve a unit or tenancy;
- G. Determination that the unit does not meet housing quality standards due to family size or change in composition and;
- H. A determination to exercise or not to exercise any right or remedy against the owner.

Notice of Decision and Procedure for Requesting Informal Hearing: Following a Housing Authority action or decision that entitles a participant family ("family") to an Informal Hearing, the Housing Authority will give a family prompt written notice of the action or decision and of the family's right to request an Informal Hearing to determine whether the Housing Authority's decision was in accordance with the law, HUD regulations, and the Housing Authority's policies. The notice shall contain a brief statement of the reasons for the Housing Authority's decision, the date the decision is effective, a statement that if the family does not agree with the decision then the family may request an Informal Hearing on the decision, information on how the family can request an Informal Hearing including the name of the person to whom the hearing request should be addressed, and the deadline for submitting such request for an Informal Hearing.

If the cause for the termination is criminal activity as shown by a criminal record, the housing authority will include a copy of the criminal record with the termination letter.

Request for Informal Hearing: A request for an Informal Hearing (notice of appeal) must be submitted in writing to the Housing Authority by the tenant no later than 10 business

days from the date of the Housing Authority's notice of termination. The request should be mailed or hand-delivered to the designated person indicated in the termination letter. The Housing Authority's main office address is 900 Haynes Street, Raleigh, North Carolina, 27604.

The request for Informal Hearing should briefly state the basis for the appeal of the Housing Authority's decision. If the basis for the appeal is challenging the income calculation, the request should specifically state what income is included or excluded, what is incorrect and the time frame of the error. This does not mean the tenant has to state the dollar amount that is incorrect, rather the source is incorrect or the rent seems too high because..., etc. Only the issues subject to appeal and communicated by the family in the request for Informal Hearing shall be addressed at the hearing.

If the Housing Authority does not receive the family's written request for an Informal Hearing within 10 business days of the date of the Housing Authority's notice of termination, then the family waives its right to an Informal Hearing, and the Housing Authority's decision becomes final. This does not, however, constitute a waiver of the family's rights to appropriate judicial proceedings.

Impact of Appeal on Housing Authority Decision or Action: The Housing Authority will send the notice of termination explaining the reason for the action and provide the family the opportunity to request an informal hearing before it terminates or reduces a family's housing assistance payments under an outstanding HAP contract. When an Informal Hearing is requested, a decision to terminate or reduce assistance will not take effect until the Hearing Officer issues a decision. If an Informal Hearing is not requested, then the decision to terminate or reduce assistance will take effect on the expiration of the family's time to request such a hearing.

The Housing Authority may implement the following changes prior to an Informal Hearing: changes in total tenant payment or family share; denial of a new voucher for a family that wants to move; or unit size determinations for a family that wants to move.

Notice of Informal Hearing Scheduling: Upon the review of the family's timely, written request for an Informal Hearing, an Informal Hearing will be scheduled in a reasonably expeditious manner and the family will be sent an Informal Hearing Notification letter within a reasonable time. To expedite the process and minimize the impact on the family, the Hearing Notice may be verbal, either in person or via telephone, with a written follow up notice. The Notification will inform the family of the date, time and location of the Informal Hearing. It will also briefly explain the Informal Hearing process, including both the family's and the Housing Authority's right to discovery, the family's right to representation, and the family's and the Housing Authority's right to present arguments, evidence and witnesses at the hearing.

Failure to appear for a Scheduled Informal Hearing: After an Informal Hearing date is set, the family may request to reschedule or continue the hearing only upon a showing of "good cause". "Good Cause" is situations or emergencies that significantly affect the safety

and/or welfare of the family. Housing is a basic need and maintaining this assistance is of paramount importance. If a family does not appear at a scheduled hearing, or does not reschedule the hearing within 48 hours due to "good cause" the termination will stand. "Good Cause" represents emergency situations beyond the control of the family that significantly affects the health, safety or well-being of a family member. The hearing will be rescheduled, in any event, only one time. If the family fails to appear for a hearing and has not appropriately rescheduled it, then the family will be deemed to have waived its right to a hearing, and the Housing Authority's decision becomes final.

Hearing Officer: The Informal Hearing may be conducted by any person or persons designated by the Housing Authority ("Hearing Officer"). It will be someone other than the person who made or approved the decision under review or a subordinate of this person. The Hearing Officer will regulate the conduct of the Informal Hearing, in accordance with these hearing procedures.

Discovery: The family has the right to view any available document or evidence upon which the Housing Authority based its decision, and it may obtain a copy of these documents at the families expense. The Housing Authority must receive requests for such documents no later than five business days before the hearing. In no case will the family be allowed to remove the documents from the Housing Authority's offices. Requests for documents made five business days or less prior to the hearing may not be honored. Furthermore, file reviews requested at the last minute will not become grounds for delaying the hearing. The family should inform the RHA staff at the time of the hearing request if a file review is needed. If a family waits until immediately before the scheduled hearing to secure legal counsel, this is not a legitimate reason for delaying the hearing.

The Housing Authority also has the right to examine, at its offices and before the hearing any documents in the family's possession that are relevant to the hearing and the Housing Authority must be allowed to copy any such documents at its own expense. Any documents not made available to the Housing Authority at least five business days prior to the hearing may not be used in the hearing.

Representation at Informal Hearing: A family may be represented at an Informal Hearing by legal counsel or other designated representative(s) at its own expense. The family should inform the Housing Authority in writing at least five business days prior to the hearing of its intent to be represented by counsel or other designated representative(s). Except in the case of legal representation, the family must accompany the representative for the file review and any other meetings with the housing authority staff to discuss the matter under consideration. This representation is for the purpose of the informal hearing only. In order to act on the behalf of a program participant such as providing verifications, accessing confidential information in the file, altering the benefits being paid on behalf of a family, etc. the representative must have the power of attorney or legal authority to take such actions. To be clear, having the permission of the family to review a file with them or to speak for them in the hearing does not grant this person legal authority over all matters.

Objections, Arguments, Evidence, Witnesses: At the hearing, the family will be given the opportunity to present written or oral objections to the Housing Authority's decision. The family will also have the opportunity to present evidence and witnesses on the pertinent issues and it may question witnesses presented by the Housing Authority. The Housing Authority will likewise have the opportunity to present arguments, evidence, and witnesses, and it may question witnesses presented by the family. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings. When deciding the matter, the Hearing Officer will only consider evidence presented at the hearing. Exceptions: if a third party verification is needed to substantiate hearing testimony (e.g., proof of address). Since the hearing officer has had no previous knowledge of this case, it may be necessary to verify authenticity of documents, request copies of computer logs, pull phone records or other information to support testimony presented in the hearing. It is imperative that this process not become so regimented and structured that it disadvantages tenants who represent themselves. The Hearing Officer may allow a reasonable time for either side to submit relevant information. Information that is not submitted by the Hearing Officer's deadline, in the manner requested, will not be considered.

Standard of Review: The Hearing Officer will determine whether the Housing Authority's action or decision is consistent with the law, HUD regulations, and the Housing Authority's policies, based upon the evidence and testimony presented at the Informal Hearing. Factual determinations relating to the individual circumstances of the family will be based on preponderance of the evidence presented at the hearing.

Issuance of Decision: The Hearing Officer will issue a written decision within 10 business days of the hearing (or the deadline set by the Hearing Officer for third party verifications, if applicable). The decision shall briefly state the reasons for the decision. As proof of service, decisions that uphold termination will be sent by certified mail.

There is no right to further appeal beyond the Informal Hearing described herein.

Records: All Informal Hearing requests, supporting documentation, and a copy of the Hearing Officer's decision shall be retained in the participant's file.

Certain Decisions Not Binding on Housing Authority: The Housing Authority is not bound by Informal Hearing decisions that concern matters on which the Housing Authority is not required to provide an opportunity for an Informal Hearing, that are contrary to HUD regulations or requirements, that are contrary to federal, state, or local laws, or that exceed the authority of the person conducting the hearing. Accordingly, anytime the Hearing Officer's decision is against the Housing Authority, the (Director or Assistant Director of Leased Housing) will review the decision to determine if the Housing Authority is bound by the decision. If this review determines that the Housing Authority is not bound by the Hearing Officer's decision, then the Housing Authority will, within 10 business days of the date of the Hearing Officer's decision, so advise the participant and the Hearing Officer in writing. This written notice will include the reasons for the Housing Authority's determination that it is not bound by the decision.

Considering Circumstances: In determining whether to deny or terminate assistance because of action or failure to act by members of the family, the Housing Authority may consider all relevant circumstances such as the seriousness of the case, the extent of participation or culpability of individual family members, mitigating circumstances related to the disability of a family member, and the effects of denial or termination of assistance on other family members who were not involved in the action or failure.

The Housing Authority may impose, as a condition of continued assistance for other family members, a requirement that the family members who participated in or were culpable for the action or failure will not reside in the unit. If this condition is met, then the Housing Authority may permit the other members of a participant family to continue receiving assistance.

In determining whether to deny admission or terminate assistance for illegal use of drugs or alcohol abuse by a household member who is no longer engaged in such behavior, the Housing Authority may consider whether such household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program, or has otherwise been rehabilitated successfully. For this purpose, the Housing Authority may require the applicant or tenant to submit evidence of the household member's current participation in, or successful completion of, a supervised drug or alcohol rehabilitation program or evidence of otherwise having been rehabilitated successfully.

Informal Hearing Procedures for Denial of Assistance based on Ineligible

Immigration Status: Where the Housing Authority makes a determination of ineligible immigration status, it will offer an applicant or participant family the opportunity to request an Informal Hearing. A family may request an informal Hearing within 30 days of receipt of the ineligibility determination from the United States Immigration and Naturalization Service (INS), or the Housing Authority's decision to delay, terminate, or deny assistance. The procedures for these Informal Hearings, except the 30-day time period for requesting the hearing, will be the same as those utilized in other cases and described herein.

The Housing Authority shall keep all denial or termination of assistance documents related to immigration status for a minimum of five (5) years. These include any applications for initial or continued assistance.

XII. DEBTS TO HOUSING AUTHORITY

When families or owners owe money to the Housing Authority, the Housing Authority will make every effort to collect it. Before a debt is assessed against a family or owner, the file will contain documentation to support the Housing Authority's claim that the debt is owed. Administrative mistakes made in the program should not benefit or penalize the participant. In cases where the participant received too much or too little subsidy, the correction will be made retroactively.

With **first time income discrepancy** findings, a repayment agreement may be entered into between the Housing Authority and a person owing a debt in excess of \$500. The family must pay at least 50% of the debt as a down payment and pay the balance within three (3) months. Any family who commits income discrepancy in excess of \$500 a second time within at 12 month period may lose their assistance, have a seven-year exemption from being able to reapply for participation in the Voucher housing assistance program or Public Housing program and may not be granted an opportunity to enter into a repayment agreement. All funds must be paid before being considered for re-occupancy. If a family is unable to pay the 50% down payment because of financial hardship the Department Director or Assistant Director may grant an exemption if the family provides evidence of Financial Hardship

Families may receive assistance in excess of the amount they should due to unreported income, under-reported income or fraud.

Fraud encompasses situations where the recipient has falsely certified the amount of income received, provided false information or documentation and/or neglected to report an income source. In this case, the family may be offered one opportunity to enter into a repayment agreement. This agreement will require 50% of the overpayment as a down payment with the remaining balance paid in three equal installments.

In cases where the income was under-reported as in the case of overtime pay, the hearing officer may negotiate a smaller down payment and approve a longer repayment period based on the amount to be repaid. Repayment agreements should not exceed 24 months unless a Reasonable Accommodation request has been approved. Repayment agreements in excess of 36 months will be approved by the Executive Director (CEO)

If the repayment agreement is in arrears the Housing Authority may grant an extension, if requested in writing and good cause is provided.

If the family fails to enter into a repayment agreement, the Housing Authority may at its sole discretion:

- (1) Require payment in full;
- (2) Pursue collection of the debt through all available means including civil collection
- (3) Pursue criminal charges against any persons participating in the income discrepancy;
- (4) Terminate the housing assistance

All debts that are in excess of \$3,000 may be referred to the appropriate federal, state or local law enforcement agency for investigation and possible criminal prosecution. All other cases will be reviewed and a determination will be made before a referral is sent to the federal, state or local law enforcement agency for criminal prosecution.

If the housing assistance is already terminated, the family must pay the debt in full. The opportunity to enter into a repayment agreement may not be granted.

XIV. MODERATE REHABILITATION

The Moderate Rehabilitation (Mod Rehab) program was designed in 1978 to be an expansion of the rental certificate program. The Moderate Rehabilitation Program provides project-based rental assistance to very low-income individuals and families. The rental subsidy is attached to the building or unit. As long as a tenant remains in that building or unit during the term of the contract, he/she benefits from the rental subsidy. The Housing Choice Voucher subsidy does not provide financing for rehabilitation costs. No new projects are authorized for development under the Moderate Rehabilitation Program. Assistance is limited to properties previously rehabilitated pursuant to a Housing Assistance Payment (HAP) contract between an owner and a Public Housing Agency (PHA).

Owners participating under the Moderate Rehabilitation program with voucher assistance maintain their own waiting lists and refer applicants to the Raleigh Housing Authority for determination of eligibility.

XV. PROJECT BASE SECTION EIGHT (8)

XV. PROJECT BASE SECTION EIGHT (8) VOUCHERS

INTRODUCTION

This chapter describes HUD regulations and PHA policies related to the project-based voucher (PBV) program in nine parts:

Part I: General Requirements. This part describes general provisions of the PBV program including maximum budget authority requirements, relocation requirements, and equal opportunity requirements.

Part II: PBV Owner Proposals. This part includes policies related to the submission and selection of owner proposals for PBV assistance. It describes the factors the PHA will consider when selecting proposals, the type of housing that is eligible to receive PBV assistance, the cap on assistance at projects receiving PBV assistance, subsidy layering requirements, site selection standards, and environmental review requirements.

Part III: Dwelling Units. This part describes requirements related to housing quality standards, the type and frequency of inspections, and housing accessibility for persons with disabilities.

Part IV: Rehabilitated and Newly Constructed Units. This part describes requirements and policies related to the development and completion of rehabilitated and newly constructed housing units that will be receiving PBV assistance.

Part V: Housing Assistance Payments Contract. This part discusses HAP contract requirements and policies including the execution, term, and termination of the HAP contract. In addition, it describes how the HAP contract may be amended and identifies provisions that may be added to the HAP contract at the PHA's discretion.

Part VI: Selection of PBV Program Participants. This part describes the requirements and policies governing how the PHA and the owner will select a family to receive PBV assistance.

Part VII: Occupancy. This part discusses occupancy requirements related to the lease and describes under what conditions families are allowed or required to move. In addition, exceptions to the occupancy cap (which limits PBV assistance to 25 percent of the units in any project) are also discussed.

Part VIII: Determining Rent to Owner. This part describes how the initial rent to owner is determined, and how rent will be redetermined throughout the life of the HAP contract. Rent reasonableness requirements are also discussed.

Part IX: Payments to Owner. This part describes the types of payments owners may receive under this program.

PART I: GENERAL REQUIREMENTS

17-I.A. OVERVIEW [24 CFR 983.5; FR Notice 1/18/17; Notice PIH 2017-21]

The project-based voucher (PBV) program allows PHAs that already administer a tenant-based voucher program under an annual contributions contract (ACC) with HUD to take up to 20 percent of its authorized units and attach the funding to specific units rather than using it for tenant-based assistance [24 CFR 983.6]. PHAs may only operate a PBV program if doing so is consistent with the PHA's Annual Plan, and the goal of deconcentrating poverty and expanding housing and economic opportunities [42 U.S.C. 1437f(o)(13)].

RHA Policy

RHA will operate a project-based voucher program using up to 20 percent of its authorized units for project-based assistance.

See Exhibit 17-1 for information on projects to which the PHA has attached PBV assistance.

PBV assistance may be attached to existing housing or newly constructed or rehabilitated housing [24 CFR 983.52]. If PBV units are already selected for project-based assistance either under an agreement to enter into HAP Contract (Agreement) or a HAP contract, the PHA is not required to reduce the number of these units if the number of authorized units is subsequently reduced. However, the PHA is responsible for determining the amount of budget authority that is available for project-based vouchers and ensuring that the amount of assistance that is attached to units is within the amounts available under the ACC, regardless of whether the PHA has vouchers available for project-basing [FR Notice 1/18/17].

Additional Project-Based Units [FR Notice 1/18/17; Notice PIH 2017-21]

The PHA may project-base an additional 10 percent of its units above the 20 percent program limit. The units may be distributed among one, all, or a combination of the categories as long as the total number of units does not exceed the 10 percent cap. Units qualify under this exception if the units:

- Are specifically made available to house individuals and families that meet the definition of homeless under section 103 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11302) and contained in the Continuum of Care Interim Rule at 24 CFR 578.3.
- Are specifically made available to house families that are comprised of or include a veteran.
- *Veteran* means an individual who has served in the United States Armed Forces.
- Provide supportive housing to persons with disabilities or elderly persons as defined in 24 CFR 5.403.
- Are located in a census tract with a poverty rate of 20 percent or less, as determined in the most recent American Community Survey Five-Year Estimates.

Only units that are under a HAP contract that was first executed on or after April 18, 2017, are covered by the 10 percent exception.

RHA Policy

The RHA may project-base up to an additional 10 percent of its authorized units, up to 30 percent, in accordance with HUD regulations and requirements.

Units Not Subject to the PBV Program Limitation [FR Notice 1/18/17]

PBV units under the RAD program and HUD-VASH PBV set-aside vouchers do not count toward the 20 percent limitation when PBV assistance is attached to them.

In addition, units that were previously subject to certain federal rent restrictions or were receiving another type of long-term housing subsidy provided by HUD are not subject to the cap. The unit must be covered under a PBV HAP contract that first became effective on or after April 18, 2017.

RHA Policy

RHA may project-base units not subject to the 20 percent cap in accordance with HUD regulations and requirements.

17-I.B. TENANT-BASED VS. PROJECT-BASED VOUCHER ASSISTANCE [24 CFR 983.2]

Much of the tenant-based voucher program regulations also apply to the PBV program. Consequently, many of the PHA policies related to tenant-based assistance also apply to PBV assistance. The provisions of the tenant-based voucher regulations that do not apply to the PBV program are listed at 24 CFR 983.2.

RHA Policy

Except as otherwise noted in this chapter, or unless specifically prohibited by PBV program regulations, RHA's policies for the tenant-based voucher program contained in this administrative plan also apply to the PBV program and its participants.

17-I.C. RELOCATION REQUIREMENTS [24 CFR 983.7]

Any persons displaced as a result of implementation of the PBV program must be provided relocation assistance in accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA)[42 U.S.C. 4201-4655] and implementing regulations at 49 CFR part 24.

The cost of required relocation assistance may be paid with funds provided by the owner, local public funds, or funds available from other sources. PHAs may not use voucher program funds to cover relocation costs, except that PHAs may use their administrative fee reserve to pay for relocation expenses after all other program administrative expenses are satisfied, and provided that payment of the relocation benefits is consistent with state and local law. Use of the administrative fee for these purposes must also be consistent with other legal and regulatory requirements, including the requirement in 24 CFR 982.155 and other official HUD issuances.

The acquisition of real property for a PBV project is subject to the URA and 49 CFR part 24, subpart B. It is the responsibility of the PHA to ensure the owner complies with these requirements.

17-I.D. EQUAL OPPORTUNITY REQUIREMENTS [24 CFR 983.8]

The PHA must comply with all equal opportunity requirements under federal law and regulations in its implementation of the PBV program. This includes the requirements and authorities cited at 24 CFR 5.105(a). In addition, the PHA must comply with the PHA Plan certification on civil rights and affirmatively furthering fair housing, submitted in accordance with 24 CFR 903.7(o).

PART II: PBV OWNER PROPOSALS

17-II.A. OVERVIEW

With certain exceptions, the PHA must describe the procedures for owner submission of PBV proposals and for PHA selection of PBV proposals [24 CFR 983.51]. Before selecting a PBV proposal, the PHA must determine that the PBV proposal complies with HUD program regulations and requirements, including a determination that the property is eligible housing [24 CFR 983.53 and 983.54], complies with the cap on the number of PBV units per project [24 CFR 983.56], and meets the site selection standards [24 CFR 983.57]. The PHA may not commit PBVs until or unless it has followed the proposal selection requirements defined in 24 CFR 983.51 [Notice PIH 2011-54].

17-II.B. OWNER PROPOSAL SELECTION PROCEDURES [24 CFR 983.51(b)]

The PHA must select PBV proposals in accordance with the selection procedures in the PHA administrative plan. The PHA must select PBV proposals by either of the following two methods.

- PHA request for PBV Proposals. The PHA may solicit proposals by using a request for proposals to select proposals on a competitive basis in response to the PHA request. The PHA may not limit proposals to a single site or impose restrictions that explicitly or practically preclude owner submission of proposals for PBV housing on different sites.
- The PHA may select proposal that were previously selected based on a competition. This may include selection of a proposal for housing assisted under a federal, state, or local government housing assistance program that was subject to a competition in accordance with the requirements of the applicable program, community development program, or supportive services program that requires competitive selection of proposals (e.g., HOME, and units for which competitively awarded LIHTCs have been provided), where the proposal has been selected in accordance with such program's competitive selection requirements within three years of the PBV proposal selection date, and the earlier competitive selection proposal did not involve any consideration that the project would receive PBV assistance. The PHA need not conduct another competition.

Units Selected Non-Competitively [FR Notice 1/18/17; Notice PIH 2017-21; 24 CFR 983.51(b)]

For certain public housing projects where the PHA has an ownership interest or control, the PHA may attach PBV assistance non-competitively without following one of the two processes above.

This exception applies when the PHA is engaged in an initiative to improve, develop, or replace a public housing property or site. The public housing units may either currently be in the public housing inventory or may have been removed from the public housing inventory within five years of the date on which the PHA entered into the AHAP or HAP.

If the PHA is planning rehabilitation or new construction on the project, a minimum threshold of \$25,000 per unit in hard costs must be expended.

If the PHA plans to replace public housing by attaching PBV assistance to existing housing in which the PHA has an ownership interest or control, then the \$25,000 per unit minimum threshold does not apply as long as the existing housing substantially complies with HQS.

The PHA must include in the administrative plan what work it plans to do on the property or site and how many PBV units will be added to the site.

RHA Policy

RHA will not attach PBVs to projects owned by the RHA has described above.

Solicitation and Selection of PBV Proposals [24 CFR 983.51(c)]

PHA procedures for selecting PBV proposals must be designed and actually operated to provide broad public notice of the opportunity to offer PBV proposals for consideration by the PHA. The public notice procedures may include publication of the public notice in a local newspaper of general circulation and other means designed and actually operated to provide broad public notice. The public notice of the PHA request for PBV proposals must specify the submission deadline. Detailed application and selection information must be provided at the request of interested parties.

RHA Policy

RHA Request for Proposals for Rehabilitated and Newly Constructed Units

RHA will advertise its request for proposals (RFP) for rehabilitated and newly constructed housing in newspapers and trade journals.

The advertisement will state the number of vouchers available to be project-based, the type of units that will be considered, the submission deadline, and will note how to obtain the full RFP with information on the application and selection process. Advertisements will also contain a statement that participation in the PBV program requires compliance with Fair Housing and Equal Opportunity (FHEO) requirements.

In addition, the PHA will post the RFP and proposal submission and rating and ranking procedures on its website.

RHA will publish its advertisement in the newspapers and trade journals mentioned above for at least one day per week for three consecutive weeks. The advertisement will specify the number of units RHA estimates that it will be able to assist under the available funding. Proposals will be due in our office by close of business 30 calendar days from the date of the last publication.

In order for the proposal to be considered, the owner must submit the proposal to RHA by the published deadline date, and the proposal must respond to all requirements as outlined in the RFP. Incomplete proposals will not be reviewed.

RHA 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 PHA goal of deconcentrating poverty and expanding housing and economic opportunities;

- If applicable, the extent to which services for special populations are provided on site or in the immediate area for occupants of the property; and

- In order to promote partially assisted projects, projects where less than 25 percent of the units will be assisted will be rated higher than projects where 25 percent or more of the units will be assisted. In the case of projects for occupancy by the elderly, persons with disabilities or families needing other services, the PHA will rate partially assisted projects on the percentage of units assisted. Projects with the lowest percentage of assisted units will receive the highest score.

RHA Requests for Proposals for Existing Housing Units

RHA will advertise its request for proposals (RFP) for existing housing in newspapers and trade journals.

The advertisement will state the number of vouchers available to be project-based, the type of units that will be considered, the submission deadline, and will note how to obtain the full RFP with information on the application and selection process. Advertisements will also contain a statement that participation in the PBV program requires compliance with Fair Housing and Equal Opportunity (FHEO) requirements.

In addition, RHA will post the notice inviting such proposal submission and the rating and ranking procedures on its website.

RHA will periodically publish its advertisement in the newspapers and trade journals mentioned above for at least one day per week for three consecutive weeks. The advertisement will specify the number of units RHA estimates that it will be able to assist under the available funding. 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 PHA 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; and

- Extent to which units are occupied by families that are eligible to participate in the PBV program.

RHA Selection of Proposals Subject to a Previous Competition under a Federal, State, or Local Housing Assistance Program

RHA 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.

RHA may periodically advertise that it is accepting proposals, in newspapers and trade journals:

The advertisement will state the number of vouchers available to be project-based, the type of units that will be considered, the submission deadline, and will note how to obtain the full RFP with information on the application and selection process. Advertisements will also contain a statement that participation in the PBV program requires compliance with Fair Housing and Equal Opportunity (FHEO) requirements.

In addition to, or in place of advertising, the PHA 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 PHA will evaluate each proposal on its merits using the following factors:

- Extent to which the project furthers the PHA goal of deconcentrating poverty and expanding housing and economic opportunities; and

- 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, Choice Neighborhood, or Renewal Community.

PHA-Owned Units [24 CFR 983.51(e), 983.59, FR Notice 1/18/17, and Notice PIH 2017-21]

A PHA-owned unit may be assisted under the PBV program only if the HUD field office or HUD-approved independent entity reviews the selection process and determines that the PHA-owned units were appropriately selected based on the selection procedures specified in the PHA administrative plan. This also applies to noncompetitive selections. If the PHA selects a proposal for housing that is owned or controlled by the PHA, the PHA must identify the entity that will review the PHA proposal selection process and perform specific functions with respect to rent determinations, the term of the HAP contract, and inspections.

In the case of PHA-owned units, the term of the HAP contract and any HAP contract renewal must be agreed upon by the PHA and a HUD-approved independent entity. In addition, an independent entity must determine the initial rent to owner, the redetermined rent to owner, and reasonable rent. Housing quality standards inspections must also be conducted by an independent entity.

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

RHA Policy

RHA may submit a proposal for project-based housing that is owned or controlled by the RHA.

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

PHA Notice of Owner Selection [24 CFR 983.51(d)]

The PHA must give prompt written notice to the party that submitted a selected proposal and must also give prompt public notice of such selection. Public notice procedures may include publication of public notice in a local newspaper of general circulation and other means designed and actually operated to provide broad public notice.

RHA Policy

Within 10 business days of the selection, RHA will notify the selected owner in writing of the owner's selection for the PBV program. We will also notify in writing all owners that submitted proposals that were not selected and advise such owners of the name of the selected owner.

In addition, We will publish its notice for selection of PBV proposals for two consecutive days in the same newspapers and trade journals RHA used to solicit the proposals. The announcement will include the name of the owner that was selected for the PBV program. We will also post the notice of owner selection on its electronic web site.

RHA will make available to any interested party its rating and ranking sheets and documents that identify the basis for selecting the proposal. These documents will be available for review by the public and other interested parties for one month after publication of the notice of owner selection. RHA will not make available sensitive owner information that is privileged, such as financial statements and similar information about the owner.

RHA will make these documents available for review at the PHA during normal business hours. The cost for reproduction of allowable documents will be \$.25 per page.

17-II.C. HOUSING TYPE [24 CFR 983.52]

The PHA may attach PBV assistance for units in existing housing or for newly constructed or rehabilitated housing developed under and in accordance with an agreement to enter into a housing assistance payments contract that was executed prior to the start of construction. A housing unit is considered an existing unit for purposes of the PBV program, if, at the time of notice of PHA selection, the units substantially comply with HQS. Units for which new construction or rehabilitation began after the owner's proposal submission but prior to the execution of the HAP do not subsequently qualify as existing housing. Units that were newly constructed or rehabilitated in violation of program requirements also do not qualify as existing housing.

The PHA must decide what housing type, new construction, rehabilitation, or existing housing, will be used to develop project-based housing. The PHA choice of housing type must be reflected in its solicitation for proposals.

17-II.D. PROHIBITION OF ASSISTANCE FOR CERTAIN UNITS

Ineligible Housing Types [24 CFR 983.53]

The PHA may not attach or pay PBV assistance to shared housing units; units on the grounds of a penal reformatory, medical, mental, or similar public or private institution; nursing homes or facilities providing continuous psychiatric, medical, nursing services, board and care, or intermediate care (except that assistance may be provided in assisted living facilities); units that are owned or controlled by an educational institution or its affiliate and are designated for occupancy by students; manufactured homes; and transitional housing. In addition, the PHA may not attach or pay PBV assistance for a unit occupied by an owner and the PHA may not select or enter into an agreement to enter into a HAP contract or HAP contract for a unit occupied by a family ineligible for participation in the PBV program. A member of a cooperative who owns shares in the project assisted under the PBV program is not considered an owner for purposes of participation in the PBV program. Finally, PBV assistance may not be attached to units for which construction or rehabilitation has started after the proposal submission and prior to the execution of an AHAP.

Subsidized Housing [24 CFR 983.54]

A PHA may not attach or pay PBV assistance to units in any of the following types of subsidized housing:

- A public housing unit;
- A unit subsidized with any other form of Section 8 assistance;
- A unit subsidized with any governmental rent subsidy;
- A unit subsidized with any governmental subsidy that covers all or any part of the operating costs of the housing;
- A unit subsidized with Section 236 rental assistance payments (except that a PHA may attach assistance to a unit subsidized with Section 236 interest reduction payments);
- A Section 202 project for non-elderly with disabilities;
- Section 811 project-based supportive housing for persons with disabilities;
- Section 202 supportive housing for the elderly;
- A Section 101 rent supplement project;
- A unit subsidized with any form of tenant-based rental assistance;
- A unit with any other duplicative federal, state, or local housing subsidy, as determined by HUD or the PHA in accordance with HUD requirements.

17-II.E. SUBSIDY LAYERING REQUIREMENTS [24 CFR 983.55, Notice PIH 2013-11, and FR Notice 2/28/20]

The subsidy layering review is intended to prevent excessive public assistance by combining (layering) housing assistance payment subsidy under the PBV program with other governmental housing assistance from federal, state, or local agencies, including assistance such as tax concessions or tax credits.

HUD requires new construction and rehabilitation housing that will include forms of governmental assistance other than PBVs to undergo a subsidy layering review (SLR) prior to entering into an Agreement to Enter into Housing Assistance Payments Contract (AHAP). Subsidy layering requirements do not apply to existing housing, when PBV is the only governmental assistance, or for projects already subject to a PBV HAP contract, even if the project is recapitalized with outside sources of funding.

When a PHA selects a new construction or rehabilitation project, the PHA must require information regarding all HUD and/or other federal, state, or local governmental assistance to be disclosed by the project owner using Form HUD-2880. Appendix A of FR Notice 2/28/20 contains a list of all required documentation.

Either HUD or a HUD-approved housing credit agency (HCA) in the PHA's jurisdiction performs the subsidy layering review. The PHA must request an SLR through their local HUD Field Office or, if eligible, through a participating HCA.

If the SLR request is submitted to an approved HCA, and the proposed project-based voucher assistance meets HUD subsidy layering requirements, the HCA must submit a certification to HUD and notify the PHA. The PHA may proceed to execute an AHAP at that time if the environmental approval is received.

The HAP contract must contain the owner's certification that the project has not received and will not receive (before or during the term of the HAP contract) any public assistance for acquisition, development, or operation of the housing other than assistance disclosed in the subsidy layering review in accordance with HUD requirements.

17-II.F. CAP ON NUMBER OF PBV UNITS IN EACH PROJECT

25 Percent per Project Cap [24 CFR 983.56, FR Notice 1/18/17, and Notice PIH 2017-21]

In general, the PHA may not select a proposal to provide PBV assistance for units in a project or enter into an agreement to enter into a HAP or a HAP contract to provide PBV assistance for units in a project, if the total number of dwelling units in the project that will receive PBV assistance during the term of the PBV HAP contract is more than the greater of 25 units or 25 percent of the number of dwelling units (assisted or unassisted) in the project.

Exceptions to 25 Percent per Project Cap [FR Notice 1/18/17; Notice PIH 2017-21]

As of April 18, 2017, units are not counted against the 25 percent or 25-unit per project cap if:

- The units are exclusively for elderly families
- The units are for households eligible for supportive services available to all families receiving PBV assistance in the project
 - If the project is located in a census tract with a poverty rate of 20 percent or less, as determined in the most recent American Community Survey Five-Year estimates, the project cap is the greater of 25 units or 40 percent (instead of 25 percent) of the units in the project [FR Notice 7/14/17].

The Housing Opportunity Through Modernization Act of 2016 (HOTMA) eliminated the project cap exemption for projects that serve disabled families and modified the exception for supportive services. Projects where these caps were implemented prior to HOTMA (HAP contracts executed prior to April 18, 2017) may continue to use the former exceptions and may renew their HAP contracts under the old requirements, unless the PHA and owner agree to change the conditions of the HAP contract. However, this change may not be made if it would jeopardize an assisted family's eligibility for continued assistance in the project.

Supportive Services

PHAs must include in the PHA administrative plan the type of services offered to families for a project to qualify for the exception and the extent to which such services will be provided. As of April 18, 2017, the project must make supportive services available to all families receiving PBV assistance in the project, but the family does not actually have to accept and receive supportive services for the exception to apply to the unit, although the family must be eligible to receive the supportive services. It is not necessary that the services be provided at or by the project, but must be reasonably available to families receiving PBV assistance at the project and designed to help families in the project achieve self-sufficiency or live in the community as independently as possible. A PHA may not require participation in the supportive service as a condition of living in the excepted unit, although such services may be offered.

PHA Policy

Excepted units will be limited to units for elderly families.

Projects not Subject to a Project Cap [FR Notice 1/18/17; Notice PIH 2017-21]

PBV units that were previously subject to certain federal rent restrictions or receiving another type of long-term housing subsidy provided by HUD are exempt from the project cap. In other words, 100 percent of the units in these projects may receive PBV assistance.

RHA Policy

RHA does not have any PBV units that are subject to the per project cap exception.

Promoting Partially Assisted Projects [24 CFR 983.56(c)]

A PHA may establish local requirements designed to promote PBV assistance in partially assisted projects. A *partially assisted project* is a project in which there are fewer units covered by a HAP contract than residential units [24 CFR 983.3].

A PHA may establish a per-project cap on the number of units that will receive PBV assistance or other project-based assistance in a multifamily project containing excepted units or in a single-family building. A PHA may also determine not to provide PBV assistance for excepted units, or the PHA may establish a per-project cap of less than 25 units or 25 percent of units.

RHA Policy:

Excepted units will be limited to units for elderly families.

Beyond that, RHA will not impose any further cap on the number of PBV units assisted per project.

17-II.G. SITE SELECTION STANDARDS

Compliance with PBV Goals, Civil Rights Requirements, and HQS Site Standards [24 CFR 983.57(b)]

The PHA may not select a proposal for existing, newly constructed, or rehabilitated PBV housing on a site or enter into an agreement to enter into a HAP contract or HAP contract for units on the site, unless the PHA has determined that PBV assistance for housing at the selected site is consistent with the goal of deconcentrating poverty and expanding housing and economic opportunities. The standard for deconcentrating poverty and expanding housing and economic opportunities must be consistent with the PHA Plan under 24 CFR 903 and the PHA administrative plan.

In addition, prior to selecting a proposal, the PHA must determine that the site is suitable from the standpoint of facilitating and furthering full compliance with the applicable Civil Rights Laws, regulations, and Executive Orders, and that the site meets the HQS site and neighborhood standards at 24 CFR 982.401(l).

PHA Policy

It is RHA's goal to select sites for PBV housing that provide for deconcentrating poverty and expanding housing and economic opportunities. In complying with this goal we may limit approval of sites for PBV housing in census tracts that have poverty concentrations of 20 percent or less.

However, RHA may grant exceptions to the 20 percent standard where we determine that the PBV assistance will complement other local redevelopment activities designed to deconcentrate poverty and expand housing and economic opportunities in census tracts with poverty concentrations greater than 20 percent, such as sites in:

- A census tract in which the proposed PBV development will be located in a HUD-designated Enterprise Zone, Economic Community, Choice Neighborhood, or Renewal Community;

- A census tract where the concentration of assisted units will be or has decreased as a result of public housing demolition and HOPE VI redevelopment;

- A census tract in which the proposed PBV development will be located is undergoing significant revitalization as a result of state, local, or federal dollars invested in the area;

- A census tract where new market rate units are being developed where such market rate units will positively impact the poverty rate in the area;

- A census tract where there has been an overall decline in the poverty rate within the past five years; or

- A census tract where there are meaningful opportunities for educational and economic advancement.

Existing and Rehabilitated Housing Site and Neighborhood Standards [24 CFR 983.57(d)]

The PHA may not enter into an agreement to enter into a HAP contract nor enter into a HAP contract for existing or rehabilitated housing until it has determined that the site complies with the HUD required site and neighborhood standards. The site must:

- Be adequate in size, exposure, and contour to accommodate the number and type of units proposed;
- Have adequate utilities and streets available to service the site;
- Promote a greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons;
- Be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services equivalent to those found in neighborhoods consisting largely of unassisted similar units; and
- Be located so that travel time and cost via public transportation or private automobile from the neighborhood to places of employment is not excessive.

New Construction Site and Neighborhood Standards [24 CFR 983.57(e)]

In order to be selected for PBV assistance, a site for newly constructed housing must meet the following HUD required site and neighborhood standards:

- The site must be adequate in size, exposure, and contour to accommodate the number and type of units proposed;
- The site must have adequate utilities and streets available to service the site;
- The site must not be located in an area of minority concentration unless the PHA determines that sufficient, comparable opportunities exist for housing for minority families in the income range to be served by the proposed project outside areas of minority concentration or that the project is necessary to meet overriding housing needs that cannot be met in that housing market area;
- The site must not be located in a racially mixed area if the project will cause a significant increase in the proportion of minority to non-minority residents in the area.
- The site must promote a greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons;
- The neighborhood must not be one that is seriously detrimental to family life or in which substandard dwellings or other undesirable conditions predominate;
- The housing must be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services equivalent to those found in neighborhoods consisting largely of unassisted similar units; and
- Except for housing designed for elderly persons, the housing must be located so that travel time and cost via public transportation or private automobile from the neighborhood to places of employment is not excessive.

17-II.H. ENVIRONMENTAL REVIEW [24 CFR 983.58]

The PHA activities under the PBV program are subject to HUD environmental regulations in 24 CFR parts 50 and 58. The *responsible entity* is responsible for performing the federal environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.). The PHA may not enter into an agreement to enter into a HAP contract nor enter into a HAP contract until it has complied with the environmental review requirements.

In the case of existing housing, the responsible entity that is responsible for the environmental review under 24 CFR part 58 must determine whether or not PBV assistance is categorically excluded from review under the National Environmental Policy Act and whether or not the assistance is subject to review under the laws and authorities listed in 24 CFR 58.5.

The PHA may not enter into an agreement to enter into a HAP contract or a HAP contract with an owner, and the PHA, the owner, and its contractors may not acquire, rehabilitate, convert, lease, repair, dispose of, demolish, or construct real property or commit or expend program or local funds for PBV activities under this part, until the environmental review is completed.

The PHA must supply all available, relevant information necessary for the responsible entity to perform any required environmental review for any site. The PHA must require the owner to carry out mitigating measures required by the responsible entity (or HUD, if applicable) as a result of the environmental review.

PART III: DWELLING UNITS

17-III.A. OVERVIEW

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

17-III.B. HOUSING QUALITY STANDARDS [24 CFR 983.101]

The housing quality standards (HQS) for the tenant-based program, including those for special housing types, generally apply to the PBV program. HQS requirements for shared housing, manufactured home space rental, and the homeownership option do not apply because these housing types are not assisted under the PBV program.

The physical condition standards at 24 CFR 5.703 do not apply to the PBV program.

Lead-based Paint [24 CFR 983.101(c)]

The lead-based paint requirements for the tenant-based voucher program do not apply to the PBV program. Instead, The Lead-based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at 24 CFR Part 35, Subparts A, B, H, and R, and 40 CFR 745.227, apply to the PBV program.

17-III.C. HOUSING ACCESSIBILITY FOR PERSONS WITH DISABILITIES

The housing must comply with program accessibility requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR part 8. The PHA must ensure that the percentage of accessible dwelling units complies with the requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), as implemented by HUD's regulations at 24 CFR 8, subpart C.

Housing first occupied after March 13, 1991, must comply with design and construction requirements of the Fair Housing Amendments Act of 1988 and implementing regulations at 24 CFR 100.205, as applicable. (24 CFR 983.102)

17-III.D. INSPECTING UNITS

Pre-selection Inspection [24 CFR 983.103(a)]

The PHA must examine the proposed site before the proposal selection date. If the units to be assisted already exist, the PHA must inspect all the units before the proposal selection date, and must determine whether the units substantially comply with HQS. To qualify as existing housing, units must substantially comply with HQS on the proposal selection date. However, the PHA may not execute the HAP contract until the units fully comply with HQS.

Pre-HAP Contract Inspections [24 CFR 983.103(b), FR Notice 1/18/17, and Notice PIH 2017-20]

The PHA must inspect each contract unit before execution of the HAP contract. The PHA may not provide assistance on behalf of the family until the unit fully complies with HQS, unless the PHA has adopted a policy to enter into a HAP contract for units that fail the initial HQS inspection as a result of only non-life-threatening conditions, or if the unit passed an alternative inspection.

RHA Policy

RHA will not provide assistance on behalf of the family until the unit fully complies with HQS.

Turnover Inspections [24 CFR 983.103(c)]

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

Annual/Biennial Inspections [24 CFR 983.103(d); FR Notice 6/25/14]

At least once every 24 months during the term of the HAP contract, the PHA must 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 HQS. Turnover inspections are not counted toward meeting this inspection requirement.

RHA Policy

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

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

Other Inspections [24 CFR 983.103(e)]

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

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

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

Inspecting PHA-Owned Units [24 CFR 983.103(f)]

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

PART IV: REHABILITATED AND NEWLY CONSTRUCTED UNITS

17-IV.A. OVERVIEW [24 CFR 983.151]

There are specific requirements that apply to PBV assistance for newly constructed or rehabilitated housing that do not apply to PBV assistance in existing housing. This part describes the requirements unique to this type of assistance.

Housing selected for this type of assistance may not at a later date be selected for PBV assistance as existing housing.

17-IV.B. AGREEMENT TO ENTER INTO HAP CONTRACT

In order to offer PBV assistance in rehabilitated or newly constructed units, the PHA must enter into an agreement to enter into HAP contract (Agreement) with the owner of the property. The Agreement must be in the form required by HUD [24 CFR 983.152(b)]. The PHA may not enter into an Agreement if commencement of construction or rehabilitation has commenced after proposal submission [24 CFR 983.152(c)]. Construction begins when excavation or site preparation (including clearing of the land) begins for the housing. Rehabilitation begins with the physical commencement of rehabilitation activity on the housing.

In the Agreement the owner agrees to develop the PBV contract units to comply with HQS, and the PHA agrees that upon timely completion of such development in accordance with the terms of the Agreement, the PHA will enter into a HAP contract with the owner for the contract units [24 CFR 983.152(a)].

Content of the Agreement [24 CFR 983.152(d)]

At a minimum, the Agreement must describe the following features of the housing to be developed and assisted under the PBV program:

- Site and the location of the contract units;
- Number of contract units by area (size) and number of bedrooms and bathrooms;
- Services, maintenance, or equipment to be supplied by the owner without charges in addition to the rent;
- Utilities available to the contract units, including a specification of utility services to be paid by the owner and utility services to be paid by the tenant;
- An indication of whether or not the design and construction requirements of the Fair Housing Act and section 504 of the Rehabilitation Act of 1973 apply to units under the Agreement. If applicable, any required work item resulting from these requirements must be included in the description of work to be performed under the Agreement;
- Estimated initial rents to owner for the contract units;
- Description of the work to be performed under the Agreement. For rehabilitated units, the description must include the rehabilitation work write up and, where determined necessary by the PHA, specifications and plans. For new construction units, the description must include the working drawings and specifications.
- Any additional requirements for quality, architecture, or design over and above HQS.

Execution of the Agreement [24 CFR 983.153]

The Agreement must be executed promptly after PHA notice of proposal selection to the selected owner. The PHA may not enter into the Agreement if construction or rehabilitation has started after proposal submission. Generally, the PHA may not enter into the Agreement with the owner until the subsidy layering review is completed. Likewise, the PHA may not enter into the Agreement until the environmental review is completed and the PHA has received environmental approval. However, the PHA does not need to conduct a subsidy layering review in the case of a HAP contract for existing housing or if the applicable state or local agency has conducted such a review. Similarly, environmental reviews are not required for existing structures unless otherwise required by law or regulation.

RHA Policy

RHA will enter into the Agreement with the owner within 10 business days of receiving both environmental approval and notice that subsidy layering requirements have been met, and before construction or rehabilitation work is started.

17-IV.C. CONDUCT OF DEVELOPMENT WORK

Labor Standards [24 CFR 983.154(b)]

If an Agreement covers the development of nine or more contract units (whether or not completed in stages), the owner and the owner's contractors and subcontractors must pay Davis-Bacon wages to laborers and mechanics employed in the development of housing. The HUD-prescribed form of the Agreement will include the labor standards clauses required by HUD, such as those involving Davis-Bacon wage rates.

The owner, contractors, and subcontractors must also comply with the Contract Work Hours and Safety Standards Act, Department of Labor regulations in 29 CFR part 5, and other applicable federal labor relations laws and regulations. The PHA must monitor compliance with labor standards.

Owner Disclosure [24 CFR 983.154(d) and (e)]

The Agreement and HAP contract must include a certification by the owner that the owner and other project principals are not on the U.S. General Services Administration list of parties excluded from federal procurement and non-procurement programs.

The owner must also disclose any possible conflict of interest that would be a violation of the Agreement, the HAP contract, or HUD regulations.

17-IV.D. COMPLETION OF HOUSING

The Agreement must specify the deadlines for completion of the housing, and the owner must develop and complete the housing in accordance with these deadlines. The Agreement must also specify the deadline for submission by the owner of the required evidence of completion.

Evidence of Completion [24 CFR 983.155(b)]

At a minimum, the owner must submit the following evidence of completion to the PHA in the form and manner required by the PHA:

- Owner certification that the work has been completed in accordance with HQS and all requirements of the Agreement; and
- Owner certification that the owner has complied with labor standards and equal opportunity requirements in development of the housing.

At the PHA's discretion, the Agreement may specify additional documentation that must be submitted by the owner as evidence of housing completion.

RHAPolicy

RHA will determine the need for the owner to submit additional documentation as evidence of housing completion on a case-by-case basis depending on the nature of the PBV project. The PHA will specify any additional documentation requirements in the Agreement to enter into HAP contract.

PHA Acceptance of Completed Units [24 CFR 983.156]

Upon notice from the owner that the housing is completed, the PHA must inspect to determine if the housing has been completed in accordance with the Agreement, including compliance with HQS and any additional requirements imposed under the Agreement. The PHA must also determine if the owner has submitted all required evidence of completion.

If the work has not been completed in accordance with the Agreement, the PHA must not enter into the HAP contract.

If the PHA determines the work has been completed in accordance with the Agreement and that the owner has submitted all required evidence of completion, the PHA must submit the HAP contract for execution by the owner and must then execute the HAP contract.

PART V: HOUSING ASSISTANCE PAYMENTS CONTRACT (HAP)

17-V.A. OVERVIEW

The PHA must enter into a HAP contract with an owner for units that are receiving PBV assistance. The purpose of the HAP contract is to provide housing assistance payments for eligible families. Housing assistance is paid for contract units leased and occupied by eligible families during the HAP contract term. With the exception of single-family scattered-site projects, a HAP contract shall cover a single project. If multiple projects exist, each project is covered by a separate HAP contract. The HAP contract must be in the form required by HUD [24 CFR 983.202(a)].

17-V.B. HAP CONTRACT REQUIREMENTS

Contract Information [24 CFR 983.203]

The HAP contract must specify the following information:

- The total number of contract units by number of bedrooms;
- The project's name, street address, city or county, state and zip code, block and lot number (if known), and any other information necessary to clearly identify the site and the building;
- The number of contract units in each building, the location of each contract unit, the area of each contract unit, and the number of bedrooms and bathrooms in each contract unit;
- Services, maintenance, and equipment to be supplied by the owner and included in the rent to owner;
- Utilities available to the contract units, including a specification of utility services to be paid by the owner (included in rent) and utility services to be paid by the tenant;
- Features provided to comply with program accessibility requirements of Section 504 of the Rehabilitation Act of 1973 and implementing regulations at 24 CFR part 8;
- The HAP contract term;
- The number of units in any project that will exceed the 25 percent per project cap, which will be set aside for occupancy by qualifying families (elderly and/or disabled families and families receiving supportive services); and
- The initial rent to owner for the first 12 months of the HAP contract term.

Execution of the HAP Contract [24 CFR 983.204]

The PHA may not enter into a HAP contract until each contract unit has been inspected and the PHA has determined that the unit complies with the Housing Quality Standards (HQS), unless the PHA has adopted a policy to enter into a HAP contract for units that fail the initial HQS inspection as a result of only non-life-threatening conditions. For existing housing, the HAP contract must be executed promptly after the PHA selects the owner proposal and inspects the housing units. For newly constructed or rehabilitated housing the HAP contract must be executed after the PHA has inspected the completed units and has determined that the units have been completed in accordance with the agreement to enter into HAP, and the owner furnishes all required evidence of completion.

RHA Policy

For existing housing, the HAP contract will be executed within 10 business days of the PHA determining that all units pass HQS.

For rehabilitated or newly constructed housing, the HAP contract will be executed within 10 business days of the PHA determining that the units have been completed in accordance with the agreement to enter into HAP, all units meet HQS, and the owner has submitted all required evidence of completion.

Term of HAP Contract [24 CFR 983.205, FR Notice 1/18/17, and Notice PIH 2017-21]

The PHA may enter into a HAP contract with an owner for an initial term of no less than one year and no more than 20 years for each contract unit. The length of the term of the HAP contract for any contract unit may not be less than one year, nor more than 20 years. In the case of PHA-owned units, the term of the HAP contract must be agreed upon by the PHA and the independent entity approved by HUD [24 CFR 983.59(b)(2)].

RHA Policy

The term of all PBV HAP contracts will be negotiated with the owner on a case-by-case basis.

At the time of the initial HAP contract term or any time before expiration of the HAP contract, the PHA may extend the term of the contract for an additional term of up to 20 years if the PHA determines an extension is appropriate to continue providing affordable housing for low-income families. A HAP contract extension may not exceed 20 years. A PHA may provide for multiple extensions; however, in no circumstances may such extensions exceed 20 years, cumulatively. Extensions after the initial extension are allowed at the end of any extension term, provided that not more than 24 months prior to the expiration of the previous extension contract the PHA agrees to extend the term, and that such extension is appropriate to continue providing affordable housing for low-income families or to expand housing opportunities. Extensions after the initial extension term shall not begin prior to the expiration date of the previous extension term. Subsequent extensions are subject to the same limitations. All extensions must be on the form and subject to the conditions prescribed by HUD at the time of the extension. In the case of PHA-owned units, any extension of the term of the HAP contract must be agreed upon by the PHA and the independent entity approved by HUD [24 CFR 983.59(b)(2)].

RHA Policy

When determining whether or not to extend an expiring PBV contract, the PHA 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; and

Whether the funding could be used more appropriately for tenant-based assistance.

Termination by PHA [24 CFR 983.205(c) and FR Notice 1/18/17]

The HAP contract must provide that the term of the PHA's contractual commitment is subject to the availability of sufficient appropriated funding as determined by HUD or by the PHA in accordance with HUD instructions. For these purposes, sufficient funding means the availability of appropriations, and of funding under the ACC from such appropriations, to make full payment of housing assistance payments payable to the owner for any contract year in accordance with the terms of the HAP contract.

In times of insufficient funding, HUD requires that PHAs first take all cost-saving measures prior to failing to make payments under existing PBV HAP contracts.

If it is determined that there may not be sufficient funding to continue housing assistance payments for all contract units and for the full term of the HAP contract, the PHA may terminate the HAP contract by notice to the owner. The termination must be implemented in accordance with HUD instructions.

Termination by Owner [24 CFR 983.205(d)]

If in accordance with program requirements the amount of rent to an owner for any contract unit is reduced below the amount of the rent to owner at the beginning of the HAP contract term, the owner may terminate the HAP contract by giving notice to the PHA. In this case, families living in the contract units must be offered tenant-based assistance.

Statutory Notice Requirements: Contract Termination or Expiration [24 CFR 983.206, FR Notice 1/18/17, and Notice PIH 2017-21]

Not less than one year before the HAP contract terminates, or if the owner refuses to renew the HAP contract, the owner must notify the PHA and assisted tenants of the termination. The notice must be provided in the form prescribed by HUD. If the owner does not give timely notice, the owner must permit the tenants in assisted units to remain in their units for the required notice period with no increase in the tenant portion of their rent, and with no eviction as a result of the owner's inability to collect an increased tenant portion of rent. An owner may renew the terminating contract for a period of time sufficient to give tenants one-year advance notice under such terms as HUD may require.

Upon termination or expiration of the contract, a family living at the property is entitled to receive a tenant-based voucher. Tenant-based assistance would not begin until the owner's required notice period ends. The PHA must provide the family with a voucher and the family must also be given the option by the PHA and owner to remain in their unit with HCV tenant-based assistance as long as the unit complies with inspection and rent reasonableness requirements. The family must pay their total tenant payment (TTP) and any additional amount if the gross rent exceeds the applicable payment standard. The family has the right to remain in the project as long as the units are used for rental housing and are otherwise eligible for HCV assistance. The owner may not terminate the tenancy of a family that exercises its right to remain except for serious or repeated lease violations or other good cause. Families that receive a tenant-based voucher at the expiration or termination of the PBV HAP contract are not new admissions to the PHA HCV tenant-based program and are not subject to income eligibility requirements or any other admission requirements. If the family chooses to remain in their unit with tenant-based assistance, the family may do so regardless of whether the family share would initially exceed 40 percent of the family's adjusted monthly income.

Remedies for HQS Violations [24 CFR 983.208(b)]

The PHA may not make any HAP payment to the owner for a contract unit during any period in which the unit does not comply with HQS. If the PHA determines that a contract does not comply with HQS, the PHA may exercise any of its remedies under the HAP contract, for any or all of the contract units. Available remedies include termination of housing assistance payments, abatement or reduction of housing assistance payments, reduction of contract units, and termination of the HAP contract.

RHA Policy

RHA will abate and terminate PBV HAP contracts for non-compliance with HQS in accordance with the policies used in the tenant-based voucher program. These policies are contained in Section 8-II.G., Enforcing Owner Compliance.

17-V.C. AMENDMENTS TO THE HAP CONTRACT

Substitution of Contract Units [24 CFR 983.207(a)]

At the PHA's discretion and subject to all PBV requirements, the HAP contract may be amended to substitute a different unit with the same number of bedrooms in the same project for a previously covered contract unit. Before any such substitution can take place, the PHA must inspect the proposed unit and determine the reasonable rent for the unit.

Addition of Contract Units [FR Notice 1/18/17 and Notice PIH 2017-21]

The PHA and owner may amend the HAP contract to add additional PBV contract units in projects that already have a HAP contract without having to fulfill the selection requirements found at 24 CFR 983.51(b) for those additional PBV units, regardless of when the HAP contract was signed. The additional PBV units, however, are still subject to the PBV program cap and individual project caps. Prior to attaching additional units without competition, the PHA must submit to the local field office information outlined in FR Notice 1/18/17. The PHA must also detail in the administrative plan their intent to add PBV units and the rationale for adding units to the specific PBV project.

RHA Policy

RHA will add units to the contract on a case-by-case basis to ensure the availability of affordable housing as long as the addition of units does not exceed allowable project caps.

17-V.D. HAP CONTRACT YEAR, ANNIVERSARY AND EXPIRATION DATES [24 CFR 983.207(b) and 983.302(e)]

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

The annual anniversary of the HAP contract is the first day of the first calendar month after the end of the preceding contract year.

There is a single annual anniversary and expiration date for all units under a particular HAP contract, even in cases where contract units are placed under the HAP contract in stages (on different dates) or units are added by amendment. The anniversary and expiration dates for all units coincide with the dates for the contract units that were originally placed under contract.

17-V.E. OWNER RESPONSIBILITIES UNDER THE HAP CONTRACT [24 CFR 983.210]

When the owner executes the HAP contract s/he certifies that at such execution and at all times during the term of the HAP contract:

- All contract units are in good condition and the owner is maintaining the premises and contract units in accordance with HQS;
- The owner is providing all services, maintenance, equipment and utilities as agreed to under the HAP contract and the leases;
- Each contract unit for which the owner is receiving HAP, is leased to an eligible family referred by the PHA, and the lease is in accordance with the HAP contract and HUD requirements;
- To the best of the owner's knowledge the family resides in the contract unit for which the owner is receiving HAP, and the unit is the family's only residence;
- The owner (including a principal or other interested party) is not the spouse, parent, child, grandparent, grandchild, sister, or brother of any member of a family residing in a contract unit;
- The amount of the HAP the owner is receiving is correct under the HAP contract;
- The rent for contract units does not exceed rents charged by the owner for comparable unassisted units;
- Except for HAP and tenant rent, the owner has not received and will not receive any other payment or consideration for rental of the contract unit;
- The family does not own or have any interest in the contract unit (does not apply to family's membership in a cooperative); and
- Repair work on the project selected as an existing project that is performed after HAP execution within such post-execution period as specified by HUD may constitute development activity, and if determined to be development activity, the repair work undertaken shall be in compliance with Davis-Bacon wage requirements.

17-V.F. ADDITIONAL HAP REQUIREMENTS

Housing Quality and Design Requirements [24 CFR 983.101(e) and 983.208(a)]

The owner is required to maintain and operate the contract units and premises in accordance with HQS, including performance of ordinary and extraordinary maintenance. The owner must provide all the services, maintenance, equipment, and utilities specified in the HAP contract with the PHA and in the lease with each assisted family. In addition, maintenance, replacement and redecoration must be in accordance with the standard practice for the building as established by the owner.

The PHA may elect to establish additional requirements for quality, architecture, or design of PBV housing. Any such additional requirements must be specified in the Agreement to enter into a HAP contract and the HAP contract. These requirements must be in addition to, not in place of, compliance with HQS.

RHA Policy

RHA may identify the need for any special features on a case-by-case basis depending on the intended occupancy of the PBV project. RHA may specify any special design standards or additional requirements in the invitation for PBV proposals, the agreement to enter into HAP contract, and the HAP contract.

Vacancy Payments [24 CFR 983.352(b)]

At the discretion of the PHA, the HAP contract may provide for vacancy payments to the owner for a PHA-determined period of vacancy extending from the beginning of the first calendar month after the move-out month for a period not exceeding two full months following the move-out month. The amount of the vacancy payment will be determined by the PHA and cannot exceed the monthly rent to owner under the assisted lease, minus any portion of the rental payment received by the owner (including amounts available from the tenant's security deposit).

RHA Policy

RHA will decide on a case-by-case basis if the PHA will provide vacancy payments to the owner. The HAP contract with the owner will contain any such agreement, including the amount of the vacancy payment and the period for which the owner will qualify for these payments.

PART VI: SELECTION OF PBV PROGRAM PARTICIPANTS

17-VI.A. OVERVIEW

Many of the provisions of the tenant-based voucher regulations [24 CFR 982] also apply to the PBV program. This includes requirements related to determining eligibility and selecting applicants from the waiting list. Even with these similarities, there are requirements that are unique to the PBV program. This part describes the requirements and policies related to eligibility and admission to the PBV program.

17-VI.B. ELIGIBILITY FOR PBV ASSISTANCE [24 CFR 983.251(a) and (b)]

The PHA may select families for the PBV program from those who are participants in the PHA's tenant-based voucher program and from those who have applied for admission to the voucher program. For voucher participants, eligibility was determined at original admission to the voucher program and does not need to be redetermined at the commencement of PBV assistance. For all others, eligibility for admission must be determined at the commencement of PBV assistance.

Applicants for PBV assistance must meet the same eligibility requirements as applicants for the tenant-based voucher program. Applicants must qualify as a family as defined by HUD and the PHA, have income at or below HUD-specified income limits, and qualify on the basis of citizenship or the eligible immigration status of family members [24 CFR 982.201(a) and 24 CFR 983.2(a)]. In addition, an applicant family must provide social security information for family members [24 CFR 5.216 and 5.218] and consent to the PHA's collection and use of family information regarding income, expenses, and family composition [24 CFR 5.230]. The PHA may also not approve a tenancy if the owner (including a principal or other interested party) of the unit is the parent, child, grandparent, grandchild, sister, or brother of any member of the family, unless needed as a reasonable accommodation. An applicant family must also meet HUD requirements related to current or past criminal activity.

RHA Policy

RHA will determine an applicant family's eligibility for the PBV program in accordance with its HCV Eligibility policies.

In-Place Families [24 CFR 983.251(b)]

An eligible family residing in a proposed PBV contract unit on the date the proposal is selected by the PHA is considered an “in-place family.” These families are afforded protection from displacement under the PBV rule. If a unit to be placed under contract (either an existing unit or a unit requiring rehabilitation) is occupied by an eligible family on the date the proposal is selected, the in-place family must be placed on the PHA’s waiting list. Once the family’s continued eligibility is determined (the PHA may deny assistance to an in-place family for the grounds specified in 24 CFR 982.552 and 982.553), the family must be given an absolute selection preference and the PHA must refer these families to the project owner for an appropriately sized PBV unit in the project. Admission of eligible in-place families is not subject to income targeting requirements.

This regulatory protection from displacement does not apply to families that are not eligible to participate in the program on the proposal selection date.

17-VLC. ORGANIZATION OF THE WAITING LIST [24 CFR 983.251(c)]

The PHA may establish a separate waiting list for PBV units or it may use the same waiting list for both tenant-based and project-based assistance. The PHA may also merge the PBV waiting list with a waiting list for other assisted housing programs offered by the PHA. If the PHA chooses to offer a separate waiting list for PBV assistance, the PHA must offer to place applicants who are listed on the tenant-based waiting list on the waiting list for PBV assistance.

If a PHA decides to establish a separate PBV waiting list, the PHA may use a single waiting list for the PHA's whole PBV program, or it may establish separate waiting lists for PBV units in particular projects or buildings or for sets of such units.

RHA Policy

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

17-VLD. SELECTION FROM THE WAITING LIST [24 CFR 983.251(c)]

Applicants who will occupy units with PBV assistance must be selected from the PHA's waiting list. The PHA may establish selection criteria or preferences for occupancy of particular PBV units. The PHA may place families referred by the PBV owner on its PBV waiting list.

Income Targeting [24 CFR 983.251(c)(6)]

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

Units with Accessibility Features [24 CFR 983.251(c)(7)]

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

Preferences [24 CFR 983.251(d), FR Notice 11/24/08]

The PHA may use the same selection preferences that are used for the tenant-based voucher program, establish selection criteria or preferences for the PBV program as a whole, or for occupancy of particular PBV developments or units. The PHA must provide an absolute selection preference for eligible in-place families as described in Section 17-VI.B. above.

The PHA may establish a selection preference for families who qualify for voluntary services, including disability-specific services, offered in conjunction with assisted units, provided that preference is consistent with the PHA plan. The PHA may not, however, grant a preference to a person with a specific disability [FR Notice 1/18/17].

In advertising such a project, the owner may advertise the project as offering services for a particular type of disability; however, the project must be open to all otherwise eligible disabled persons who may benefit from services provided in the project. In these projects, disabled residents may not be required to accept the particular services offered as a condition of occupancy.

If the PHA has projects with "excepted units" for elderly families or supportive services, the PHA must give preference to such families when referring families to these units [24 CFR 983.261(b); FR Notice 1/18/17].

RHA Policy

RHA will utilize the preferences used by the tenant based Housing Choice Voucher (HCV) Program.

17-VLE. OFFER OF PBV ASSISTANCE

Refusal of Offer [24 CFR 983.251(e)(3)]

The PHA is prohibited from taking any of the following actions against a family who has applied for, received, or refused an offer of PBV assistance:

- Refuse to list the applicant on the waiting list for tenant-based voucher assistance;
- Deny any admission preference for which the applicant qualifies;
- Change the applicant's place on the waiting list based on preference, date, and time of application, or other factors affecting selection under the PHA's selection policy;
- Remove the applicant from the tenant-based voucher waiting list.

Disapproval by Landlord [24 CFR 983.251(e)(2)]

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

Acceptance of Offer [24 CFR 983.252]

Family Briefing

When a family accepts an offer for PBV assistance, the PHA must give the family an oral briefing. The briefing must include information on how the program works and the responsibilities of the family and owner. In addition to the oral briefing, the PHA must provide a briefing packet that explains how the PHA determines the total tenant payment for a family, the family obligations under the program, and applicable fair housing information.

Persons with Disabilities

If an applicant family's head or spouse is disabled, the PHA must assure effective communication, in accordance with 24 CFR 8.6, in conducting the oral briefing and in providing the written information packet. This may include making alternative formats available (see Chapter 2). In addition, the PHA must have a mechanism for referring a family that includes a member with a mobility impairment to an appropriate accessible PBV unit.

Persons with Limited English Proficiency

The PHA should take reasonable steps to assure meaningful access by persons with limited English proficiency in accordance with Title VI of the Civil Rights Act of 1964 and Executive Order 13166 (see Chapter 2).

17-VLF. OWNER SELECTION OF TENANTS

The owner is responsible for developing written tenant selection procedures that are consistent with the purpose of improving housing opportunities for very low-income families and reasonably related to program eligibility and an applicant's ability to fulfill their obligations under the lease. An owner must promptly notify in writing any rejected applicant of the grounds for any rejection [24 CFR 983.253(a)(2) and (a)(3)].

Leasing [24 CFR 983.253(a)]

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

Filling Vacancies [24 CFR 983.254(a)]

The owner must promptly notify the PHA of any vacancy or expected vacancy in a contract unit. After receiving such notice, the PHA must make every reasonable effort to promptly refer a sufficient number of families for the owner to fill such vacancies. The PHA and the owner must make reasonable efforts to minimize the likelihood and length of any vacancy.

RHA Policy

The owner must notify RHA in writing (mail, fax, or email) within five business days of learning about any vacancy or expected vacancy.

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

Reduction in HAP Contract Units Due to Vacancies [24 CFR 983.254(b)]

If any contract units have been vacant for 120 or more days since owner notice of the vacancy, the PHA may give notice to the owner amending the HAP contract to reduce the number of contract units by subtracting the number of contract units (according to the bedroom size) that have been vacant for this period.

RHA Policy

If any contract units have been vacant for 120 days, the PHA 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. RHA will provide the notice to the owner within 10 business 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 PHA's notice.

17-VLG. TENANT SCREENING [24 CFR 983.255]

PHA Responsibility

The PHA is not responsible or liable to the owner or any other person for the family's behavior or suitability for tenancy. However, the PHA may opt to screen applicants for family behavior or suitability for tenancy and may deny applicants based on such screening.

RHA Policy

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

The PHA must provide the owner with an applicant family's current and prior address (as shown in PHA records) and the name and address (if known by the PHA) of the family's current landlord and any prior landlords.

In addition, the PHA may offer the owner other information the PHA may have about a family, including information about the tenancy history of family members or about drug trafficking and criminal activity by family members. The PHA must provide applicant families a description of the PHA policy on providing information to owners, and the PHA must give the same types of information to all owners.

The PHA may not disclose to the owner any confidential information provided in response to a request for documentation of domestic violence, dating violence, sexual assault, or stalking except at the written request or with the written consent of the individual providing the documentation [24 CFR 5.2007(a)(4)].

RHA Policy

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

Owner Responsibility

The owner is responsible for screening and selection of the family to occupy the owner's unit. When screening families the owner may consider a family's background with respect to the following factors:

- Payment of rent and utility bills;
- Caring for a unit and premises;
- Respecting the rights of other residents to the peaceful enjoyment of their housing;
- Drug-related criminal activity or other criminal activity that is a threat to the health, safety, or property of others; and
- Compliance with other essential conditions of tenancy.

PART VII: OCCUPANCY

17-VII.A. OVERVIEW

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

17-VII.B. LEASE [24 CFR 983.256]

The tenant must have legal capacity to enter a lease under state and local law. *Legal capacity* means that the tenant is bound by the terms of the lease and may enforce the terms of the lease against the owner.

Form of Lease [24 CFR 983.256(b)]

The tenant and the owner must enter into a written lease agreement that is signed by both parties. If an owner uses a standard lease form for rental units to unassisted tenants in the locality or premises, the same lease must be used for assisted tenants, except that the lease must include a HUD-required tenancy addendum. The tenancy addendum must include, word-for-word, all provisions required by HUD.

If the owner does not use a standard lease form for rental to unassisted tenants, the owner may use another form of lease, such as a PHA model lease.

The PHA may review the owner's lease form to determine if the lease complies with state and local law. If the PHA determines that the lease does not comply with state or local law, the PHA may decline to approve the tenancy.

RHA Policy

RHA will not review the owner's lease for compliance with state or local law.

Lease Requirements [24 CFR 983.256(c)]

The lease for a PBV unit must specify all of the following information:

- The names of the owner and the tenant;
- The unit rented (address, apartment number, if any, and any other information needed to identify the leased contract unit);
- The term of the lease (initial term and any provision for renewal);
- The amount of the tenant rent to owner, which is subject to change during the term of the lease in accordance with HUD requirements;
- A specification of the services, maintenance, equipment, and utilities that will be provide by the owner; and
- The amount of any charges for food, furniture, or supportive services.

Tenancy Addendum [24 CFR 983.256(d)]

The tenancy addendum in the lease must state:

- The program tenancy requirements;
- The composition of the household as approved by the PHA (the names of family members and any PHA-approved live-in aide);
- All provisions in the HUD-required tenancy addendum must be included in the lease. The terms of the tenancy addendum prevail over other provisions of the lease.

Initial Term and Lease Renewal [24 CFR 983.256(f)]

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

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

Changes in the Lease [24 CFR 983.256(e)]

If the tenant and owner agree to any change in the lease, the change must be in writing, and the owner must immediately give the PHA a copy of all changes.

The owner must notify the PHA in advance of any proposed change in the lease regarding the allocation of tenant and owner responsibilities for utilities. Such changes may only be made if approved by the PHA and in accordance with the terms of the lease relating to its amendment. The PHA must redetermine reasonable rent, in accordance with program requirements, based on any change in the allocation of the responsibility for utilities between the owner and the tenant. The redetermined reasonable rent will be used in calculation of the rent to owner from the effective date of the change.

Owner Termination of Tenancy [24 CFR 983.257]

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

Tenant Absence from the Unit [24 CFR 983.256(g) and 982.312(a)]

The lease may specify a maximum period of family absence from the unit that may be shorter than the maximum period permitted by PHA policy. According to program requirements, the family’s assistance must be terminated if they are absent from the unit for more than 180 consecutive days. PHA termination of assistance actions due to family absence from the unit are subject to 24 CFR 981.312, except that the unit is not terminated from the HAP contract if the family is absent for longer than the maximum period permitted.

Continuation of Housing Assistance Payments [24 CFR 982.258]

Housing assistance payments shall continue until the tenant rent equals the rent to owner. The cessation of housing assistance payments at such point will not affect the family's other rights under its lease, nor will such cessation preclude the resumption of payments as a result of later changes in income, rents, or other relevant circumstances if such changes occur within 180 days following the date of the last housing assistance payment by the PHA. After the 180-day period, the unit shall be removed from the HAP contract pursuant to 24 CFR 983.211.

RHA Policy

If a participating family receiving zero assistance experiences a change in circumstances that would result in a HAP payment to the owner, the family must notify RHA of the change and request an interim reexamination before the expiration of the 180-day period.

Security Deposits [24 CFR 983.259]

The owner may collect a security deposit from the tenant. The PHA may prohibit security deposits in excess of private market practice, or in excess of amounts charged by the owner to unassisted tenants.

RHA Policy

RHA will allow the owner to collect a security deposit amount the owner determines is appropriate.

When the tenant moves out of a contract unit, the owner, subject to state and local law, may use the security deposit, including any interest on the deposit, in accordance with the lease, as reimbursement for any unpaid tenant rent, damages to the unit, or other amounts owed by the tenant under the lease.

The owner must give the tenant a written list of all items charged against the security deposit and the amount of each item. After deducting the amount used to reimburse the owner, the owner must promptly refund the full amount of the balance to the tenant.

If the security deposit does not cover the amount owed by the tenant under the lease, the owner may seek to collect the balance from the tenant. The PHA has no liability or responsibility for payment of any amount owed by the family to the owner.

17-VII.C. MOVES

Overcrowded, Under-Occupied, and Accessible Units [24 CFR 983.260]

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

RHA Policy

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

PBV assistance in the same building or project;

PBV assistance in another project; and

Tenant-based voucher assistance.

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

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

RHA Policy

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

RHA 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.

Family Right to Move [24 CFR 983.261]

The family may terminate the lease at any time after the first year of occupancy. The family must give advance written notice to the owner in accordance with the lease and provide a copy of such notice to the PHA. If the family wishes to move with continued tenant-based assistance, the family must contact the PHA to request the rental assistance prior to providing notice to terminate the lease.

If the family terminates the lease in accordance with these requirements, the PHA is required to offer the family the opportunity for continued tenant-based assistance, in the form of a voucher or other comparable tenant-based rental assistance. If voucher or other comparable tenant-based assistance is not immediately available upon termination of the family's lease in the PBV unit, the PHA must give the family priority to receive the next available opportunity for continued tenant-based assistance.

If the family terminates the assisted lease before the end of the first year, the family relinquishes the opportunity for continued tenant-based assistance.

Emergency Transfers under VAWA [Notice PIH 2017-08]

Except where special consideration is needed for the project-based voucher program, the PHA will follow VAWA policies as outlined in Chapter 16 Part IX of this administrative plan, including using the Emergency Transfer Plan as the basis for PBV transfers under VAWA (Exhibit 16-4).

HUD requires that the PHA include policies that address when a victim has been living in a unit for less than a year or when a victim seeks to move sooner than a tenant-based voucher is available.

RHA Policy

When the victim of domestic violence, dating violence, sexual assault, or stalking has lived in the unit for less than one year, the PHA will provide several options for continued assistance.

RHA will first try to transfer the participant to another PBV unit in the same development or transfer to a different development where RHA has PBV units. RHA will expedite the administrative processes in this case in an effort to conduct the transfer as quickly as possible.

If no units are available for an internal transfer, or if there is reasonable cause to believe that such a transfer would put the victim in jeopardy, the participant may receive continued assistance through an external transfer to the tenant-based rental assistance (HCV housing program. Such a decision will be made by RHA based on the availability of tenant-based vouchers. Such families must be selected from the waiting list. RHA has adopted a Local Preference for victims of domestic violence, dating violence, sexual assault, and stalking in its HCV program in order to expedite this process.

If a victim wishes to move after a year of occupancy in the unit, but no tenant-based vouchers are available, RHA will offer the participant an internal transfer to another PBV unit in the same development or a transfer to a different development where RHA has PBV units. RHA will expedite the administrative processes in this case in an effort to conduct the transfer as quickly as possible.

If no units are available for an internal transfer, or if there is reasonable cause to believe that such a transfer would put the victim in jeopardy, the participant may receive continued assistance through an external transfer to another Housing Authority through the HCV Portability option.

17-VII.D. EXCEPTIONS TO THE OCCUPANCY CAP [24 CFR 983.262]

As of April 17, 2018, the PHA may not pay housing assistance under a PBV HAP contract for more than the greater of 25 units or 25 percent of the number of dwelling units in a project unless:

- The units are exclusively for elderly families
- The units are for households eligible for supportive services available to all families receiving PBV assistance in the project

If the project is located in a census tract with a poverty rate of 20 percent or less, as determined in the most recent American Community Survey Five-Year estimates, the project cap is the greater of 25 units or 40 percent (instead of 25 percent) of the units in the project [FR Notice 7/14/17].

If a family at the time of initial tenancy is receiving and while the resident of an excepted unit has received Family Self-Sufficiency (FSS) supportive services or any other service as defined by the PHA and successfully completes the FSS contract of participation or the supportive services requirement, the unit continues to count as an excepted unit for as long as the family resides in the unit. However, if the FSS family fails to successfully complete the FSS contract of participation or supportive services objective and consequently is no longer eligible for the supportive services, the family must vacate the unit within a reasonable period of time established by the PHA, and the PHA shall cease paying HAP on behalf of the family.

Further, when a family (or remaining members of a family) residing in an excepted unit no longer meets the criteria for a “qualifying family” because the family is no longer an elderly family due to a change in family composition, the PHA has the discretion to allow the family to remain in the excepted unit. If the PHA does not exercise this discretion, the family must vacate the unit within a reasonable period of time established by the PHA, and the PHA must cease paying housing assistance payments on behalf of the non-qualifying family.

Individuals in units with supportive services who choose to no longer participate in a service or who no longer qualify for services they qualified for at the time of initial occupancy cannot subsequently be denied continued housing opportunity because of this changed circumstance. A PHA or owner cannot determine that a participant’s needs exceed the level of care offered by qualifying services or require that individuals be transitioned to different projects based on service needs.

If the family fails to vacate the unit within the established time, the unit must be removed from the HAP contract unless the project is partially assisted, and it is possible for the HAP contract to be amended to substitute a different unit in the building in accordance with program requirements; or the owner terminates the lease and evicts the family. The housing assistance payments for a family residing in an excepted unit that is not in compliance with its family obligations to comply with supportive services requirements must be terminated by the PHA.

The PHA may allow a family that initially qualified for occupancy of an excepted unit based on elderly family status to continue to reside in a unit, where through circumstances beyond the control of the family (e.g., death of the elderly family member or long-term or permanent hospitalization or nursing care), the elderly family member no longer resides in the unit. In this case, the unit may continue to be counted as an excepted unit for as long as the family resides in that unit. Once the family vacates the unit, in order to continue as an excepted unit under the HAP contract, the unit must be made available to and occupied by a qualified family.

RHA Policy

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

In all other cases, RHA will provide written notice to the family and owner within 10 business 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, the PHA will terminate the housing assistance payments at the expiration of this 30-day period.

RHA 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.

PART VIII: DETERMINING RENT TO OWNER

17-VIII.A. OVERVIEW

The amount of the initial rent to an owner of units receiving PBV assistance is established at the beginning of the HAP contract term. Although for rehabilitated or newly constructed housing, the agreement to enter into HAP Contract (Agreement) states the estimated amount of the initial rent to owner, the actual amount of the initial rent to owner is established at the beginning of the HAP contract term.

During the term of the HAP contract, the rent to owner is redetermined at the owner's request in accordance with program requirements, and at such time that there is a five percent or greater decrease in the published FMR.

17-VIII.B. RENT LIMITS [24 CFR 983.301]

Except for certain tax credit units (discussed below), the rent to owner must not exceed the lowest of the following amounts:

- An amount determined by the PHA, not to exceed 110 percent of the applicable fair market rent (or any HUD-approved exception payment standard) for the unit bedroom size minus any utility allowance;
- The reasonable rent; or
- The rent requested by the owner.

Certain Tax Credit Units [24 CFR 983.301(c)]

For certain tax credit units, the rent limits are determined differently than for other PBV units. Different limits apply to contract units that meet all of the following criteria:

- The contract unit receives a low-income housing tax credit under the Internal Revenue Code of 1986;
- The contract unit is not located in a qualified census tract;
- There are comparable tax credit units of the same bedroom size as the contract unit in the same project, and the comparable tax credit units do not have any form of rental assistance other than the tax credit; and
- The tax credit rent exceeds 110 percent of the fair market rent or any approved exception payment standard;

For contract units that meet all of these criteria, the rent to owner must not exceed the lowest of:

- The tax credit rent minus any utility allowance;
- The reasonable rent; or
- The rent requested by the owner.

Definitions

A *qualified census tract* is any census tract (or equivalent geographic area defined by the Bureau of the Census) in which at least 50 percent of households have an income of less than 60 percent of Area Median Gross Income (AMGI), or where the poverty rate is at least 25 percent and where the census tract is designated as a qualified census tract by HUD.

Tax credit rent is the rent charged for comparable units of the same bedroom size in the project that also receive the low-income housing tax credit but do not have any additional rental assistance (e.g., tenant-based voucher assistance).

Reasonable Rent [24 CFR 983.301(e) and 983.302(c)(2)]

The PHA must determine reasonable rent in accordance with 24 CFR 983.303. The rent to owner for each contract unit may at no time exceed the reasonable rent, except in cases where the PHA has elected within the HAP contract not to reduce rents below the initial rent to owner and, upon redetermination of the rent to owner, the reasonable rent would result in a rent below the initial rent. However, the rent to owner must be reduced in the following cases:

- To correct errors in calculations in accordance with HUD requirements
- If additional housing assistance has been combined with PBV assistance after the execution of the initial HAP contract and a rent decrease is required pursuant to 24 CFR 983.55
- If a decrease in rent to owner is required based on changes in the allocation of the responsibility for utilities between owner and tenant

If the PHA has not elected within the HAP contract to establish the initial rent to owner as the rent floor, the rent to owner shall not at any time exceed the reasonable rent.

RHA Policy

RHA will elect within the HAP contract not to reduce rents below the initial level, with the exception of circumstances listed in 24 CFR 983.302(c)(2). If, upon redetermination of the rent to owner, the reasonable rent would result in a rent below the initial rent, the PHA will use the higher initial rent to owner amount.

Use of FMRs, Exception Payment Standards, and Utility Allowances [24 CFR 983.301(f)]

When determining the initial rent to owner, the PHA must use the most recently published FMR in effect and the utility allowance schedule in effect at execution of the HAP contract. When redetermining the rent to owner, the PHA must use the most recently published FMR and the utility allowance schedule in effect at the time of redetermination. At its discretion, the PHA may for initial rent, use the amounts in effect at any time during the 30-day period immediately before the beginning date of the HAP contract, or for redeterminations of rent, the 30-day period immediately before the redetermination date.

Any HUD-approved exception payment standard amount under the tenant-based voucher program also applies to the project-based voucher program. HUD will not approve a different exception payment stand amount for use in the PBV program.

Likewise, the PHA may not establish or apply different utility allowance amounts for the PBV program. The same utility allowance schedule applies to both the tenant-based and project-based voucher programs.

RHA Policy

Upon written request by the owner, RHA will consider using the FMR or utility allowances in effect during the 30-day period before the start date of the HAP, or redetermination of rent. The owner must explain the need to use the previous FMRs or utility allowances and include documentation in support of the request. RHA will review and make a decision based on the circumstances and merit of each request.

In addition to considering a written request from an owner, RHA may decide to use the FMR or utility allowances in effect during the 30-day period before the start date of the HAP, or redetermination of rent, if RHA determines it is necessary due to its budgetary constraints.

Use of Small Area FMRs (SAFMRs) [24 CFR 888.113(h)]

While small area FMRs (SAFMRs) do not apply to PBV projects, PHAs that operate a tenant-based program under SAFMRs may apply SAFMRs to all future PBV HAP contracts. If the PHA adopts this policy, it must apply to all future PBV projects and the PHA's entire jurisdiction. The PHA and owner may not subsequently choose to revert back to use of the FMRs once the SAFMRs have been adopted, even if the PHA subsequently changes its policy.

Further, the PHA may apply SAFMRs to current PBV projects where the notice of owner selection was made on or before the effective date of PHA implementation, provided the owner is willing to mutually agree to doing so and the application is prospective. The PHA and owner may not subsequently choose to revert back to use of the FMRs once the SAFMRs have been adopted, even if the PHA subsequently changes its policy. If rents increase as a result of the use of SAFMRs, the rent increase may not be effective until the first anniversary of the HAP contract.

RHA Policy

RHA will not apply SAFMRs to the PHA's PBV program.

Redetermination of Rent [24 CFR 983.302]

The PHA must redetermine the rent to owner upon the owner's request or when there is a 10 percent or greater decrease in the published FMR.

Rent Increase

If an owner wishes to request an increase in the rent to owner from the PHA, it must be requested at the annual anniversary of the HAP contract (see Section 17-V.D.). The request must be in writing and in the form and manner required by the PHA. The PHA may only make rent increases in accordance with the rent limits described previously. There are no provisions in the PBV program for special adjustments (e.g., adjustments that reflect increases in the actual and necessary expenses of owning and maintaining the units which have resulted from substantial general increases in real property taxes, utility rates, or similar costs).

RHA Policy

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

RHA may not approve and the owner may not receive any increase of rent to owner until and unless the owner has complied with requirements of the HAP contract, including compliance with HQS. The owner may not receive any retroactive increase of rent for any period of noncompliance.

Rent Decrease

If there is a decrease in the rent to owner, as established in accordance with program requirements such as a change in the FMR or exception payment standard, or reasonable rent amount, the rent to owner must be decreased regardless of whether the owner requested a rent adjustment, except where the PHA has elected within the HAP contract to not reduce rents below the initial rent under the initial HAP contract.

Notice of Rent Change

The rent to owner is redetermined by written notice by the PHA to the owner specifying the amount of the redetermined rent. The PHA notice of rent adjustment constitutes an amendment of the rent to owner specified in the HAP contract. The adjusted amount of rent to owner applies for the period of 12 calendar months from the annual anniversary of the HAP contract.

RHA Policy

RHA will provide the owner with at least 30 days written notice of any change in the amount of rent to owner.

PHA-Owned Units [24 CFR 983.301(g)]

For PHA-owned PBV units, the initial rent to owner and the annual redetermination of rent at the anniversary of the HAP contract are determined by the independent entity approved by HUD. The PHA must use the rent to owner established by the independent entity.

17-VIII.C. REASONABLE RENT [24 CFR 983.303]

At the time the initial rent is established and all times during the term of the HAP contract, the rent to owner for a contract unit may not exceed the reasonable rent for the unit as determined by the PHA, except where the PHA has elected within the HAP contract to not reduce rents below the initial rent under the initial HAP contract.

When Rent Reasonable Determinations Are Required

The PHA must redetermine the reasonable rent for a unit receiving PBV assistance whenever any of the following occur:

- There is a 10 percent or greater decrease in the published FMR in effect 60 days before the contract anniversary (for the unit sizes specified in the HAP contract) as compared with the FMR that was in effect one year before the contract anniversary date;
- The PHA approves a change in the allocation of responsibility for utilities between the owner and the tenant;
- The HAP contract is amended to substitute a different contract unit in the same building or project; or
- There is any other change that may substantially affect the reasonable rent.

How to Determine Reasonable Rent

The reasonable rent of a unit receiving PBV assistance must be determined by comparison to rent for other comparable unassisted units. When making this determination, the PHA must consider factors that affect market rent. Such factors include the location, quality, size, type and age of the unit, as well as the amenities, housing services maintenance, and utilities to be provided by the owner.

Comparability Analysis

For each unit, the comparability analysis must use at least three comparable units in the private unassisted market. This may include units in the premises or project that is receiving project-based assistance. The analysis must show how the reasonable rent was determined, including major differences between the contract units and comparable unassisted units, and must be retained by the PHA. The comparability analysis may be performed by PHA staff or by another qualified person or entity. Those who conduct these analyses or are involved in determining the housing assistance payment based on the analyses may not have any direct or indirect interest in the property.

PHA-Owned Units

For PHA-owned units, the amount of the reasonable rent must be determined by an independent agency approved by HUD in accordance with PBV program requirements. The independent entity must provide a copy of the determination of reasonable rent for PHA-owned units to the PHA and to the HUD field office where the project is located.

Owner Certification of Reasonable Rent

By accepting each monthly housing assistance payment, the owner certifies that the rent to owner is not more than rent charged by the owner for other comparable unassisted units in the premises. At any time, the PHA may require the owner to submit information on rents charged by the owner for other units in the premises or elsewhere.

17-VIII.D. EFFECT OF OTHER SUBSIDY AND RENT CONTROL

In addition to the rent limits discussed in Section 17-VIII.B above, other restrictions may limit the amount of rent to owner in a PBV unit. In addition, certain types of subsidized housing are not even eligible to receive PBV assistance (see Section 17-II.D).

Other Subsidy [24 CFR 983.304]

To comply with HUD subsidy layering requirements, at the discretion of HUD or its designee, a PHA shall reduce the rent to owner because of other governmental subsidies, including tax credits or tax exemptions, grants, or other subsidized funding.

For units receiving assistance under the HOME program, rents may not exceed rent limits as required by that program.

For units in any of the following types of federally subsidized projects, the rent to owner may not exceed the subsidized rent (basic rent) or tax credit rent as determined in accordance with requirements for the applicable federal program:

- An insured or non-insured Section 236 project;
- A formerly insured or non-insured Section 236 project that continues to receive Interest Reduction Payment following a decoupling action;
- A Section 221(d)(3) below market interest rate (BMIR) project;
- A Section 515 project of the Rural Housing Service;
- Any other type of federally subsidized project specified by HUD.

Combining Subsidy

Rent to owner may not exceed any limitation required to comply with HUD subsidy layering requirements.

Rent Control [24 CFR 983.305]

In addition to the rent limits set by PBV program regulations, the amount of rent to owner may also be subject to rent control or other limits under local, state, or federal law.

PART IX: PAYMENTS TO OWNER

17-IX.A. HOUSING ASSISTANCE PAYMENTS [24 CFR 983.351]

During the term of the HAP contract, the PHA must make housing assistance payments to the owner in accordance with the terms of the HAP contract. During the term of the HAP contract, payments must be made for each month that a contract unit complies with HQS and is leased to and occupied by an eligible family. The housing assistance payment must be paid to the owner on or about the first day of the month for which payment is due, unless the owner and the PHA agree on a later date.

Except for discretionary vacancy payments, the PHA may not make any housing assistance payment to the owner for any month after the month when the family moves out of the unit (even if household goods or property are left in the unit).

The amount of the housing assistance payment by the PHA is the rent to owner minus the tenant rent (total tenant payment minus the utility allowance).

In order to receive housing assistance payments, the owner must comply with all provisions of the HAP contract. Unless the owner complies with all provisions of the HAP contract, the owner does not have a right to receive housing assistance payments.

17-IX.B. VACANCY PAYMENTS [24 CFR 983.352]

If an assisted family moves out of the unit, the owner may keep the housing assistance payment for the calendar month when the family moves out. However, the owner may not keep the payment if the PHA determines that the vacancy is the owner's fault.

RHA Policy

If RHA determines that the owner is responsible for a vacancy and, as a result, is not entitled to keep the housing assistance payment, RHA will notify the landlord of the amount of housing assistance payment that the owner must repay. RHA will require the owner to repay the amount owed in accordance with its policies.

At the discretion of the PHA, the HAP contract may provide for vacancy payments to the owner. The PHA may only make vacancy payments if:

- The owner gives the PHA prompt, written notice certifying that the family has vacated the unit and identifies the date when the family moved out (to the best of the owner's knowledge);
- The owner certifies that the vacancy is not the fault of the owner and that the unit was vacant during the period for which payment is claimed;
- The owner certifies that it has taken every reasonable action to minimize the likelihood and length of vacancy; and
- The owner provides any additional information required and requested by the PHA to verify that the owner is entitled to the vacancy payment.

The owner must submit a request for vacancy payments in the form and manner required by the PHA and must provide any information or substantiation required by the PHA to determine the amount of any vacancy payment.

RHA Policy

If an owner's HAP contract calls for vacancy payments to be made, and the owner wishes to receive vacancy payments, the owner must have properly notified RHA of the vacancy in accordance with its policy.

In order for a vacancy payment request to be considered, it must be made within 10 business days of the end of the period for which the owner is requesting the vacancy payment. The request must include the required owner certifications and the PHA may require the owner to provide documentation to support the request. If the owner does not provide the information requested by RHA within 10 business days of the request, no vacancy payments will be made.

17-IX.C. TENANT RENT TO OWNER [24 CFR 983.353]

The tenant rent is the portion of the rent to owner paid by the family. The amount of tenant rent is determined by the PHA in accordance with HUD requirements. Any changes in the amount of tenant rent will be effective on the date stated in the PHA notice to the family and owner.

The family is responsible for paying the tenant rent (total tenant payment minus the utility allowance). The amount of the tenant rent determined by the PHA is the maximum amount the owner may charge the family for rental of a contract unit. The tenant rent covers all housing services, maintenance, equipment, and utilities to be provided by the owner. The owner may not demand or accept any rent payment from the tenant in excess of the tenant rent as determined by the PHA. The owner must immediately return any excess payment to the tenant.

Tenant and PHA Responsibilities

The family is not responsible for the portion of rent to owner that is covered by the housing assistance payment and the owner may not terminate the tenancy of an assisted family for nonpayment by the PHA.

Likewise, the PHA is responsible only for making the housing assistance payment to the owner in accordance with the HAP contract. The PHA is not responsible for paying tenant rent, or any other claim by the owner, including damage to the unit. The PHA may not use housing assistance payments or other program funds (including administrative fee reserves) to pay any part of the tenant rent or other claim by the owner.

Utility Reimbursements

If the amount of the utility allowance exceeds the total tenant payment, the PHA must pay the amount of such excess to the tenant as a reimbursement for tenant-paid utilities, and the tenant rent to the owner must be zero.

The PHA may pay the utility reimbursement directly to the family or to the utility supplier on behalf of the family. If the PHA chooses to pay the utility supplier directly, the PHA must notify the family of the amount paid to the utility supplier.

RHA Policy

RHA will make utility reimbursements to the Utility supplier on behalf of the family.

17-IX.D. OTHER FEES AND CHARGES [24 CFR 983.354]

Meals and Supportive Services

With the exception of PBV assistance in assisted living developments, the owner may not require the tenant to pay charges for meals or supportive services. Non-payment of such charges is not grounds for termination of tenancy.

In assisted living developments receiving PBV assistance, the owner may charge for meals or supportive services. These charges may not be included in the rent to owner, nor may the value of meals and supportive services be included in the calculation of the reasonable rent. However, non-payment of such charges is grounds for termination of the lease by the owner in an assisted living development.

Other Charges by Owner

The owner may not charge extra amounts for items customarily included in rent in the locality or provided at no additional cost to unsubsidized tenants in the premises.

EXHIBIT 17-1: PBV DEVELOPMENT INFORMATION

(Fill out one for each development)

Date: [Enter the date on which this form was completed]

DEVELOPMENT INFORMATION

Development Name: [Insert name of PBV development]

Address: [Insert full address of PBV development]

Owner Information: [Insert PBV development owner name and contact information. If development is PHA-owned, enter “PHA-owned.”]

Property Management Company: [Insert property management company name and contact information, or enter “None”]

PHA-Owned: [Enter “Yes” or “No.” If yes, enter name of independent entity]

Mixed Finance Development: [Enter “Yes” or “No.” If yes, list other types of funding and units to which other funding applies.]

HAP CONTRACT

Effective Date of Contract: [Enter start date of HAP contract]

HOTMA Requirements: [If HAP contract was signed prior to April 18, 2017, enter “Pre-HOTMA.” If HAP contract was signed on or after April 18, 2017, enter “Post-HOTMA.”]

Term of HAP Contract: [Enter term from HAP contract]

Expiration Date of Contract: [Enter expiration date from HAP contract]

PBV UNITS

	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	Total
# of Units							
Initial Contract Rent	\$	\$	\$	\$	\$	\$	

Accessible Units and Features: [Identify which units are accessible and describe accessibility features or enter “None”]

Target Population: [Describe targeted population in accordance with HAP contract or enter “None”]

Excepted Units: [Identify excepted unit types below or enter “None”]

Supportive Services: [Enter “Yes, see Exhibit D of HAP Contract” or enter “No”]

Elderly Units: [Enter “Yes” or “No.” If yes, identify which units are elderly units.]

Disabled Units (only for HAP contracts executed prior to April 18, 2017) [Enter “Yes” or “No.” If yes, identify which units are for persons with disabilities.]

Are units excepted because they are located in a low-poverty census tract area?: [Enter “Yes” or “No”]

WAITING LIST AND SELECTION

Waiting List Type: [Enter “Site-based waiting list,” “Combined with HCV,” “Waiting list for entire PBV program,” or “Merged with another assisted housing program”]

Preferences: [Enter “Same as HCV; see Chapter 4” or describe preferences offered. If different from HCV, also note in Section 17.1.B of this policy.]

Preference Verification: [Enter “Same as HCV; see Chapter 7” or describe for each preference listed above. If different from HCV, note in Section 17.1.B of this policy.]

For the PBV program, is the income limit the same as the HCV program? (Note: In mixed finance developments, other income limits may also apply.) [Enter “Same as HCV; see Chapter 3” or clearly describe. If different from HCV, note in Section 17.1.B of this policy.]

OCCUPANCY

Subsidy Standards: [Enter “Same as HCV; see Chapter 5” or describe. If different from HCV, note in Section 17.1.B of this policy]

Utilities: [Enter in accordance with HAP contract Exhibit C]

Vacancy Payments: [Enter in accordance with HAP contract Part 1, e, 2 and Section 17-V.F. within this chapter]

EXHIBIT 17-2: Special Provisions Applying to TPVs Awarded as Part of a Voluntary Conversion of Public Housing Units in Projects that Include RAD PBV Units

[24 CFR Part 972.200; Notice PIH 2019-05; Notice PIH 2019-23]

Under certain circumstances, HUD allows small PHAs to reposition a public housing project (or portion of a project) by voluntarily converting units to tenant-based housing choice voucher assistance. In order to preserve affordable housing for residents of the project, the PHA is given priority to receive replacement tenant protection vouchers (TPVs). As part of the voluntary conversion, the PHA has the option to continue to operate it as rental housing. If so, the PHA or subsequent owner must allow existing families to remain in their units using the TPV in the form of tenant-based assistance. In this situation, however, the PHA may choose to project-base these TPVs in the former public housing project. Families must still be provided with the option to remain in their unit using tenant-based assistance. In order for the PHA to project-base the assistance and include these units on the PBV HAP contract, the family must voluntarily consent in writing to PBV assistance following the requirements in Appendix A of Notice PIH 2019-05. If the family fails to consent to PBV assistance and chooses to remain using tenant-based assistance, the family's unit is excluded from the PBV HAP contract until the family moves out or consents to switching to PBV assistance. In general, all applicable program regulations and guidance for the standard PBV program apply to these units.

The PHA may also convert units in the same former public housing project to the PBV program under the rental assistance demonstration (RAD) program. The RAD statute authorizes HUD to waive certain statutory and regulatory provisions governing the standard PBV program and specify alternative requirements. In order to facilitate the uniform treatment of residents and units at the project, Notice PIH 2019-23 extended some of the alternative requirements to non-RAD PBV units in the converted project (i.e., the TPV units in the project). As such, while PBV TPV units in the converted project generally follow the requirements for the standard PBV program listed in this chapter, where HUD has specified alternative requirements for non-RAD PBV units in the project, PBV TPV units will instead follow the requirements outlined in Chapter 18 of this policy for the RAD PBV program.

RAD Requirements Applicable to Non-RAD units in the Project

Alternative Requirement under RAD as Listed in Notice PIH 2019-23	Standard PBV Policy That Does Not Apply	Applicable Policy in Chapter 18
1.6.A.4. Site Selection – Compliance with PBV Goals	17-II.G. SITE SELECTION STANDARDS applies with the exception of deconcentration of poverty and expanding housing and economic opportunity requirements.	18-II.F. SITE SELECTION STANDARDS

1.6.B.5.d. PBV Site-Specific Utility Allowances	Alternative requirement under RAD. No corresponding policy in Chapter 17.	18-VII.C. UTILITY ALLOWANCES
1.6.C.1. No Rescreening of Tenants upon Conversion	Policies contained in Chapter 3 relating to eligibility do not apply to existing tenants who receive TPVs.	18-V.B. PROHIBITED RESCREENING OF EXISTING TENANTS UPON CONVERSION
1.6.C.2. Right to Return	Alternative requirement under RAD. No corresponding policy in Chapter 17.	18-I.D. RELOCATION REQUIREMENTS
1.6.C.3. Phase-in of Tenant Rent Increases	Alternative requirements under RAD. No corresponding policy in Chapter 17.	18-VIII.D. PHASE-IN OF TENANT RENT INCREASES
1.6.C.4. Family Self Sufficiency (FSS) and Resident Opportunities and Self-Sufficiency Service Coordinator (ROSS-SC) Programs	Not covered in administrative plan.	18-VI.C. PUBLIC HOUSING FSS AND ROSS PARTICIPANTS
1.6.C.5. Resident Participation and Funding	Alternative requirement under RAD. No corresponding policy in Chapter 17.	18-VI.D. RESIDENT PARTICIPATION AND FUNDING
1.6.C.6. Resident Procedural Rights	Policies related to hearings in Chapter 16 apply, with added procedural rights and notice requirements as outlined in Chapter 18.	18-VI.H. RESIDENTS' PROCEDURAL RIGHTS
1.6.C.7. Earned Income Disregard (EID)	Alternative requirements under RAD for in-place residents. New admissions follow policies in Chapter 6.	18-VI.G. EARNED INCOME DISALLOWANCE
1.6.C.8. Jobs Plus	Not covered in administrative plan.	No corresponding policy.

1.6.C.9. When Total Tenant Payment Exceeds Gross Rent	Alternative requirements under RAD for in-place residents. New admissions follow policies in 17-VII.B. LEASE, Continuation of Housing Assistance Payments.	18-VI.B. LEASE, Continuation of Housing Assistance Payments
1.6.C.10. Under-Occupied Unit	Alternative requirements under RAD for in-place residents. New admissions follow 17-VII.C. MOVES, Overcrowded, Under-Occupied, and Accessible Units	18-VI.E. MOVES, Overcrowded, Under-Occupied, and Accessible Units
1.6.D.4. Establishment of Waiting List	Alternative requirements under RAD for initial establishment of the waiting list. Once waiting list is established, follow 17-VI.D. SELECTION FROM THE WAITING LIST	18-V.D. ORGANIZATION OF THE WAITING LIST
1.6.D.10. Initial Certifications and Tenant Rent Calculations	Alternative requirements under RAD for in-place residents. No corresponding policy in Chapter 17.	18-VIII.C. TENANT RENT TO OWNER, Initial Certifications

Note, while Notice PIH 2019-05 states that the PHA must screen families for eligibility for a tenant protection voucher and that families must be below the low-income limit (80 percent of AMI), Notice PIH 2019-23 waives these requirements for residents in projects that include RAD PBV units.

XVI. RAD/PROJECT BASE SECTION EIGHT (8)

XVI. RENTAL ASSISTANCE DEMONSTRATION (RAD)

PBV Conversions Under RAD

A. INTRODUCTION

On March 8, 2012, HUD issued PIH Notice 2012-18, Rental Assistance Demonstration. This notice (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). RAD provides the opportunity to test the conversion of public housing and other HUD-assisted properties to long-term, project-based Section 8 rental assistance to achieve certain goals, including the preservation and improvement of these properties through enabling access by PHAs and owners to private debt and equity to address immediate and long-term capital needs. RAD is also designed to test the extent to which residents have increased housing choices after the conversion, and the overall impact on the subject properties.

B. PBV CONVERSIONS

PHAs will apply competitively to convert assistance of projects in accordance with the terms of this Notice. Under this component of RAD, PHAs may choose between two forms of Section 8 Housing Assistance Payment (HAP) contracts: project-based vouchers (PBVs) or project-based rental assistance (PBRA). No incremental funds are authorized for this component. PHAs will convert their assistance at current subsidy levels, subject to applicable program rent caps.

Upon conversion, RAD PBV communities will be removed from the public housing program and will be released from the public housing Declaration of Trust (DOT). PBV contract rents will be equal to the project's current funding, subject to a cap,

and will be adjusted annually by an Operating Cost Factor at each anniversary of the HAP contract, subject to the availability of appropriations for each year of the contract term. Each project with a PBV contract will also carry a concurrent renewable RAD Use Agreement.

RHA was a successful applicant in the Rental Assistance Demonstration (RAD). As a result, RHA will be converting some of its Public Housing properties to Project Based Vouchers under the guidelines of PIH Notice H-2019-09 PIH-2019- 23 and any successor Notices. Except as otherwise noted in the RAD section, or unless specifically prohibited by RAD-PBV program regulations, the RHA policies for the project-based voucher program contained in this administrative plan also apply to the RAD-PBV program and its participants

C. PBV PROJECT SELECTION

Waiver of PBV Rules

The Housing Opportunity Through Modernization Act of 2016 (HOTMA) and HUD's implementation notices ("HOTMA Implementation Notice") modified the PBV program in ways that partially or completely obviate the need for certain prior waivers or alternative requirements adopted in RAD.

a. Maximum Amount of PBV Assistance

RAD PBV communities do not count against the maximum amount of assistance a PHA may utilize for the PBV program.

b. Cap on the Number of PBV Units in Each Project

There is no cap on the number of units that may receive RAD PBV assistance in each project. Under the HOTMA Implementation Notice, certain formerly assisted properties are excepted from the project cap. For any Covered Projects not covered under the HOTMA Implementation Notice, including transfers of assistance to a new location, HUD is waiving section 8(o)(13)(D) of the Act, as well as related provisions of 24 CFR §§ 983.56, 983.257(b), 983.262(a) and (d). Accordingly, units under the contract may not be "excepted" for a specified purpose.

c. Owner Proposal Selection Procedures

In addition to situations already covered under the HOTMA Implementation Notice HUD is waiving 24 CFR § 983.51 so that a RAD PBV HAP contract is never subject to

competitive selection requirements. With respect to site selection standards, HUD requires compliance with the site selection standards as set forth in this Notice.

d. Site selection – Compliance with PBV Goals

Section 8(o)(13)(C)(ii) of the Act and 24 CFR § 983.57(b)(1) and (c)(2). HUD waives these provisions having to do with deconcentration of poverty and expanding housing and economic opportunity, for the existing site. To facilitate the uniform treatment of residents and units at a Covered Project, any non-RAD PBV units located in the same Covered Project shall be subject to the terms of this provision

D. PBV CONTRACT TERMS

1. LENGTH OF CONTRACT

HCV PBV has a maximum HAP contract term of 15 years. RAD PBV projects shall have an initial HAP term of *at least* 15 years and up to a *maximum* of 20 years upon request of the owner and with approval by the agency administering the vouchers. Owners of RAD PBV communities are required to make available for occupancy by eligible tenants the number of assisted units under the terms of the contract and may not reduce the number of assisted units without HUD approval. Any HUD approval of a PHA's request to reduce the number of assisted units under the contract shall be subject to conditions that HUD may impose.

The RHA may enter into PBV Contracts with a minimum term of 15 years and a maximum term of up to 20 years.

2. MANDATORY CONTRACT RENEWAL

By statute, upon contract expiration, the agency administering the vouchers shall offer, and the owner shall accept, renewal of the contract subject to the terms and conditions applicable at the time of renewal and the availability of appropriations each year for such renewal.

3. AHAP CONTRACT AGREEMENT WAIVER

For public housing conversions to PBV, there will be no AHAP (Agreement to Enter into a Housing Assistance Payments Contract). Therefore, all regulatory references to the Agreement (AHAP) are waived.

4. RAD USE AGREEMENT

Pursuant to the RAD statute, covered projects shall have an initial RAD Use Agreement that:

- a) Will be recorded superior to other liens on the property;
- b) Will run for the same term as the initial HAP contract, automatically renew upon extension or renewal of the HAP contract for a term that runs with the renewal term of the HAP contract, and remain in effect even in the case of abatement or termination of the HAP contract (for the term the HAP contract would have run, absent the abatement or termination), unless the Secretary provides approval for the RAD Use Agreement to be terminated when an owner requests a transfer of assistance;
- c) Requires that in the event that the HAP contract is removed due to breach, non-compliance or insufficiency of Appropriations, for all units previously covered under the HAP contract, new tenants must have incomes at or below 80 percent of the area median income (AMI) at the time of admission and rents may not exceed 30% of 80% of median income for an appropriate size unit for the remainder of the term of the RAD Use Agreement; and
- d) Requires compliance with all applicable fair housing and civil rights requirements, including the obligation to affirmatively further fair housing.

5. INITIAL CONTRACT RENT SETTING

RAD conversions are intended to be cost-neutral, and therefore, should not exceed current public housing funding as adjusted for unit size. Since public housing units do not currently have contract rents, HUD provides an estimate of current contract rents for each PHA's public housing units based on current funding as adjusted by bedroom size. Current funding includes operating subsidy, tenant rents, capital funds, replacement housing factor funds (RHF), and demolition disposition transitional funding (DDTF). The funding may limit the amount of initial rent for a property. A detailed explanation of the determination of current funding may be found in Attachment 1C of Notice PIH 2019-23. Once the current funding amount is calculated, the amount is adjusted by bedroom size to determine the current funding rent. HUD uses the same bedroom adjustment factors as in the metropolitan FMR schedules where the project is located.

PHAs may adjust subsidy (and contract rents) across multiple projects as long as the PHA does not exceed the aggregate subsidy for all of the projects the PHA has submitted for conversion under RAD.

Notwithstanding HUD's calculation of the initial contract rent based on the project's subsidy under the public housing program and any modifications made to the initial contract rent, the initial rents are set at the lower of:

- An amount determined by the PHA, not to exceed 110 percent of the fair market rent (FMR) or the PHA's exception payment standard approved by HUD, or the alternate rent cap in a PHA's MTW agreement minus any utility allowance;
- The reasonable rent; or
- The rent requested by the owner

When contract rent amounts are set initially, the amount does not include a utility allowance. In general, the utility allowances that are used on the initial HAP contract at closing are the public housing utility allowances that are in effect prior to conversion. After conversion, RHA will use the HCV utility allowance schedule for the RAD-PBV properties.

6. METHOD OF ADJUSTING CONTRACT RENTS

Contract rents will be adjusted annually by HUD's Operating Cost Adjustment Factor (OCAF) at each anniversary of the HAP contract, subject to the availability of appropriations for each year of the contract term. As such, section 8(o)(13)(I) of the 1937 Act and 24 CFR §§ 983.301 and 983.302, concerning rent determinations, shall not apply when adjusting rents. The rent to owner may at no time exceed the reasonable rent charged for comparable unassisted units in private market, as determined by the Contract Administrator in accordance 24 CFR § 983.303.

However, the rent to owner shall not be reduced below the initial rent to owner for dwelling units under the initial HAP contract.

The RHA will apply the HUD *Operating Cost Adjustment Factor* (OCAF) at each anniversary of the HAP contract. The RHA will complete a rent reasonable test to ensure the rent to the owner does not exceed the reasonable rent charged for comparable unassisted units in the private market. The RHA will not reduce the rent lower than what was outlined in the *initial* HAP contract, except under the following conditions:

- a. To correct errors in calculation in accordance with HUD requirements;
- b. If additional housing assistance has been combined with PBV assistance after the execution of the initial HAP contract and a rent decrease is required pursuant to 983.55 (prohibition of excess public assistance); or
- c. If a decrease in rent to owner is required based on changes in the allocation of responsibility for utilities between the owner and the tenant.

The RAD projects are considered PHA-owned per HUD. Therefore, an independent entity is responsible for processing rent adjustments, at each contract anniversary date, in accordance with the prevailing OCAF.

At least 120 days before the contract anniversary date, HUD recommends that the owner submit the OCAF rent adjustment worksheet (Form HUD-9625) to the PHA administering the PBV assistance (or the independent entity). The PHA will validate the data on the form and determine whether the rent exceeds the reasonable rent charged for comparable unassisted units in the private market, in accordance with 24 CFR 983.303. If rents would be unreasonable following application of the requested OCAF, then the rent can only be increased up to the reasonable rent. The approved rent adjustment will go into effect and the new rents to owner will take effect on the date of the contract anniversary.

7. VACANCY PAYMENTS

The policy on vacancy payments under the Project Based Voucher program will apply to the RAD-PBV units.

E. RESIDENT RIGHTS AND PARTICIPATION

1. NO RE-SCREENING OF TENANTS 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.

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.

2. 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. If a family in a project converting from Public Housing to PBV was paying a flat rent immediately prior to conversion, the PHA should use the flat rent amount to calculate the phase-in amount for Year 1

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.

3. RENEWAL OF LEASE

The HA must renew all leases upon lease expiration, unless cause exists. This provision must be incorporated by the PBV owner into the tenant lease or tenancy addendum, as appropriate.

4. RESIDENT FUNDING AND PARTICIPATION

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

5. RESIDENT PROCEDURAL RIGHTS

Termination Notification

HUD is incorporating additional termination notification requirements for public housing projects that convert assistance under RAD to PBV and to non-RAD PBV units located in the same project beyond those for the standard PBV program. In addition to the regulations at 24 CFR 983.257 related to owner termination of tenancy and eviction (which MTW agencies may not alter), 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

Grievance Process

For issues related to tenancy and termination of assistance, PBV program rules require the PHA to provide an opportunity for an informal hearing. RAD will specify alternative requirements for 24 CFR § 982.555(b) in part, which outlines when informal hearings are not required, and require that:

- 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 HA (as owner/manager) 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 contract administrator will perform the hearing, as is the current standard in the program.

- ii. For any additional hearings required under RAD, the HA (as owner/manager) will perform the hearing.
- b. An informal hearing will not be required for class grievances or to disputes between residents not involving the Project Owner or contract administrator.
- c. The Project Owner gives 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. The Project Owner must provide an opportunity for an informal hearing before an eviction as described in Section XI.

6. EARNED INCOME DISREGARD (EID)

Tenants 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 rent phase-in, as described in Section 1.6.C.4; instead, the rent will automatically rise to the appropriate rent level based upon tenant income at the time.

Under the Housing Choice Voucher program, the EID exclusion is limited to only persons with disabilities (24 CFR § 5.617(b)). 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.

7. INSPECTIONS

The PBV requirements related to inspection shall apply to all RAD PBV units.

8. TOTAL TENANT PAYMENT EXCEEDS GROSS RENT

When total tenant payment (TTP) for families living in the converting project prior to conversion, exceeds the Gross Rent of the unit, the unit for such families will remain under the HAP Contract. The rent to the owner will be the family's TTP, less the Utility Allowance. The unit will be considered part of the HAP contract, and will remain eligible to receive future assistance should the resident's income decrease.

9. UNDER-OCCUPIED UNITS

If a family is in an under-occupied unit at the time of conversion, the family may remain in this unit until an appropriate sized unit becomes available in the covered project, but will be subject to move to an appropriate size unit once one becomes available.

10. SECURITY DEPOSITS

RHA will allow the project owner to collect a security deposit amount the owner determines is appropriate. The amount collected cannot exceed the amount charged in private market practice

F. **WAITING LIST**

1. ESTABLISHING THE WAIT LIST

Applicants on the current 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. For the purpose of establishing the initial PBV-wide waiting list, PHAs have the discretion to determine the most appropriate means of informing applicants on the public housing waiting list given the number of applicants, PHA resources, and community characteristics of the proposed conversion under RAD. 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 if they do not wish to be added to the PBV-wide waiting list.

Applicants on the current public housing waiting list that will be ineligible for admission to the RAD- PBV projects because the household's TTP is likely to exceed the RAD

gross rent, will remain on the public housing waiting list consistent with program requirements for administration of waiting lists.

2. MAINTAINING THE WAITING LIST

After the initial waiting list has been 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 in compliance with the requirements of 24 CFR §982.207. RHA will use the same selection preferences that are used for the tenant-based voucher program.

G. CHOICE MOBILITY

HUD seeks to provide all residents of covered projects with viable Choice Mobility options. PHAs that are applying to convert the assistance of a project to PBV are required to provide a Choice Mobility option to residents of covered projects. Residents have a right to move with tenant-based rental assistance (e.g., Housing Choice Voucher (HCV)) the later of:

- 12 months from date of execution of the HAP Contract or

- 12 months after the move-in date, and will receive first priority on the HCV waiting list.

The Raleigh Housing Authority will not provide more than three-quarters of its turnover vouchers in any single year to the residents of its project-based communities. Tenants requesting a tenant-based voucher to move must have a unit identified prior to moving.

XVII. COST SAVING MEASURES

INTRODUCTIONS

The HUD method for funding voucher assistance has changed many times over the last few years with many of these changes going into effect retroactively. As a result, it is necessary for housing authorities to incorporate measures into its Administrative Plan to address situations where HUD funding is not adequate. The Raleigh Housing Authority hereby establishes in its Administrative Plan the following options that the Board of Commissioners has approved depending on the particular circumstances as authorized by PIH Notice 2005-09. They are not listed in any particular order. There shall be one basic principle that will guide the Raleigh Housing Authority in implementing any or all of these options – what must RHA do to assist the maximum number of eligible people in a quality Housing Choice Voucher Program while maintaining the fiscal integrity of the program? The Raleigh Housing Authority shall endeavor to protect elderly and disabled families. The options include:

A. The Housing Choice Voucher Payment Standards may be reviewed in light of the funding situation. If payment standards are reduced, the lower payment standard shall go into effect immediately for new admissions, participants moving from one unit to another, and people staying in place who require a new HAP contract because they are signing a new lease. In extraordinary circumstances, the Raleigh Housing Authority may ask HUD for a waiver so that even those participants staying in place without a new lease shall have their payment standard decreased immediately instead of the normal second regular reexamination after the lowering of the payment standard.

B. Housing Choice Voucher Payment Standards must be established according to HUD regulation so that no more than 40% of the participants are paying more than 30% of their monthly-adjusted income for rent. If circumstances dictate it, the Raleigh Housing Authority may ask for a waiver of this prohibition in order to sufficiently lower its payment standard.

C. The utility allowance schedule may be reviewed more often than annually to determine if the utility allowances are too high. If they are too high that means that the participants are being subsidized in an excessive manner. The new utility allowance schedule may be placed into effect after a thirty-day notice or at a participant's next reexamination

D. As stated earlier, utility allowances are supposed to be adjusted annually or sooner if there is a utility rate increase of 10% or more. If circumstances warrant, the Raleigh Housing Authority reserves the right to seek a HUD waiver of this 10% threshold.

E. If financial circumstances dictate, RHA may deny portability moves to a higher cost area for its Housing Choice Voucher participants and/or shoppers if the Raleigh Housing Authority has insufficient funds to pay the higher subsidy amounts and the receiving housing authority declines to absorb the family. While the Board of Commissioners must establish this policy after an examination of the fiscal affairs of the organization, individual

denials of portability shall only occur after the Raleigh Housing Authority has determined that the receiving housing authority does not absorb the family. The denial of absorption shall be documented in that person's file.

F. If financial circumstances dictate, the Raleigh Housing Authority may deny the right of a participant to move within the RHA jurisdiction to a portion of the jurisdiction that has a higher payment standard than the portion of the jurisdiction the participant currently lives in, if RHA has insufficient funds to pay the higher subsidy amounts.

G. In order to ensure that rent reasonableness requirements are being complied with, the Raleigh Housing Authority may engage in special rent reasonableness reexaminations. This may be performed on all of the units in the program, a sample of the units in the program, or specifically targeted units that the Raleigh Housing Authority believes may not be meeting the required rent reasonableness test. If a unit fails the rent reasonableness test, the owner must reduce the rent to the reasonable amount after receiving appropriate notice or the HAP contract will be terminated. If the HAP contract is terminated for this reason, the family will be issued a new voucher to find a new dwelling, if funding is available.

H. Housing Choice Vouchers issued to families on the waiting list that have not resulted in HAP contracts may be cancelled immediately with written notice.

I. The Raleigh Housing Authority may be forced to not reissue vouchers surrendered by current participants immediately upon their return to the Housing Authority. Instead, the vouchers may be held in the Authority's inventory. The amount of time they will be held shall be determined based upon the financial situation of the Housing Authority and the HUD funding level.

J. A study may be conducted to ensure that families are utilizing the proper size Housing Choice Voucher for their current family size.

K. If the minimum rent is increased, it can be made as early as the first of the month following the month families are notified of the increase (provided there has been at least a 30-day notice) instead of at the next reexamination depending on the financial situation of the Authority.

L. The requirement of when families have to report changes of their income may be modified.

M. Owners participating in the Housing Choice Voucher Program may be asked to voluntarily reduce the rents they are charging participants in order to assist in the financial solvency of the program. This must be a voluntary program.

N. RHA reserves the right to make other changes as necessitated as a result of funding shortfalls. Funding levels may change without prior notice and changes are often implemented by HUD retroactively.

APPENDIX 1

GLOSSARY

A. ACRONYMS USED IN THE HOUSING CHOICE VOUCHER (HCV) PROGRAM

AAF	Annual adjustment factor (published by HUD in the <i>Federal Register</i> and used to compute annual rent adjustments)
ACC	Annual contributions contract
ADA	Americans with Disabilities Act of 1990
AIDS	Acquired immune deficiency syndrome
BR	Bedroom
CDBG	Community Development Block Grant (Program)
CFR	Code of Federal Regulations (published federal rules that define and implement laws; commonly referred to as “the regulations”)
CPI	Consumer price index (published monthly by the Department of Labor as an inflation indicator)
EID	Earned income disallowance
EIV	Enterprise Income Verification
FDIC	Federal Deposit Insurance Corporation
FHA	Federal Housing Administration (HUD Office of Housing)
FHEO	Fair Housing and Equal Opportunity (HUD Office of)
FICA	Federal Insurance Contributions Act (established Social Security taxes)
FMR	Fair market rent
FR	Federal Register
FSS	Family Self-Sufficiency (Program)
FY	Fiscal year
FYE	Fiscal year end
GAO	Government Accountability Office
GR	Gross rent
HA	Housing authority or housing agency
HAP	Housing assistance payment
HCV	Housing choice voucher
HQS	Housing quality standards
HUD	Department of Housing and Urban Development
HUDCLIPS	HUD Client Information and Policy System

IPA	Independent public accountant
IRA	Individual retirement account
IRS	Internal Revenue Service
JTPA	Job Training Partnership Act
LBP	Lead-based paint
LEP	Limited English proficiency
MSA	Metropolitan statistical area (established by the U.S. Census Bureau)
MTCS	Multi-family Tenant Characteristics System (now the Form HUD-50058 submodule of the PIC system)
MTW	Moving to Work
NOFA	Notice of funding availability
OGC	HUD's Office of General Counsel
OIG	HUD's Office of Inspector General
OMB	Office of Management and Budget
PASS	Plan to Achieve Self-Support
PHA	Public housing agency
PIC	PIH Information Center
PIH	(HUD Office of) Public and Indian Housing
PS	Payment standard
QC	Quality control
REAC	(HUD) Real Estate Assessment Center
RFP	Request for proposals
RFTA	Request for tenancy approval
RIGI	Regional inspector general for investigation (handles fraud and program abuse matters for HUD at the regional office level)
SEMAP	Section 8 Management Assessment Program
SRO	Single room occupancy
SSA	Social Security Administration
SSI	Supplemental security income
SWICA	State wage information collection agency

TANF	Temporary assistance for needy families
TPV	Tenant protection vouchers
TR	Tenant rent
TTP	Total tenant payment
UA	Utility allowance
UFAS	Uniform Federal Accessibility Standards
UIV	Upfront income verification
URP	Utility reimbursement payment
VAWA	Violence Against Women Reauthorization Act of 2013

B. GLOSSARY OF SUBSIDIZED HOUSING TERMS

Absorption. In portability (under subpart H of this part 982): the point at which a receiving PHA stops billing the initial PHA for assistance on behalf of a portability family. The receiving PHA uses funds available under the receiving PHA consolidated ACC.

Accessible. The facility or portion of the facility can be approached, entered, and used by persons with disabilities.

Adjusted income. Annual income, less allowable HUD deductions and allowances.

Administrative fee. Fee paid by HUD to the PHA for administration of the program. See §982.152.

Administrative plan. The plan that describes PHA policies for administration of the tenant-based programs. The Administrative Plan and any revisions must be approved by the PHA's board and included as a supporting document to the PHA Plan. See §982.54.

Admission. The point when the family becomes a participant in the program. The date used for this purpose is the effective date of the first HAP contract for a family (first day of initial lease term) in a tenant-based program.

Affiliated individual. With respect to an individual, a spouse, parent, brother, sister, or child of that individual, or an individual to whom that individual stands in loco parentis (in the place of a parent), or any individual, tenant, or lawful occupant living in the household of that individual

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. Happening once a year.

Annual contributions contract (ACC). The written contract between HUD and a PHA under which HUD agrees to provide funding for a program under the 1937 Act, and the PHA agrees to comply with HUD requirements for the program.

Annual income. The anticipated total income of an eligible family from all sources for the 12-month period following the date of determination of income, computed in accordance with the regulations.

Applicant (applicant family). A family that has applied for admission to a program but is not yet a participant in the program.

Area exception rent. An amount that exceeds the published FMR. See 24 CFR 982.504(b).

As-paid states. States where the welfare agency adjusts the shelter and utility component of the welfare grant in accordance with actual housing costs.

Assets. (See *net family assets*.)

Auxiliary aids. Services or devices that enable persons with impaired sensory, manual, or speaking skills to have an equal opportunity to participate in, and enjoy the benefits of, programs or activities receiving federal financial assistance.

Biennial. Happening every two years.

Bifurcate. With respect to a public housing or Section 8 lease, to divide a lease as a matter of law such that certain tenants can be evicted or removed while the remaining family members' lease and occupancy rights are allowed to remain intact.

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

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

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

Citizen. A citizen or national of the United States.

Cohead. An individual in the household who is equally responsible for the lease with the head of household. A family may have a cohead or spouse but not both. A cohead never qualifies as a dependent. The cohead must have legal capacity to enter into a lease.

Common space. In shared housing, the space available for use by the assisted family and other occupants of the unit.

Computer match. The automated comparison of databases containing records about individuals.

Confirmatory review. An on-site review performed by HUD to verify the management performance of a PHA.

Consent form. Any consent form approved by HUD to be signed by assistance applicants and participants to obtain income information from employers and SWICAs; return information from the Social Security Administration (including wages, net earnings from self-employment, and retirement income); and return information for unearned income from the IRS. Consent forms expire after a certain time and may authorize the collection of other information to determine eligibility or level of benefits.

Congregate housing. Housing for elderly persons or persons with disabilities that meets the HQS for congregate housing. A special housing type: see 24 CFR 982.606–609.

Contiguous MSA. In portability (under subpart H of part 982): An MSA that shares a common boundary with the MSA in which the jurisdiction of the initial PHA is located.

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

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

Cooperative (term includes mutual housing). Housing owned by a nonprofit corporation or association, and where a member of the corporation or association has the right to reside in a particular apartment, and to participate in management of the housing. A special housing type (see 24 CFR 982.619).

Covered families. Statutory term for families who are required to participate in a welfare agency economic self-sufficiency program and who may be subject to a welfare benefit sanction for noncompliance with this obligation. Includes families who receive welfare assistance or other public assistance under a program for which federal, state or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for the assistance.

Dating violence. Violence committed by a person who is or has been in a social relationship of a romantic or intimate nature with the victim; and where the existence of such a relationship shall be determined based on a consideration of the following factors:

- The length of the relationship
- The type of relationship
- The frequency of interaction between the persons involved in the relationship

Dependent. A member of the family (except foster children and foster adults) other than the family head or spouse, who is under 18 years of age, or is a person with a disability, or is a full-time student.

Dependent child. In the context of the student eligibility restrictions, a dependent child of a student enrolled in an institution of higher education. The dependent child must also meet the definition of *dependent* as specified above.

Disability assistance expenses. Reasonable expenses that are anticipated, during the period for which annual income is computed, for attendant care and auxiliary apparatus for a disabled family member, and that are necessary to enable a family member (including the disabled member) to be employed, provided that the expenses are neither paid to a member of the family nor reimbursed by an outside source.

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

Disabled person. See *person with disabilities*.

Disallowance. Exclusion from annual income.

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

Domestic violence. Felony or misdemeanor crimes of violence committed by a current or former spouse of the victim, by a person with whom the victim shares a child in common, by a person who is cohabitating with or has cohabitated with the victim as a spouse, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies, or by any other person against an adult or youth victim

who is protected from that person's acts under the domestic or family violence laws of the jurisdiction.

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

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.

Economic self-sufficiency program. Any program designed to encourage, assist, train or facilitate the economic independence of assisted families, or to provide work for such families. Can include job training, employment counseling, work placement, basic skills training, education, English proficiency, Workfare, financial or household management, apprenticeship, or any other program necessary to ready a participant to work (such as treatment for drug abuse or mental health treatment). Includes any work activities as defined in the Social Security Act (42 U.S.C. 607(d)). Also see 24 CFR 5.603(c).

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

Elderly person. An individual who is at least 62 years of age.

Eligible family A family that is income eligible and meets the other requirements of the 1937 Act and Part 5 of 24 CFR. See also *family*.

Employer identification number (EIN). The nine-digit taxpayer identifying number that is assigned to an individual, trust, estate, partnership, association, company, or corporation.

Evidence of citizenship or eligible status. The documents which must be submitted as evidence of citizenship or eligible immigration status. See 24 CFR 5.508(b).

Extremely low-income family. A family whose annual income does not exceed the federal poverty level or 30 percent of the median income for the area, whichever number is higher. Area median income is determined by HUD, with adjustments for smaller and larger families. HUD may establish income ceilings higher or lower than 30 percent of median income if HUD finds such variations are necessary due to unusually high or low family incomes. See 24 CFR 5.603.

Facility. All or any portion of buildings, structures, equipment, roads, walks, parking lots, rolling stock, or other real or personal property or interest in the property.

Fair Housing Act. Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988.

Fair market rent (FMR). The rent, including the cost of utilities (except telephone), as established by HUD for units of varying sizes (by number of bedrooms), that must be paid in the housing market area to rent privately owned, existing, decent, safe, and sanitary rental housing of modest (non-luxury) nature with suitable amenities. See periodic publications in the *Federal Register* in accordance with 24 CFR Part 888.

Family. Includes but is not limited to the following, regardless of actual or perceived sexual orientation, gender identity, or marital status, and can be further defined in PHA policy.

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

Family rent to owner. In the voucher program, the portion of rent to owner paid by the family.

Family self-sufficiency program (FSS program). The program established by a PHA in accordance with 24 CFR part 984 to promote self-sufficiency of assisted families, including the coordination of supportive services (42 U.S.C. 1437u).

Family share. The portion of rent and utilities paid by the family. For calculation of family share, see 24 CFR 982.515(a).

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

Federal agency. A department of the executive branch of the federal government.

Foster child care payment. A payment to eligible households by state, local, or private agencies appointed by the state to administer payments for the care of foster children.

Full-time student. A person who is attending school or vocational training on a full-time basis (carrying a subject load that is considered full-time for day students under the standards and practices of the educational institution attended). See 24 CFR 5.603.

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

Gender identity. Actual or perceived gender-related characteristics.

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 aide). (A special housing type: see 24 CFR 982.610–614.)

Handicap. Any condition or characteristic that renders a person an individual with handicaps. (See *person with disabilities*.)

HAP contract. The housing assistance payments contract. A written contract between the PHA and an owner for the purpose of providing housing assistance payments to the owner on behalf of an eligible family.

Head of household. The adult member of the family who is the head of the household for purposes of determining income eligibility and rent.

Household. A household includes additional people other than the family who, with the PHA's permission, live in an assisted unit, such as live-in aides, foster children, and foster adults.

Housing assistance payment. The monthly assistance payment by a PHA, which includes: (1) A payment to the owner for rent to the owner under the family's lease; and (2) An additional payment to the family if the total assistance payment exceeds the rent to owner.

Housing agency (HA). See *public housing agency*.

Housing quality standards (HQS). The HUD minimum quality standards for housing assisted under the voucher program.

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

Imputed asset. An asset disposed of for less than fair market value during the two years preceding examination or reexamination.

Imputed asset income. The PHA-established passbook rate multiplied by the total cash value of assets. The calculation is used when net family assets exceed \$5,000.

Imputed welfare income. An amount of annual income that is not actually received by a family as a result of a specified welfare benefit reduction, but is included in the family's annual income and therefore reflected in the family's rental contribution.

Income. Income from all sources of each member of the household, as determined in accordance with criteria established by HUD.

Income for eligibility. Annual income.

Income information means information relating to an individual's income, including:

- All employment income information known to current or previous employers or other income sources
- All information about wages, as defined in the state's unemployment compensation law, including any social security number; name of the employee; quarterly wages of the employee; and the name, full address, telephone number, and, when known, employer identification number of an employer reporting wages under a state unemployment compensation law
- Whether an individual is receiving, has received, or has applied for unemployment compensation, and the amount and the period received
- Unearned IRS income and self-employment, wages, and retirement income
- Wage, social security, and supplemental security income data obtained from the Social Security Administration.

Individual with handicaps. See *person with disabilities*.

Initial PHA. In portability, the term refers to both: (1) A PHA that originally selected a family that later decides to move out of the jurisdiction of the selecting PHA; and (2) A PHA that absorbed a family that later decides to move out of the jurisdiction of the absorbing PHA.

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 HAP contract term.

Institution of higher education. An institution of higher education as defined in 20 U.S.C. 1001 and 1002. See Exhibit 3-2 in this Administrative Plan.

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

Landlord. Either the owner of the property or his/her representative, or the managing agent or his/her representative, as shall be designated by the owner.

Lease. A written agreement between an owner and a tenant for the leasing of a dwelling unit to the tenant. The lease establishes the conditions for occupancy of the dwelling unit by a family with housing assistance payments under a HAP contract between the owner and the PHA.

Live-in aide. A person who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who:

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

Living/sleeping room. A living room may be used as sleeping (bedroom) space, but no more than two persons may occupy the space. A bedroom or living/sleeping room must have at least one window and two electrical outlets in proper operating condition. See HCV GB p. 10-6 and 24 CFR 982.401.

Local preference. A preference used by the PHA to select among applicant families.

Low-income family. A family whose income does not exceed 80 percent of the median income for the area as determined by HUD with adjustments for smaller or larger families, except that HUD may establish income limits higher or lower than 80 percent for areas with unusually high or low incomes.

Manufactured home. A manufactured structure that is built on a permanent chassis, is designed for use as a principal place of residence, and meets the HQS. (A special housing type: see 24 CFR 982.620 and 982.621.)

Manufactured home space. In manufactured home space rental: A space leased by an owner to a family. A manufactured home owned and occupied by the family is located on the space. See 24 CFR 982.622 to 982.624.

Medical expenses. Medical expenses, including medical insurance premiums, that are anticipated during the period for which annual income is computed, and that are not covered by insurance (a deduction for elderly or disabled families only). These allowances are given when calculating adjusted income for medical expenses in excess of 3 percent of annual income.

Minor. A member of the family household other than the family head 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 income.

Monthly income. One twelfth of annual income.

Mutual housing. Included in the definition of *cooperative*.

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.

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

Net family assets. (1) Net cash value after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of capital investment, excluding interests in Indian trust land and excluding equity accounts in HUD homeownership programs. The value of necessary items of personal property such as furniture and automobiles shall be excluded.

- In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the value of the trust fund will not be considered an asset so long as the fund continues to be held in trust. Any income distributed from the trust fund shall be counted when determining annual income under §5.609.
- In determining net family assets, PHAs or owners, as applicable, shall 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 therefore. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives important consideration not measurable in dollar terms.

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

Notice of funding availability (NOFA). For budget authority that HUD distributes by competitive process, the *Federal Register* document that invites applications for funding. This document explains how to apply for assistance and the criteria for awarding the funding.

Office of General Counsel (OGC). The General Counsel of HUD.

Overcrowded. A unit that does not meet the following HQS space standards: (1) Provide adequate space and security for the family; and (2) Have at least one bedroom or living/sleeping room for each two persons.

Owner. Any person or entity with the legal right to lease or sublease a unit to a participant.

PHA Plan. The annual plan and the 5-year plan as adopted by the PHA and approved by HUD.

PHA's quality control sample. An annual sample of files or records drawn in an unbiased manner and reviewed by a PHA supervisor (or by another qualified person other than the person who performed the original work) to determine if the work documented in the files or records conforms to program requirements. For minimum sample size see CFR 985.3.

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

Payment standard. The maximum monthly assistance payment for a family assisted in the voucher program (before deducting the total tenant payment by the family).

Person with disabilities. *For the purposes of program eligibility.* A person who has a disability as defined under the Social Security Act or Developmental Disabilities Care Act, or a person who has a physical or mental impairment expected to be of long and indefinite duration and whose ability to live independently is substantially impeded by that impairment but could be improved by more suitable housing conditions. This includes persons with AIDS or conditions arising from AIDS but excludes persons whose disability is based solely on drug or alcohol dependence. *For the purposes of reasonable accommodation.* A person with a physical or mental impairment that substantially limits one or more major life activities, a person regarded as having such an impairment, or a person with a record of such an impairment.

Portability. Renting a dwelling unit with a Section 8 housing choice voucher outside the jurisdiction of the initial PHA.

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

Previously unemployed. With regard to the earned income disallowance, a person with disabilities who has earned, in the 12 months previous to employment, no more than would be received for 10 hours of work per week for 50 weeks at the established minimum wage.

Private space. In shared housing, the portion of a contract unit that is for the exclusive use of an assisted family.

Processing entity. The person or entity that, under any of the programs covered, is responsible for making eligibility and related determinations and any income reexamination. In the HCV program, the "processing entity" is the "responsible entity."

Project owner. The person or entity that owns the housing project containing the assisted dwelling unit.

Public assistance. Welfare or other payments to families or individuals, based on need, which are made under programs funded, separately or jointly, by federal, state, or local governments.

Public housing agency (PHA). Any state, county, municipality, or other governmental entity or public body, or agency or instrumentality of these entities, that is authorized to engage or assist in the development or operation of low-income housing under the 1937 Act.

Qualified family (under the earned income disallowance). A family participating in an applicable assisted housing program or receiving HCV assistance:

- Whose annual income increases as a result of employment of a family member who is a person with disabilities and who was previously unemployed for one or more years prior to employment;
- Whose annual income increases as a result of increased earnings by a family member who is a person with disabilities during participation in any economic self-sufficiency or other job training program; or
- Whose annual income increases, as a result of new employment or increased earnings of a family member who is a person with disabilities, during or within six months after receiving assistance, benefits or services under any state program for temporary assistance for needy families funded under Part A of Title IV of the Social Security Act, as determined by the responsible entity in consultation with the local agencies administering temporary assistance for needy families (TANF) and Welfare-to-Work (WTW) programs. The TANF program is not limited to monthly income maintenance, but also includes such benefits and services as one-time payments, wage subsidies and transportation assistance--provided that the total amount over a six-month period is at least \$500.

Qualified census tract. With regard to certain tax credit units, any census tract (or equivalent geographic area defined by the Bureau of the Census) in which at least 50 percent of households have an income of less than 60 percent of Area Median Gross Income (AMGI), or where the poverty rate is at least 25 percent, and where the census tract is designated as a qualified census tract by HUD.

Reasonable rent. A rent to owner that is not more than rent charged: (1) For comparable units in the private unassisted market; and (2) For comparable unassisted units in the premises.

Reasonable accommodation. A change, exception, or adjustment to a rule, policy, practice, or service to allow a person with disabilities to fully access the PHA's programs or services.

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

Recertification. Sometimes called *reexamination*. The process of securing documentation of total family income used to determine the rent the tenant will pay for the next 12 months if there are no additional changes to be reported.

Remaining member of the tenant family. The person left in assisted housing who may or may not normally qualify for assistance on their own circumstances (i.e., an elderly spouse dies, leaving widow age 47 who is not disabled).

Rent to owner. The total monthly rent payable to the owner under the lease for the unit (also known as contract rent). Rent to owner covers payment for any housing services, maintenance, and utilities that the owner is required to provide and pay for.

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

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

Responsible entity. For the public housing and the Section 8 tenant-based assistance, project-based voucher assistance, and moderate rehabilitation programs, the responsible entity means the PHA administering the program under an ACC with HUD. For all other Section 8 programs, the responsible entity means the Section 8 owner.

Secretary. The Secretary of Housing and Urban Development.

Section 8. Section 8 of the United States Housing Act of 1937.

Section 8 covered programs. All HUD programs which assist housing under Section 8 of the 1937 Act, including Section 8 assisted housing for which loans are made under Section 202 of the Housing Act of 1959.

Section 214. Section 214 of the Housing and Community Development Act of 1980, as amended.

Section 214 covered programs. The collective term for the HUD programs to which the restrictions imposed by Section 214 apply. These programs are set forth in 24 CFR 5.500.

Security deposit. A dollar amount (maximum set according to the regulations) which can be used for unpaid rent or damages to the owner upon termination of the lease.

Set-up charges. In a manufactured home space rental, charges payable by the family for assembling, skirting, and anchoring the manufactured home.

Sexual assault. Any nonconsensual sexual act proscribed by federal, tribal, or state law, including when the victim lacks capacity to consent (42 U.S.C. 13925(a)).

Sexual orientation. Homosexuality, heterosexuality or bisexuality.

Shared housing. A unit occupied by two or more families. The unit consists of both common space for shared use by the occupants of the unit and separate private space for each assisted family. (A special housing type: see 24 CFR 982.615–982.618.)

Single person. A person living alone or intending to live alone.

Single room occupancy housing (SRO). A unit that contains no sanitary facilities or food preparation facilities, or contains either, but not both, types of facilities. (A special housing type: see 24 CFR 982.602–982.605.)

Social security number (SSN). The nine-digit number that is assigned to a person by the Social Security Administration and that identifies the record of the person's earnings reported to the Social Security Administration. The term does not include a number with a letter as a suffix that is used to identify an auxiliary beneficiary.

Special admission. Admission of an applicant that is not on the PHA waiting list or without considering the applicant's waiting list position.

Special housing types. See subpart M of part 982. Subpart M states the special regulatory requirements for: SRO housing, congregate housing, group homes, shared housing, cooperatives (including mutual housing), and manufactured homes (including manufactured home space rental).

Specified welfare benefit reduction. Those reductions of welfare benefits (for a covered family) that may not result in a reduction of the family rental contribution. A reduction of welfare benefits because of fraud in connection with the welfare program, or because of welfare sanction due to noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program.

Spouse. The marriage partner of the head of household.

Stalking. To follow, pursue, or repeatedly commit acts with the intent to kill, injure, harass, or intimidate; or to place under surveillance with the intent to kill, injure, harass, or intimidate another person; and in the course of, or as a result of, such following, pursuit, surveillance, or repeatedly committed acts, to place a person in reasonable fear of the death of, or serious bodily injury to, or to cause substantial emotional harm to (1) that person, (2) a member of the immediate family of that person, or (3) the spouse or intimate partner of that person.

State wage information collection agency (SWICA). The state agency, including any Indian tribal agency, receiving quarterly wage reports from employers in the state, or an alternative system that has been determined by the Secretary of Labor to be as effective and timely in providing employment-related income and eligibility information.

Subsidy standards. Standards established by a PHA to determine the appropriate number of bedrooms and amount of subsidy for families of different sizes and compositions.

Suspension. The term on the family's voucher stops from the date the family submits a request for PHA approval of the tenancy, until the date the PHA notifies the family in writing whether the request has been approved or denied. This practice is also called *tolling*.

Tax credit rent. With regard to certain tax credit units, the rent charged for comparable units of the same bedroom size in the building that also receive the low-income housing tax credit but do not have any additional rental assistance (e.g., tenant-based voucher assistance).

Tenancy addendum. For the housing choice voucher program, the lease language required by HUD in the lease between the tenant and the owner.

Tenant. The person or persons (other than a live-in aide) who executes the lease as lessee of the dwelling unit.

Tenant rent to owner. See *family rent to owner*.

Term of lease. The amount of time a tenant agrees in writing to live in a dwelling unit.

Total tenant payment (TTP). The total amount the HUD rent formula requires the tenant to pay toward rent and utilities.

Unit. Residential space for the private use of a family. The size of a unit is based on the number of bedrooms contained within the unit and generally ranges from zero (0) bedrooms to six (6) bedrooms.

Utilities. Water, electricity, gas, other heating, refrigeration, cooking fuels, trash collection, and sewage services. Telephone service is not included.

Utility allowance. If the cost of utilities (except telephone) and other housing services for an assisted unit is not included in the tenant rent but is the responsibility of the family occupying the unit, an amount equal to the estimate made or approved by a PHA or HUD of the monthly cost of a reasonable consumption of such utilities and other services for the unit by an energy-conservative household of modest circumstances consistent with the requirements of a safe, sanitary, and healthful living environment.

Utility reimbursement. In the voucher program, the portion of the housing assistance payment which exceeds the amount of rent to owner.

Utility hook-up charge. In a manufactured home space rental: Costs payable by a family for connecting the manufactured home to utilities such as water, gas, electrical and sewer lines.

Very low-income family. A low-income family whose annual income does not exceed 50 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD may establish income limits higher or lower than 50 percent of the median income for the area on the basis of its finding that such variations are necessary because of unusually high or low family incomes. This is the income limit for the housing choice voucher program.

Veteran. A person who has served in the active military or naval service of the United States at any time and who shall have been discharged or released therefrom under conditions other than dishonorable.

Violence Against Women Reauthorization Act (VAWA) of 2013. Prohibits denying admission to the program to an otherwise qualified applicant or terminating assistance on the basis that the applicant or program participant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking.

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

Voucher (housing choice voucher). A document issued by a PHA to a family selected for admission to the housing choice voucher program. This document describes the program and the procedures for PHA approval of a unit selected by the family. The voucher also states obligations of the family under the program.

Voucher holder. A family holding a voucher with an unexpired term (search time).

Voucher program. The housing choice voucher program.

Waiting list. A list of families organized according to HUD regulations and PHA policy who are waiting for a unit to become available.

Waiting list admission. An admission from the PHA waiting list.

Welfare assistance. Income assistance from federal or state welfare programs, including assistance provided under TANF and general assistance. Does not include assistance directed solely to meeting housing expenses, nor programs that provide health care, child care or other services for working families. For the FSS program (984.103(b)), *welfare assistance* includes only cash maintenance payments from federal or state programs designed to meet a family's ongoing basic needs, but does not include food stamps, emergency rental and utilities assistance, SSI, SSDI, or social security.

APPENDIX 2

2021 INCOME LIMITS

Maximum income limits for admission as established by HUD for a family whose annual income does not exceed 50% of the median income for the area (very-low income limit range), as determined by HUD, with adjustments for smaller and larger families.

1 PERSON - \$33,500
2 PERSON - \$38,300
3 PERSON - \$43,100
4 PERSON - \$47,850
5 PERSON - \$51,700
6 PERSON - \$55,550
7 PERSON - \$59,350
8 PERSON - \$63,200

APPENDIX 3

Section 8 Certificate and Voucher Programs

Income and Allowances

Section 1: Annual Income

INCOME INCLUSIONS

- (1) The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;
- (2) The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or 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;
- (3) Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation is permitted only as authorized in paragraph (b) (2) of this section. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income shall include the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD;
- (4) The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (except as provided in paragraph (c)(14) of this section);
- (5) Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except as provided in paragraph (c)(3) of this section);
- (6) Welfare assistance. If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of:
 - (i) The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus
 - (ii) The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph (b)(6)(ii) shall be the amount resulting from one application of the percentage;
- (7) Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling;
- (8) All regular pay, special pay and allowances of a member of the Armed Forces (except as provided in paragraph (c) (7) of this section).

APPENDIX 4

Section 8 Certificate and Voucher Programs

Income and Allowances

Section 1: Annual Income

INCOME EXCLUSIONS

- (1) Income from employment of children (including foster children) under the age of 18 years;
- (2) Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone);
- (3) Lump-sum additions to family assets, such as inheritance, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except as provided in paragraph (b)(5) of this section);
- (4) Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;
- (5) Income of a live-in aide, as defined in §5.403;
- (6) The full amount of student financial assistance paid directly to the student or to the educational institution;
- (7) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
- (8) (i) Amounts received under training programs funded by HUD;
- (ii) 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);
- (iii) Amounts received by a participation in other publicly assisted programs which are specifically for or in reimbursement of out-of pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;
- (iv) Amounts received under a resident services stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) 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. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, and resident initiatives coordination. No resident may receive more than one such stipend during the same period time;
- (v) Incremental earnings and benefits resulting to any family member from participation in qualifying State or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment training program;
- (9) Temporary, nonrecurring or sporadic income (including gifts);
- (10) 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;
- (11) Earning in excess of \$480 for each full-time student 18 years old or older (excluding the head of household and spouse);
- (12) Adoption assistance payments in excess of \$480 per adopted child;
- (13) For public housing only: The earnings and benefits to any family member resulting from the participation in a program providing employment training and supportive services in accordance with the Family Support Act of 1988, section 22 of the 1937 Act (42 U.S.C. 1437t), or any comparable Federal, State, or local law during the exclusion period.
- (14) Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts.
- (15) 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;

- (16) Amounts paid by the State agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home; or
- (17) Amounts specifically excluded by any other Federal statute from consideration as income for the purposes of determining eligibility or benefits under a category of assistance programs that included assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply. A notice will be published in the Federal Register and distributed to PHAs and housing owners identifying the benefits that qualify for this exclusion. Updates will be published and distributed when necessary.

APPENDIX 5

ALLOWABLE DEDUCTIONS FROM ANNUAL INCOME

Federal Register / Vol.51. No. 203 / Friday, October 18, 1996 / Rules and Regulations

§5.511 Adjusted Income

Adjusted income means annual income less the following deductions:

- a) \$480 for each dependent;
- b) \$400 for any elderly family or disabled family;
- c) For any family that is not an elderly family or disabled family but has a member (other than the head of household or spouse) who is a person with a disability, disability assistance expenses in excess of three percent of annual income, but this allowance may not exceed the employment income received by family members who are 18 years of age or older as a result of the assistance to the person with disabilities;
- d) For any elderly family or disabled family
 - 1) That has no disability assistance expenses, an allowance for medical expenses equal to the amount by which the medical expenses exceed three percent of annual income.
 - 2) That has disability assistance expenses greater than or equal to three percent of annual income an allowance for disability assistance expenses computed in accordance with paragraph (c) of this section, plus an allowance for medical expenses that is equal to the family's medical expenses:
 - 3) That has disability assistance expenses that are less than three percent of annual income, and allowance for combined disability assistance expenses and medical expenses that is equal to the amount by which the sum of these expenses exceed three percent of annual income; and
- e) Child care expenses.

APPENDIX 6

SUMMARY OF ASSET INCLUSIONS AND EXCLUSIONS

A. ASSETS INCLUDE:	B. ASSETS DO <u>NOT</u> INCLUDE:
<ol style="list-style-type: none"> 1. Amounts in savings and checking accounts. 2. Stocks, bonds, savings certificates, money market funds and other investment accounts. 3. Equity in real property or other capital investments. Equity is the estimated current market value of the asset less the unpaid balance on all loans secured by the assets and reasonable costs (such as broker fees) that would be incurred in selling the assets. 4. The cash value of trusts that may be withdrawn by the family. 5. IRA, Keogh and similar retirement savings accounts, even though withdrawal would result in a penalty. 6. Some contributions to company retirement/pension funds. Note the discussion below accessibility of the funds. 7. Assets, which although owned by more than one person, allow unrestricted access by the applicant. 8. Lump sum receipts such as inheritances, capital gains, lottery winnings, insurance settlements, and other claims. 9. Personal property held as an investment such as gems, jewelry, coin collections, antique cars etc. 10. Cash value of life insurance policies. 11. Assets disposed of for less than fair market during the two years preceding certification or recertification. 	<ol style="list-style-type: none"> 1. Necessary personal property, except as noted in A.9. 2. Interest in Indian trust lands. 3. Assets that are part of an active business or farming operation. 4. NOTE: Rental properties are considered personal assets held as an investment rather than business assets unless real estate is the applicant's/tenant's main occupation. 5. Assets not controlled by or accessible to the family and which provide any income for the family. 6. Vehicles especially equipped for the disabled. 7. Equity in owner occupied cooperatives and manufactured homes in which the family lives.

NOTE: A key factor in whether or not to include an asset in the calculation of annual income is whether any member of the family has access to the asset.