

Reasonable Accommodation [24 CFR 982.552(c)(2)(iv)]

If the family includes a person with disabilities, the AHA's decision to terminate the family's assistance is subject to consideration of reasonable accommodation in accordance with 24 CFR Part 8.

If a family indicates that the behavior of a family member with a disability is the reason for a proposed termination of assistance, the AHA will determine whether the behavior is related to the disability. If so, upon the family's request, the AHA will determine whether alternative measures are appropriate as a reasonable accommodation. The AHA will only consider accommodations that can reasonably be expected to address the behavior that is the basis of the proposed termination of assistance. See Chapter 2 for a discussion of reasonable accommodation.

12-II.E. TERMINATING THE ASSISTANCE OF DOMESTIC VIOLENCE, DATING VIOLENCE, OR STALKING VICTIMS AND PERPETRATORS [PUB.L. 113-114]

The Violence Against Women Reauthorization Act of 20~~13~~²² (VAWA) provides that criminal activity directly relating to domestic violence, dating violence, sexual assault or stalking, engaged in by a member of a tenant's household or any guest or other person under the tenant's control shall not be a cause for termination of assistance, tenancy, or occupancy rights if the tenant or an immediate member of the tenant's family is the victim or threatened victim of that domestic violence, dating violence, or stalking. Applicants and tenants may not be denied assistance or have assistance terminated under a covered housing program on the basis of or as a direct result of the fact that the applicant or tenant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking.

VAWA also gives the AHA the authority to terminate assistance to any individual who is a tenant or lawful occupant and who engages in criminal acts of physical violence against family members or others, without evicting, removing, terminating assistance to, or otherwise penalizing the victim of such violence who is also a tenant or lawful occupant.

VAWA does not prohibit the AHA or owner from terminating assistance or evicting a tenant if the AHA or owner can demonstrate an actual and imminent threat to other tenants or those employed at or providing services to the property would be present if that tenant or lawful occupant is not evicted or terminated from assistance.

When a participant family is facing termination of assistance because of the actions of a participant, household member, guest, or other person under the participant's control and a participant or immediate family member of the participant's family claims that she or he is the victim of such actions and that the actions are related to domestic violence, dating violence, sexual assault or stalking, the claim will be addressed per VAWA regulations before the termination of assistance is completed.

Under most circumstances, a survivor need only to self-certify in order to exercise their rights under VAWA, ensuring third-party documentation does not cause a barrier in a survivor expressing their rights and receiving the protections needed to keep themselves safe.

In cases where both parties are claiming protection under VAWA AHA can require one of the following elements:

- Form HUD-5382; or
- A statement signed by an employee, agent, or volunteer of a victim service provider; an attorney, a medical professional or another knowledgeable professional from whom the victim has sought assistance relating to domestic violence, dating violence, sexual assault, or stalking or the effects of abuse. The professional must attest under penalty of perjury that the professional believes in the occurrence of the incident that is the ground for protection and remedies under the VAWA Final Rule and that the incident meets the applicable definition of domestic violence, dating violence, sexual assault, or stalking under 24 CFR 5.2003. The applicant or tenant must sign or attest to the statement. Or,
- A record from a Federal, State, tribal, territorial, or local law enforcement agency, court, or administrative agency documenting the situation.
- At the discretion of a covered housing provider, a statement or other evidence provided by the applicant or participant.

The required certification and supporting documentation must be submitted to the AHA within 14 business days after the ~~PA~~AHA issues its written request. The 14-day deadline may be extended at the AHA's discretion. If the individual does not provide the required certification and supporting documentation within 14 business days, or the approved extension period, the AHA may proceed with assistance termination.

If the applicant or tenant fails to provide documentation that meets the criteria in 24 CFR 5.2007 within 14 business days after receiving the written request for that documentation, or within the designated extension period, nothing in VAWA Final Rule may be construed to limit the authority of the covered housing provider to:

- a) Deny admission by the applicant or tenant to the housing or program;
- b) Deny assistance under the covered housing program to the applicant or tenant;
- c) Terminate the participation of the tenant in the covered housing program; or
- d) Evict the tenant, or a lawful occupant that commits a violation of a lease.

If the AHA can demonstrate an actual and imminent threat to other participants or those employed at or providing service to the property if the participant's tenancy is not terminated, the AHA will bypass the standard process and proceed with the immediate termination of the family's assistance. In determining this course of action, the AHA will consider any possible actions that may reduce or eliminate an actual and imminent threat and, if possible, use an alternative measure to prevent or remedy the situation rather than terminate the victim's assistance.

Although VAWA provides assistance termination protection for victims of domestic violence, it does not provide protection for perpetrators. Members of the household may not engage in criminal activity or criminal activity directly related to domestic violence.

AHA will process termination of the perpetrator for violations of the family obligations found at 24 CFR 982.551(l) Crime by household members. The VAWA Final Rule provides that a participant who receives assistance under a covered housing program will not be terminated or evicted from housing on the basis of or as a direct result of having been a victim of criminal activity related to domestic violence, dating violence, sexual assault, or stalking.

When the actions of a participant or other family member result in an AHA decision to terminate the family's assistance and another family member claims that the actions involve criminal acts of physical violence against family members or others, the AHA will request that the victim submit the above required certification and supporting documentation in accordance with the stated time frame. If the certification and supporting documentation are submitted within the required time frame, or any approved extension period, the AHA will terminate the perpetrator's assistance. If the victim does not provide the certification and supporting documentation, as required, the AHA will proceed with termination of the family's assistance. If the AHA denies VAWA protections, it will follow its established procedures for grievance hearings, informal hearings, or informal reviews.

AHA Confidentiality Requirements

All information provided to the AHA regarding domestic violence, dating violence, sexual assault or stalking, including the fact that an individual is a victim of such violence or stalking, must be retained in confidence and may neither be entered into any shared data base nor provided to any related entity, except to the extent that the disclosure (a) is requested or consented to in writing by the individual (victim) in a time-limited release, (b) is required for use in an eviction proceeding or hearing regarding termination of assistance from the covered program, or (c) is otherwise required by applicable law.

12-II.F. TERMINATION NOTICE [~~HCV GB, P. 15-7~~]

If a family's assistance is to be terminated, whether voluntarily or involuntarily, the AHA must give the family and the owner written notice that specifies:

- The reasons for which assistance has been terminated,
- The effective date of the termination,
- The family's right to an informal hearing as described in Chapter 15.46

If a criminal record is the basis of the termination, a copy of the record must accompany the notice. A copy of the criminal record also must be provided to the subject of the record [24 CFR 982.553(d)].

When termination is initiated by the AHA, the notice to terminate will be sent to the family and the owner at least 30 calendar days prior to the effective date of the termination. However, if a family vacates the unit without informing the AHA, 30 days notice will not be given. In these cases, the notice to terminate will be sent at the time the AHA learns the family has vacated the unit.

When a family requests to be terminated from the program they must do so in writing to the AHA (see section 12-I.C.). The AHA will then send a confirmation notice to the family and the owner within 14 calendar days of the family's request, but no later than the termination effective date (as requested by the family).

Notice of Termination Based on Citizenship Status [24 CFR 5.514 (c) and (d)]

The AHA must terminate assistance if (1) a family fails to submit required documentation within the required timeframe concerning any family member's citizenship or eligible immigration status; (2) evidence of citizenship and eligible immigration status is submitted timely, but USCIS primary and secondary verification does not verify eligible immigration status of a family; or (3) the AHA determines that a family member has knowingly permitted another individual who is not eligible for assistance to reside (on a permanent basis) in the unit. For (3) above, such termination must be for a period of at least 24 months.

The notice of termination must advise the family of the reasons their assistance is being terminated, that they may be eligible for proration of assistance, the criteria and procedures for obtaining relief under the provisions for preservation of families, that they have the right to request an appeal to the USCIS of the results of secondary verification of immigration status and to submit additional documentation or a written explanation in support of the appeal, and that they have the right to request an informal hearing with the AHA either upon completion of the USCIS appeal or in lieu of the USCIS appeal. Informal hearing procedures are contained in Chapter 15.

The notice to terminate will be sent to the family and the owner at least 30 calendar days prior to the effective date of the termination.

12-II.G. HOW TERMINATION OF ASSISTANCE AFFECTS THE HAP CONTRACT AND LEASE

When the family's assistance is terminated, the lease and HAP contract terminate automatically [Form HUD-52641].

The owner may offer the family a separate unassisted lease at the owner's discretion, but the family will be responsible for the entire rent to owner. [~~HCV GB, p. 15-8~~].

PART III: TERMINATION OF TENANCY BY THE OWNER

12-III.A. OVERVIEW

Termination of an assisted tenancy is a matter between the owner and the family; the AHA is not directly involved. However, the owner is under some constraints when terminating an assisted tenancy and the reasons for which a tenancy is terminated dictate whether assistance also will be terminated.

12-III.B. GROUNDS FOR OWNER TERMINATION OF TENANCY [24 CFR 982.310 AND FORM HUD-52641-A, TENANCY ADDENDUM]

During the term of the lease, the owner is not permitted to terminate the tenancy except for serious or repeated violations of the lease, certain violations of state or local law, or other good cause.

Serious or Repeated Lease Violations

The owner is permitted to terminate the family's tenancy for serious or repeated violations of the terms and conditions of the lease. This includes failure to pay rent or other amounts due under the lease, except when the violations are related to incidents of actual or threatened domestic violence, dating violence, or stalking against that participant. However, the AHA's failure to make a HAP payment to the owner is not a violation of the lease between the family and the owner.

Violation of Federal, State, or Local Law

The owner is permitted to terminate the tenancy if a family member violates federal, state, or local law that imposes obligations in connection with the occupancy or use of the premises.

Criminal Activity or Alcohol Abuse

The owner may terminate tenancy during the term of the lease if any *covered person*, meaning any member of the household, a guest or another person under the tenant's control commits any of the following types of criminal activity (for applicable definitions see 24 CFR 5.100):

- 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);
- 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;
- Any violent criminal activity on or near the premises; or
- Any drug-related criminal activity on or near the premises.

The owner may terminate tenancy during the term of the lease if any member of the household is:

- Fleeing to avoid prosecution, custody, or confinement after conviction for a crime or an 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; or
- Violating a condition of probation or parole imposed under federal or state law.

The owner may terminate 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.

The owner may terminate 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.

Evidence of Criminal Activity

The owner may terminate tenancy and evict by judicial action a family for criminal activity by a covered person if the owner determines they have engaged in the criminal activity, regardless of arrest or conviction and without satisfying the standard of proof used for a criminal conviction; except when the violations are related to incidents of actual or threatened domestic violence, dating violence, or stalking against that participant.

Other Good Cause

During the initial lease term, the owner may not terminate the tenancy for “other good cause” unless the owner is terminating the tenancy because of something the family did or failed to do. During the initial lease term or during any extension term, other good cause includes the disturbance of neighbors, destruction of property, or living or housekeeping habits that cause damage to the unit or premises.

After the initial lease term, “other good cause” for termination of tenancy by the owner includes:

- Failure by the family to accept the offer of a new lease or revision;
- The owner's desire to use the unit for personal or family use, or for a purpose other than as a residential rental unit; or
- A business or economic reason for termination of the tenancy (such as sale of the property, renovation of the unit, or desire to lease the unit at a higher rent).

For PBV units, 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-personal or family use or other non-residential purpose. [24 CFR 982.310]

After the initial lease term, the owner may give the family notice at any time, in accordance with the terms of the lease.

Non-Compliance with Supportive Services Requirement [24 CFR 983.257(~~be~~)]

If a family is living in a PBV unit that is excepted from the 25 percent per project cap on project-basing because of participation in a n FSS or other supportive services program, and the family fails without good cause to complete its FSS contract of participation or supportive services requirement ~~without good cause~~, such failure is grounds for lease termination by the owner.

12-III.C. EVICTION [24 CFR 982.310(E) AND (F) AND FORM HUD-52641-A, TENANCY ADDENDUM]

The owner must give the tenant a written notice that specifies the grounds for termination of tenancy during the term of the lease. The tenancy does not terminate before the owner has given this notice, and the notice must be given at or before commencement of the eviction action.

The notice of grounds may be included in, or may be combined with, any owner eviction notice to the tenant.

Owner eviction notice means a notice to vacate, or a complaint or other initial pleading used under state or local law to commence an eviction action. The owner may only evict the tenant from the unit by instituting a court action. The owner must give the AHA a copy of any eviction notice at the same time the owner notifies the family. The family is also required to give the AHA a copy of any eviction notice (see Chapter 5).

If the eviction action is finalized in court, the owner must provide the AHA with documentation related to the eviction, including notice of the eviction date, as soon as possible, but no later than 7 calendar days following the court-ordered eviction.

12-III.D. DECIDING WHETHER TO TERMINATE TENANCY [24 CFR 982.310(H)]

An owner who has grounds to terminate a tenancy is not required to do so, and may consider all of the circumstances relevant to a particular case before making a decision. These might include:

- The nature of the offending action;
- The seriousness of the offending action;
- The effect on the community of the termination, or of the owner's failure to terminate the tenancy;
- The extent of participation by the leaseholder in the offending action;
- The effect of termination of tenancy on household members not involved in the offending activity;
- The demand for assisted housing by families who will adhere to lease responsibilities;
- The extent to which the leaseholder has shown personal responsibility and taken all reasonable steps to prevent or mitigate the offending action;
- The effect of the owner's action on the integrity of the program.

The owner may require a family to exclude a household member in order to continue to reside in the assisted unit, where that household member has participated in or been culpable for action or failure to act that warrants termination.

In determining whether to terminate tenancy for illegal use of drugs or alcohol abuse by a household member who is no longer engaged in such behavior, the owner 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 (42 U.S.C. 13661). For this purpose, the owner may require the 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.

The owner's termination of tenancy actions must be consistent with the fair housing and equal opportunity provisions in 24 CFR 5.105.

An owner's decision to terminate tenancy for incidents related to domestic violence, dating violence, or stalking is limited by the Violence Against Women Reauthorization Act of 2013~~22~~ (VAWA). (See Section 12-II.E.)

12-III.E. EFFECT OF TERMINATION OF TENANCY ON THE FAMILY'S ASSISTANCE

If a termination is not due to a serious or repeated violation of the lease, and if the AHA has no other grounds for termination of assistance, the AHA may issue a new voucher so that the family can move with continued assistance (see Chapter 10).

EXHIBIT 12-1: STATEMENT OF FAMILY OBLIGATIONS

Following is a listing of a participant family's obligations under the HCV program:

Providing Complete and Accurate Information

1. The family must supply all sources of income for all family members (including any money received on behalf of or by children, e.g., child support, social security, wages, etc.).
2. The family must supply all required forms and documentation including Social Security numbers and citizenship/immigration status as requested.
3. Any new family member must be reported within 14 calendar days of moving into the unit. Proposed additions to the household are subject to the AHA's approval and screening process. Anyone receiving mail at the assisted address or spending more than one week at a time (or 30 days/nights in a calendar year) is considered to be a member of the household.
4. The family must notify the Housing Authority in writing within 14 calendar days if any family member no longer lives in the unit. The family must provide verification of the new address if requested.
5. The family must supply, in a timely manner, any information the AHA requests for ~~an~~ annual/regular, interim or special reexamination of family income or composition, or for an investigation of potential family obligation violations.
6. All information supplied by the family must be true and complete. Information submitted will be subject to third party verification.
7. The family must not owe rent or other monies to the AHA or to another Housing Authority, unless the family has signed and is current with payments on a Repayment Agreement.

Drugs, Alcohol or Violent Criminal Activity

8. The family must not commit fraud, bribery or any other corrupt or criminal act in connection with the program.
9. At any time, the AHA may terminate assistance if any member of the family, live-in aide or guest engages in:
 - a) Illegal drug related activity
 - b) Violent criminal activity
 - c) Criminal behavior that results in becoming a state-registered lifetime sex offender.
 - d) Alcohol use that interferes with the health and safety of others.
 - e) Other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises.

10. The AHA may deny or terminate assistance if the preponderance of evidence indicates that a family member, live-in aide or guest has engaged in such activity, regardless of whether the activity resulted in arrest or conviction.

Complying With the Lease

11. The family must not commit serious or repeated lease violations. The AHA will determine if a family has committed serious or repeated violations of the lease based on available evidence, including but not limited to, a court-ordered eviction, written notice from the owner of the serious/repeated lease violation, police reports, arrest logs, neighbor complaints, or other third party information. Violations can include: non-payment of rent, failure to allow the owner to make necessary repairs, unauthorized people in the household, disturbing the quiet and peaceful enjoyment of the premises by others, or criminal activity.
12. The family must pay utility bills and provide and maintain any appliances that the owner is not required to provide under the lease.
13. The family must allow the AHA to inspect the unit at reasonable times and after reasonable notice.
14. The family is responsible for any Housing Quality Standards breach caused by the family, including failure to pay tenant-provided utilities or appliances or damages to the dwelling unit or premises beyond normal wear and tear caused by any member of the household or guest.
15. The family must live in the unit for the lease term. The family must give proper notice to the owner, with a copy to the AHA, in order to move.
16. The family must give the AHA a copy of any eviction notice received from the owner.
17. The family must report all absences longer than ~~60~~30 days in length.
18. The family must use the assisted unit for residence by the family. The unit must be the family's only residence.
19. The family must not receive housing assistance in a unit owned by a parent, child, grandparent, grandchild, sister or brother of any member of the family. The family cannot own or have any interest in the unit.
20. The family cannot sublease, rent, assign or transfer the unit. Subleasing includes receiving payment to cover rent and utility costs by a person living in the unit who is not listed as a family member.
21. An assisted family or member of the family must not receive program assistance while receiving another housing subsidy for the same unit or a different unit under any other federal, state or local housing assistance program.

CHAPTER 13

OWNERS

INTRODUCTION

Owners play a central role in the HCV program by supplying decent, safe, ~~and~~ sanitary, and in good repair housing for participating families.

The term “owner” refers to any person or entity with the legal right to lease or sublease a unit to a participant in the HCV program [24 CFR 982.4(b)]. The term “owner” includes a principal or other interested party [24 CFR 982.453; 24 CFR 982.306(f)], such as a designated agent of the owner.

Owners have numerous responsibilities under the program, including screening and leasing to families, maintaining the dwelling unit, enforcing the lease, and complying with various contractual obligations. However, this chapter is not meant to be an overview of all aspects of owner participation in the HCV program.

The chapter is organized in ~~three~~four parts:

Part I: Owners in the HCV Program. This part discusses the role of an owner in the AHA’s HCV program and highlights key owner rights and responsibilities.

Part II: HAP Contracts. This part explains provisions of the HAP contract and the relationship between the AHA and the owner as expressed in the HAP contract.

~~Part III: Owners and the PBV Program. This part references Chapter 16 because of the differences between the HCV and the PBV programs.~~

Part III: Owners and the MTW Landlord Cohort. This part explains the activities undertaken by the AHA to increase landlord participation in the Housing Choice Voucher program.

For detailed information about HCV program responsibilities and processes, including AHA policies in key areas, owners will need to refer to several other chapters in this plan. Where appropriate, Chapter 13 will reference the other chapters.

PART I. OWNERS IN THE HCV PROGRAM

13-I.A. OWNER RECRUITMENT AND RETENTION ~~[HCV GB, PP. 2-4 TO 2-6]~~

Recruitment

PHAs are responsible for ensuring that very low income families have access to all types and ranges of affordable housing in the PHA’s jurisdiction, particularly housing outside areas of poverty or minority concentration. A critical element in fulfilling this responsibility is for the PHA to ensure that a sufficient number of owners, representing all types and ranges of affordable housing in the PHA’s jurisdiction, are willing to participate in the HCV program.

To accomplish this objective, PHAs must identify and recruit new owners to participate in the program.

The AHA will conduct owner outreach to ensure that owners are familiar with the program and its advantages. The AHA will actively recruit property owners with property located outside areas of poverty and minority concentration. These outreach strategies will include:

- Distributing printed material about the program to property owners and managers
- Contacting property owners and managers by phone or in-person
- Holding owner recruitment/information meetings at least once a year
- Participating in community based organizations comprised of private property and apartment owners and managers
- Developing working relationships with owners and real estate brokers associations

Outreach strategies will be monitored for effectiveness, and adapted accordingly.

Retention

In addition to recruiting owners to participate in the HCV program, the AHA must also provide the kind of customer service that will encourage participating owners to remain active in the program.

All AHA activities that may affect an owner's ability to lease a unit will be processed as rapidly as possible, in order to minimize vacancy losses for owners. [See Part IV for monetary vacancy loss payments under the MTW program.](#)

The AHA will provide owners with a handbook that explains the program, including HUD and AHA policies and procedures, in easy-to-understand language.

The AHA will give special attention to helping owners succeed through activities such as:

- Maintaining a free listing of units available to searching families and updating it at least weekly.
- Providing the owner with a designated AHA contact person for each assisted family.
- Coordinating inspection and leasing activities between the AHA, the owner, and the family.
- Initiating telephone contact with the owner to explain the inspection process, and providing an inspection booklet and other resource materials about HUD housing quality standards.
- Providing other written information about how the program operates, including answers to frequently asked questions.

[Implement the landlord incentive activities in Part IV.](#)

Additional services may be undertaken on an as-needed basis, and as resources permit.

13-I.B. BASIC HCV PROGRAM REQUIREMENTS

HUD requires the AHA to aid families in their housing search by providing the family with a list of landlords or other parties known to the AHA who may be willing to lease a unit to

the family, or to help the family find a unit. Although the AHA cannot maintain a list of owners that are pre-qualified to participate in the program, owners may indicate to the AHA their willingness to lease a unit to an eligible HCV family, or to help the HCV family find a unit [24 CFR 982.301(b)(11)].

Owners that wish to indicate their willingness to lease a unit to an eligible HCV family or to help the HCV family find a unit must notify the AHA. The AHA will maintain a listing of such owners and provide this listing to the HCV family as part of the informational briefing packet. Under MTW, the AHA will pre-inspect units owners are willing to make available to HCV families and indicate that on any listings maintained by the AHA.

When a family approaches an owner to apply for tenancy, the owner is responsible for screening the family and deciding whether to lease to the family, just as the owner would with any potential tenant. The AHA has no liability or responsibility to the owner or other persons for the family's behavior or suitability for tenancy. See [Chapter 3](#) and [Chapter 9](#) for more detail on tenant family screening policies and process.

If the owner is willing, the family and the owner must jointly complete a Request for Tenancy Approval (RFTA, Form HUD 52517), which constitutes the family's request for assistance in the specified unit, and which documents the owner's willingness to lease to the family and to follow the program's requirements. When submitted to the AHA, this document is the first step in the process of obtaining approval for the family to receive the financial assistance it will need in order to occupy the unit. See [Chapter 9](#) for more detail on request for tenancy approval policies and process.

HUD regulations stipulate that an assisted tenancy can be approved only under certain conditions.

The owner must be qualified to participate in the program [24 CFR 982.306]. Some owners are precluded from participating in the program, or from renting to a particular family, either because of the family's past history with this or another federal housing program, or because of certain conflicts of interest. Owner qualifications are discussed later in this chapter.

The selected unit must be of a type that is eligible for the program [24 CFR 982.305(a)]. Certain types of dwelling units cannot be assisted under the HCV program. Other types may be assisted under certain conditions. In addition, the owner must document legal ownership of the specified unit. See [Chapter 9](#) for more detail on unit eligibility policies and process.

The selected unit must meet HUD's Housing Quality Standards (HQS) and/or equivalent state or local standards approved by HUD [24 CFR 982.305(a)]. The AHA will inspect the owner's dwelling unit at various stages of HCV program participation, to ensure that the unit continues to meet HQS requirements. See [Chapter 8](#) for a discussion of the HQS standards, as well as the process for HQS inspections at initial lease-up and throughout the family's tenancy.

The AHA must determine that the cost of the unit is reasonable [24 CFR 982.305(a)]. The rent must be reasonable in relation to comparable unassisted units in the area and must not be in excess of rents charged by the owner for comparable, unassisted units on the

premises. See [Chapter 8](#) for a discussion of requirements and policies on rent reasonableness, rent comparability and the rent reasonableness determination process.

At initial lease-up of a unit, the AHA must determine that the share of rent to be paid by the family does not exceed 40 percent of the family's monthly adjusted income [24 CFR 982.305(a)]. See [Chapter 6](#) for a discussion of the calculation of family income, family share of rent and HAP.

The dwelling lease must comply with all program requirements [24 CFR 982.308]. Owners are encouraged to use their standard leases when renting to an assisted family. However, the AHA requires that the Tenancy Addendum, which helps standardize the tenancy requirements for all assisted families, be attached to that lease. See [Chapter 9](#) for a discussion of the dwelling lease and tenancy addendum, including lease terms and provisions.

The AHA and the owner enter into a formal contractual relationship by executing the Housing Assistance Payment (HAP) Contract (Form HUD-52641). The HAP contract format is prescribed by HUD. See [Chapter 9](#) for a discussion of the HAP contract execution process. Specific HAP contract provisions and responsibilities are discussed later in this chapter-13.

13-I.C. OWNER RESPONSIBILITIES [24 CFR 982.452]

The basic owner responsibilities in the HCV program are outlined in the regulations as follows:

- Performing all of the owner's obligations under the Housing Assistance Payments (HAP) contract and the lease
- Performing all management and rental functions for the assisted unit, including selecting a voucher-holder to lease the unit, and deciding if the family is suitable for tenancy of the unit
- Maintaining the unit in accordance with the Housing Quality Standards (HQS), including performance of ordinary and extraordinary maintenance
- Complying with equal opportunity requirements
- Preparing and furnishing to the AHA information required under the HAP contract
- Collecting from the family any security deposit, the tenant's contribution to rent (that part of rent to owner not covered by the housing assistance payment from the AHA), and any charges for unit damage by the family.
- Enforcing tenant obligations under the dwelling lease
- Paying for utilities and services (unless paid by the family under the lease)
- Making or allowing modifications to a dwelling unit occupied or to be occupied by a disabled person [24 CFR 100.203]

13-I.D. OWNER QUALIFICATIONS

The AHA does not formally approve an owner to participate in the HCV program. However, there are a number of criteria where the AHA may deny approval of an assisted tenancy based on past owner behavior, conflict of interest, or other owner-related issues. No owner has a right to participate in the HCV program [24 CFR 982.306(e)].

Owners Barred from Participation [24 CFR 982.306(a) and (b)]

The AHA must not approve the assisted tenancy if the AHA has been informed that the owner has been debarred, suspended, or subject to a limited denial of participation under 24 CFR part 24. HUD may direct the AHA not to approve a tenancy request if a court or administrative agency has determined that the owner violated the Fair Housing Act or other federal equal opportunity requirements, or if such an action is pending.

Leasing to Relatives [24 CFR 982.306(d), HCV GB HAP Contracts PG. 4, HCV GB p. 11-2]

The AHA must not approve a RFTA if the owner is the parent, child, grandparent, grandchild, sister, or brother of any member of the family. The AHA may make an exception as a reasonable accommodation for a family member with a disability. The owner is required to certify that no such relationship exists. This restriction applies at the time that the family receives assistance under the HCV program for occupancy of a particular unit. ~~Current contracts on behalf of owners and families that are related may continue, but any new leases or contracts for these families may not be approved.~~

Conflict of Interest [24 CFR 982.161, HCV GB HAP Contracts PG. 4; HCV GB p. 8-19]

The AHA must not approve a tenancy in which any of the following classes of persons has any interest, direct or indirect, during tenure or for one year thereafter:

- Any present or former member or officer of the AHA (except a participant commissioner)
- Any employee of the AHA, or any contractor, subcontractor or agent of the AHA, who formulates policy or who influences decisions with respect to the programs
- Any public official, member of a governing body, or State or local legislator, who exercises functions or responsibilities with respect to the programs
- Any member of the Congress of the United States

HUD may waive the conflict of interest requirements, except for members of Congress, for good cause. The AHA must submit a waiver request to the appropriate HUD Field Office for determination.

Any waiver request submitted by the AHA must include ~~[HCV Guidebook pp.11-2 and 11-3]~~:

- Complete statement of the facts of the case;
- Analysis of the specific conflict of interest provision of the HAP contract and justification as to why the provision should be waived;

- Analysis of and statement of consistency with state and local laws. The local HUD office, the AHA, or both parties may conduct this analysis. Where appropriate, an opinion by the state's attorney general should be obtained;
- Opinion by the local HUD office as to whether there would be an appearance of impropriety if the waiver were granted;
- Statement regarding alternative existing housing available for lease under the HCV program or other assisted housing if the waiver is denied;
- If the case involves a hardship for a particular family, statement of the circumstances and discussion of possible alternatives;
- If the case involves a public official or member of the governing body, explanation of his/her duties under state or local law, including reference to any responsibilities involving the HCV program;
- If the case involves employment of a family member by the AHA or assistance under the HCV program for an eligible AHA employee, explanation of the responsibilities and duties of the position, including any related to the HCV program;
- If the case involves an investment on the part of a member, officer, or employee of the AHA, description of the nature of the investment, including disclosure/divestiture plans.

Where the AHA has requested a conflict of interest waiver, the AHA may not execute the HAP contract until HUD has made a decision on the waiver request.

In considering whether to request a conflict of interest waiver from HUD, the AHA will consider the following factors: the reasons for waiving the requirement; consistency with state and local laws; the existence of alternative housing available to families; the individual circumstances of a particular family; the specific duties of individuals whose positions present a possible conflict of interest; the nature of any financial investment in the property and plans for disclosure/divestiture; and the possible appearance of impropriety.

Owner Actions That May Result in Disapproval of a Tenancy Request [24 CFR 982.306(c)]

HUD regulations permit the AHA, at the AHA's discretion, to refuse to approve a request for tenancy if the owner has committed any of a number of different actions.

If the AHA disapproves a request for tenancy because an owner is not qualified, it may not terminate the HAP contract for any assisted families that are already living in the owner's properties unless the owner has violated the HAP contract for those units [HCV GB HAP Contracts PG. 3-p. 11-4].

The AHA will refuse to approve a request for tenancy if any of the following are true:

The owner has violated obligations under a HAP contract under Section 8 of the 1937 Act (42 U.S.C. 1437f);

The owner has committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;

The owner has engaged in any drug-related criminal activity or any violent criminal activity;

The owner has a history or practice of non-compliance with the HQS for units leased under the tenant-based programs, or with applicable housing standards for units leased with project-based Section 8 assistance or leased under any other federal housing program;

The owner has a history or practice of failing to terminate tenancy of tenants of units assisted under Section 8 or any other federally assisted housing program for activity engaged in by the tenant, any member of the household, a guest or another person under the control of any member of the household that: (i) Threatens the right to peaceful enjoyment of the premises by other residents; (ii) Threatens the health or safety of other residents, of employees of the AHA, or of owner employees or other persons engaged in management of the housing; (iii) 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; or (iv) Is drug-related criminal activity or violent criminal activity

The owner has a history or practice of renting units that fail to meet state or local housing codes;

The owner has not paid state or local real estate taxes, fines, or assessment

The owner is 30 days delinquent in repaying the AHA housing assistance overpayments after receiving written notification from the AHA.

In considering whether to disapprove owners for any of the discretionary reasons listed above, the AHA will consider any mitigating factors. Such factors may include, but are not limited to, the seriousness of the violation in relation to program requirements, the impact on the ability of families to lease units under the program, health and safety of participating families, among others.

Legal Ownership of Unit

The following represents AHA policy on legal ownership of a dwelling unit to be assisted under the HCV program.

The AHA will only enter into a contractual relationship with the legal owner of a qualified unit. No tenancy will be approved without acceptable documentation of legal ownership (e.g., deed of trust, proof of taxes for most recent year).

13-I.E. NON-DISCRIMINATION [HAP CONTRACT – FORM HUD-52641]

The owner must not discriminate against any person because of race, color, religion, sex, national origin, age, familial status, or disability, in connection with any actions or responsibilities under the HCV program and the HAP contract with the AHA.

The owner must cooperate with the AHA and with HUD in conducting any equal opportunity compliance reviews and complaint investigations in connection with the HCV program and the HAP contract with the AHA.

See Chapter 2 for a more thorough discussion of Fair Housing and Equal Opportunity requirements in the HCV program.

PART II. HAP CONTRACTS

13-II.A. OVERVIEW

The HAP contract represents a written agreement between the AHA and the owner of the dwelling unit occupied by a HCV assisted family. The contract spells out the owner's responsibilities under the program, as well as the AHA's obligations. Under the HAP contract, the AHA agrees to make housing assistance payments to the owner on behalf of a specific family occupying a specific unit.

The HAP contract is used for all HCV program tenancies except for assistance under the Section 8 homeownership program, and assistance to families that own a manufactured home and lease the space. See [eChapter 15](#) for a discussion of any special housing types included in the AHA's HCV program.

If the AHA has given approval for the family of the assisted tenancy, the owner and the AHA execute the HAP contract. See [eChapter 9](#) for a discussion of the leasing process, including provisions for execution of the HAP contract.

13-II.B. HAP CONTRACT CONTENTS

The HAP contract format is required by HUD, specifically Housing Assistance Payment (HAP) Contract, Form HUD-52641.

The HAP contract contains three parts.

Part A of the contract includes basic **contract information** about the name of the tenant family, address of the contract unit, names of all household members, first and last dates of initial lease term, amount of initial monthly rent to owner, amount of initial housing assistance payment, utilities and appliances to be supplied by owner and tenant, signatures of PHA and owner [[HCV GuidebookGB, pp 11-10 and 11-11 Housing Assistance Payments \(HAP\) Contracts page 9](#)].

In general, the HAP contract cannot be modified. However, PHAs do have the discretion to add language to Part A of the HAP contract which prohibits the owner from collecting a security deposit in excess of private market practices or in excess of amounts charged to unassisted tenants. AHA policy on the amount of security deposit an owner may collect is found in [eChapter 9](#).

In addition, PHAs have the discretion to add language to Part A of the HAP contract that defines when the housing assistance payment by the AHA is deemed received by the owner (e.g., upon mailing by the AHA or actual receipt by the owner).

The AHA has not adopted a policy that defines when the housing assistance payment by the AHA is deemed received by the owner. Therefore, no modifications to the HAP contract will be necessary.

Part B is the body of the contract. It describes in detail program requirements affecting the owner and owner roles and responsibilities under the HCV program. Most of the

requirements contained in Part B of the HAP contract are outlined elsewhere in this plan. Topics addressed in Part B include:

- Lease of Contract Unit
- Maintenance, Utilities, and Other Services
- Term of HAP Contract
- Provision and Payment of Utilities and Appliances
- Rent to Owner: Reasonable Rent
- AHA Payment to Owner
- Prohibition of Discrimination
- Owner's Breach of HAP Contract
- AHA and HUD Access to Premises and Owner's Records
- Exclusion of Third Party Rights
- Conflict of Interest
- Assignment of the HAP Contract
- Written Notices
- Entire Agreement Interpretation

Part C of the contract includes the Tenancy Addendum (Form HUD-52641-A). The addendum sets forth the tenancy requirements for the program and the composition of the household, as approved by the AHA. The owner must sign the HUD Tenancy Addendum with the prospective tenant, and the tenant has the right to enforce the Tenancy Addendum against the owner. The terms of the Tenancy Addendum prevail over any other provisions of the lease.

13-II.C. HAP CONTRACT PAYMENTS

General

During the term of the HAP contract, and subject to the provisions of the HAP contract, the AHA must make monthly HAP payments to the owner on behalf of the family, at the beginning of each month. If a lease term begins after the first of the month, the HAP payment for the first month is prorated for a partial month.

The amount of the HAP payment is determined according to the policies described in Chapter 6, and is subject to change during the term of the HAP contract. The AHA must notify the owner and the family in writing of any changes in the HAP payment.

HAP payments can be made only during the lease term, and only while the family is residing in the unit.

The monthly HAP payment by the AHA is credited toward the monthly rent to owner under the family's lease. The total of the rent paid by the tenant, plus the AHA HAP payment, should be equal to the rent specified in the lease (the rent to owner).

The family is not responsible for payment of the HAP payment, and the AHA is not responsible for payment of the family share of rent.

The family's share of the rent cannot be more than the difference between the total rent to the owner and the HAP payment. The owner may not demand or accept any rent payment from the tenant in excess of this maximum [24 CFR 982.451(b)(4)]. The owner may not charge the tenant extra amounts for items customarily included in rent in the locality, or provided at no additional cost to unsubsidized tenants in the premises [24 CFR 982.510(c)]. See [Chapter 9](#) for a discussion of separate, non-lease agreements for services, appliances and other items that are not included in the lease.

If the owner receives any excess HAP from the AHA, the excess amount must be returned immediately. If the AHA determines that the owner is not entitled to all or a portion of the HAP, the AHA may deduct the amount of overpayment from any amounts due to the owner, including amounts due under any other Section 8 HCV contract. See [Chapter 165](#) for additional detail on owner reimbursement of HAP overpayments.

Owner Certification of Compliance

Unless the owner complies with all provisions of the HAP contract, the owner is not entitled to receive housing assistance payments under the HAP contract [HAP Contract – Form HUD-52641].

By endorsing the monthly check from the AHA [or receiving electronic payment and not immediately notifying the AHA to take back the payment](#), the owner certifies to compliance with the terms of the HAP contract. This includes certification that the owner is maintaining the unit and premises in accordance with HQS; that the contract unit is leased to the tenant family and, to the best of the owner's knowledge, the family resides in the unit as the family's only residence; the rent to owner does not exceed rents charged by the owner for comparable unassisted units on the premises; and that the owner does not receive (other than rent to owner) any additional payments or other consideration for rent of the contract unit during the HAP term.

Late HAP Payments [24 CFR 982.451(a)(5)]

The AHA is responsible for making HAP payments promptly when due to the owner, in accordance with the terms of the HAP contract. After the first two calendar months of the HAP contract term, the HAP contract provides for penalties if the AHA fails to make the HAP payment on time.

Penalties for late HAP payments can only be imposed if 1) the penalties are in accordance with generally accepted local rental market practices and law governing penalties for late payment by tenants; 2) it is the owner's normal business practice to charge late payment penalties for both assisted and unassisted families; and 3) the owner charges the assisted family for late payment of the family's share of the rent.

The AHA is not required to pay a late payment penalty if HUD determines that the payment is late for reasons beyond the AHA's control. In addition, late payment penalties are not required if the AHA intentionally delays or denies payment as a remedy to an owner breach of the HAP contract [[HCV Guidebook p. 11-7GB Housing Assistance Payments \(HAP\) Contracts page 8](#)].

Termination of HAP Payments

The AHA must continue making housing assistance payments to the owner in accordance with the HAP contract as long as the tenant continues to occupy the unit and the HAP contract is not violated.

HAP payments terminate when the HAP contract terminates or when the tenancy is terminated in accordance with the terms of the lease.

If the owner has initiated eviction proceedings against the family and the family continues to reside in the unit, the AHA must continue to make housing assistance payments to the owner until the owner has obtained a court judgment or other process allowing the owner to evict the tenant.

The owner must inform the AHA when the owner has initiated eviction proceedings against the family and the family continues to reside in the unit.

The owner must inform the AHA when the owner has obtained a court judgment or other process allowing the owner to evict the tenant, and provide the AHA with a copy of such judgment or determination.

After the owner has obtained a court judgment or other process allowing the owner to evict the tenant, the AHA will continue to make HAP payments to the owner until the family actually moves from the unit or until the family is physically evicted from the unit, whichever is earlier. The owner must inform the AHA of the date when the family actually moves from the unit or the family is physically evicted from the unit.

13-II.D. BREACH OF HAP CONTRACT [24 CFR 982.453]

Any of the following actions by the owner constitutes a breach of the HAP contract:

- If the owner violates any obligations under the HAP contract including failure to maintain the unit in accordance with HQS;
- If the owner has violated any obligation under any other ~~HAP contract under~~ Section 8 housing assistance payment contract;
- If the owner has committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;
- For projects with mortgages insured by HUD or loans made by HUD, if the owner has failed to comply with the regulation ~~as~~ for the applicable program; or if the owner has committed fraud, bribery or any other corrupt or criminal act in connection with the mortgage or loan;
- If the owner has engaged in drug-related criminal activity; or
- If the owner has committed any violent criminal activity

If the AHA determines that a breach of the HAP contract has occurred, it may exercise any of its rights and remedies under the HAP contract.

The AHA rights and remedies against the owner under the HAP contract include recovery of any HAP overpayment, suspension of housing assistance payments, abatement or

reduction of the housing assistance payment, termination of the payment or termination the HAP contract. The AHA may also obtain additional relief by judicial order or action.

The AHA must notify the owner of its determination and provide in writing the reasons for the determination. The notice may require the owner to take corrective action by an established deadline. The AHA must provide the owner with written notice of any reduction in housing assistance payments or the termination of the HAP contract.

Before the AHA invokes a remedy against an owner, the AHA will evaluate all information and documents available to determine if the contract has been breached.

If relevant, the AHA will conduct an audit of the owner's records pertaining to the tenancy or unit.

If it is determined that the owner has breached the contract, the AHA will consider all of the relevant factors including the seriousness of the breach, the effect on the family, the owner's record of compliance and the number and seriousness of any prior HAP contract violations.

13-II.E. HAP CONTRACT TERM AND TERMINATIONS

The term of the HAP contract runs concurrently with the term of the dwelling lease [24 CFR 982.451(a)(2)], beginning on the first day of the initial term of the lease and terminating on the last day of the term of the lease, including any lease term extensions.

The HAP contract and the housing assistance payments made under the HAP contract terminate if [HCV [Guidebook B page 5-6 pp. 11-4 and 11-5, pg. 15-3](#)]:

- The owner or the family terminates the lease;
- The lease expires;
- The AHA terminates the HAP contract;
- The AHA terminates assistance for the family;
- The family moves from the assisted unit. In this situation, the owner may keep the housing assistance payment for the month when the family moves out of the unit.
- 180 calendar days have elapsed since the AHA made the last housing assistance payment to the owner;
- The family is absent from the unit for longer than the maximum period permitted by the AHA;
- The Annual Contributions Contract (ACC) between the AHA and HUD expires
- The AHA elects to terminate the HAP contract.

The AHA may elect to terminate the HAP contract in each of the following situations:

- Available program funding is not sufficient to support continued assistance for families in the program [24 CFR 982.454];
- The unit does not meet HQS size requirements due to change in family composition [24 CFR 982.403] – see [eChapter 8](#);

- The unit does not meet HQS [24 CFR 982.404] – see [eChapter 8](#);
- The family breaks up [HUD Form 52641] – see [eChapter 3](#);
- The owner breaches the HAP contract [24 CFR 982.453(b)] – see Section 13-II.D.

If the AHA terminates the HAP contract, the AHA must give the owner and the family written notice. The notice must specify the reasons for the termination and the effective date of the termination. Once a HAP contract is terminated, no further HAP payments may be made under that contract [~~HCV Guidebook pg.15-4~~].

In all cases, the HAP contract terminates at the end of the calendar month that follows the calendar month in which the AHA gives written notice to the owner. The owner is not entitled to any housing assistance payment after this period, and must return to the AHA any housing assistance payment received after this period.

If the family moves from the assisted unit into a new unit, even if the new unit is in the same building or complex as the assisted unit, the HAP contract for the assisted unit terminates. A new HAP contract would be required [HCV GB [HAP Contracts PG. 23, p. 11-17](#)].

When the family moves from an assisted unit into a new unit, the term of the HAP contract for the new unit may begin in the same month in which the family moves out of its old unit. This is not considered a duplicative subsidy [HCV GB [HAP Contracts PG. 6, p. 8-22](#)].

13-II.F. CHANGE IN OWNERSHIP / ASSIGNMENT OF THE HAP CONTRACT [HUD-52641]

The HAP contract cannot be assigned to a new owner without the prior written consent of the AHA.

An owner under a HAP contract must notify the AHA in writing prior to a change in the legal ownership of the unit. The owner must supply all information as requested by the AHA.

The assignment will be approved only if the new owner is qualified to become an owner under the HCV program according to the policies in Section 13-I.D. of this chapter.

Prior to approval of assignment to a new owner, the new owner must agree to be bound by and comply with the HAP contract. The agreement between the new owner and the former owner must be in writing and in a form that the AHA finds acceptable. The new owner must provide the AHA with a copy of the executed agreement.

The AHA must receive a signed, written request from the existing owner stating the name and address of the new HAP payee and the effective date of the assignment in order to change the HAP payee under an outstanding HAP contract.

Within 14 calendar days of receiving the owner's request, the AHA will inform the current owner in writing whether the assignment may take place.

The new owner must provide a written certification to the AHA that includes:

- A copy of the escrow statement or other document showing the transfer of title and recorded deed;

A copy of the owner's IRS Form W-9, Request for Taxpayer Identification Number and Certification, or the social security number of the new owner;

The effective date of the HAP contract assignment;

A written agreement to comply with the terms of the HAP contract; and

Confirmation that the new owner is not a prohibited relative.

If the new owner does not agree to an assignment of the HAP contract, or fails to provide the necessary documents, the AHA will terminate the HAP contract with the old owner. If the new owner wants to offer the family a new lease, and the family elects to stay with continued assistance, the AHA will process the leasing in accordance with the policies in [Chapter 9](#).

PART III. HCV OWNERS AND THE MTW LANDLORD COHORT

13-III.A. MTW ACTIVITIES

The following approved MTW activities are designed to increase landlord participation in the Housing Choice Voucher (HCV) program. Owners of project-based assistance (Shelter Plus Care, Moderate Rehabilitation, and Project-Based Voucher) units are not eligible for the following activities. Also, owners that are required to participate in the HCV program either through a regulatory agreement or participation in the LIHTC program are not eligible for these incentives.

- Activity 2022-04 Vacancy Loss
- Activity 2022-05 Other Landlord Incentives
- Activity 2022-11 Front-End Vacancy Loss

13-III.B. VACANCY LOSS

Activities 2022-04 and 2022-11 allow landlords to receive vacancy loss when renting to an HCV family.

Activity 2022-04 allows the AHA to make a payment to a landlord whose unit was vacated by a participant of the Housing Choice Voucher program and is occupied by a different participant of the Housing Choice Voucher program.

ACTIVITY 2022-04 allows the AHA to make a payment to a landlord whose unit was not vacated by a participant of the Housing Choice Voucher program and is subsequently occupied by a participant of the Housing Choice Voucher program.

Vacancy Loss Payment Amount

Vacancy loss payments may be up to one month's rent payment. The payment would be capped at the reasonable rent to the owner minus any payments the owner received that month from any source. For example, if the unit was occupied by an HCV family who vacated at the beginning of the month, and the landlord retained the remainder of the HAP for the family moving out, the AHA will reduce any vacancy payment by that amount if the vacancy is filled within 30 days.

Timing of Vacancy Loss Payment

Vacancy loss payments will be made after the execution of the HAP contract along with the first payment under the HAP contract.

See Chapter 16 for vacancy loss policies for Project-Based Voucher units.

13-III.C. OTHER LANDLORD INCENTIVES

Activity 2022-05 allows the AHA to pay the landlord an incentive to lease up a Housing Choice Voucher (HCV) program participant.

Landlord Incentives

The AHA offers the following incentives:

- First-time Rental incentive
- Accessible unit incentive
- HQS incentive
- Returning Landlord incentive: maximum of \$1,000

First-time Rental Incentive

A first-time rental incentive would be paid to a landlord that is bringing a unit that has never been leased with the same landlord under the HCV program before. The maximum amount of the incentive is \$1,500. The AHA will pay the maximum unless the incentive restriction has been reached.

Accessible Unit Incentive

The accessible unit incentive would be paid to landlords providing a unit that meets or mostly meets the requirements for an ADA accessible unit to a family with a member with a disability. The maximum amount of the incentive is \$2,000. The AHA will pay the maximum unless the incentive restriction has been reached.

HQS Incentive

The HQS incentive would be paid to landlords whose unit passed an initial housing quality standards inspection the first time and resulted in a participant of the HCV program renting the unit. The maximum amount of the incentive is \$100. The AHA will pay the maximum unless the incentive restriction has been reached.

Returning Landlord Incentive

The returning landlord incentive would be paid to a landlord leasing a unit to an HCV participant that has been on the program prior. The maximum amount of the incentive is \$1,000. The AHA will pay the maximum unless the incentive restriction has been reached.

Landlord Incentive Payment Restriction

The AHA offers an array of incentives, but the total incentive paid to one landlord could not exceed more than one month of the contract rent of the unit.

Timing of Landlord Incentive Payment

Landlord incentive payments will be made after the execution of the HAP contract along with the first payment under the HAP contract.

CHAPTER 14

PROGRAM INTEGRITY

INTRODUCTION

The AHA is committed to ensuring that subsidy funds made available to the AHA are spent in accordance with HUD requirements.

This chapter covers HUD and AHA policies designed to prevent, detect, investigate and resolve instances of program abuse or fraud. It also describes the actions that will be taken in the case of unintentional errors and omissions.

Part I: Preventing, Detecting, and Investigating Errors and Program Abuse. This part presents AHA policies related to preventing, detecting, and investigating errors and program abuse.

Part II: Corrective Measures and Penalties. This part describes the corrective measures the AHA must and may take when errors or program abuses are found.

PART I: PREVENTING, DETECTING, AND INVESTIGATING ERRORS AND PROGRAM ABUSE

14-I.A. PREVENTING ERRORS AND PROGRAM ABUSE

The AHA anticipates that the vast majority of families, owners, and AHA employees intend to and will comply with program requirements and make reasonable efforts to avoid errors.

To ensure that the AHA's HCV program is administered effectively and according to the highest ethical and legal standards, the AHA will employ a variety of techniques to ensure that both errors and intentional program abuse are rare.

The AHA will discuss program compliance and integrity issues during the voucher briefing sessions described in Chapter 5.

The AHA will provide each applicant and participant with the publication *Things You Should Know (HUD-1140-OIG)* that explains the types of actions a family must avoid and the penalties for program abuse.

(1) The AHA will place a warning statement about the penalties for fraud (as described in the False Statement Act, U.S.C. 1001 and 1010) on key AHA forms and form letters that request information from a family or owner.

AHA staff will review and explain the contents of HCV Family Obligations and HUD- and AHA-required forms to program participants.

The AHA will provide each AHA employee with the necessary training on program rules and the organization's standards of conduct and ethics.

For purposes of this chapter the term *error* refers to an unintentional error or omission. *Program abuse or fraud* refers to a single act or pattern of actions that constitute a false

statement, omission, or concealment of a substantial fact, made with the intent to deceive or mislead.

14-I.B. DETECTING ERRORS AND PROGRAM ABUSE

In addition to taking steps to prevent errors and program abuse, the AHA will use a variety of activities to detect errors and program abuse.

Quality Control and Analysis of Data

Under the Section 8 Management Assessment Program (SEMAP), HUD requires the AHA to review a random sample of tenant records annually to determine if the records conform to program requirements and to conduct quality control inspections of a sample of units to ensure HQS compliance [24 CFR, Part 985]. (See Chapter 1 ~~65~~ for additional information about SEMAP requirements).

In addition to the SEMAP quality control requirements, the AHA will employ a variety of methods to detect errors and program abuse.

The AHA routinely will use available sources of up-front income verification to compare with family-provided information.

At each ~~annual reexamination~~regular reexamination, current information provided by the family will be compared to information provided at the last ~~annual reexamination~~regular reexamination to identify inconsistencies and incomplete information.

The AHA will compare family-reported income and expenditures to detect possible unreported income.

Independent Audits and HUD Monitoring

OMB Circular A-133 requires all PHAs that expend \$500,000 or more in federal awards annually to have an independent audit (IPA). In addition, HUD conducts periodic on-site and automated monitoring of PHA activities and notifies the PHA of errors and potential cases of program abuse.

The AHA will use the results reported in any IPA or HUD monitoring reports to identify potential program abuses as well as to assess the effectiveness of the AHA's error detection and abuse prevention efforts.

Individual Reporting of Possible Errors and Program Abuse

The AHA will encourage staff, program participants, owners and the public to report possible program abuse.

14-I.C. INVESTIGATING ERRORS AND PROGRAM ABUSE

When the AHA Will Investigate

The AHA will review all referrals, specific allegations, complaints, and tips from any source including other agencies, companies, and individuals, to determine if they warrant investigation. In order for the AHA to investigate, the allegation must contain at least one

independently-verifiable item of information, such as the name of an employer or the name of an unauthorized household member.

The AHA will investigate inconsistent information related to the family that is identified through file reviews and the verification process.

Consent to Release of Information [24 CFR 982.516]

The AHA may investigate possible instances of error or abuse using all available AHA and public records. If necessary, the AHA will require ~~HCV~~-families to give consent to the release of additional information.

Analysis and Findings

The AHA will base its evaluation on a preponderance of the evidence collected during its investigation.

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

For each investigation the AHA will determine (1) whether an error or program abuse has occurred, (2) whether any amount of money is owed the AHA, and (3) what corrective measures or penalties will be assessed.

Consideration of Remedies

All errors and instances of program abuse must be corrected prospectively. Whether the AHA will enforce other corrective actions and penalties depends upon the nature of the error or program abuse.

In the case of family-caused errors or program abuse, the AHA will take into consideration (1) the seriousness of the offense and the extent of participation or culpability of individual family members, (2) any special circumstances surrounding the case, (3) any mitigating circumstances related to the disability of a family member, (4) the effects of a particular remedy on family members who were not involved in the offense.

In the case of owner-caused errors or program abuse, the AHA will take into consideration (1) the seriousness of the offense, (2) the length of time since the violation has occurred, and (3) the effects of a particular remedy on family members who were not involved in the offense.

Notice and Appeals

The AHA will inform the relevant party in writing of its findings and remedies within 14 calendar days of the conclusion of the investigation. The notice will include (1) a description of the error or program abuse, (2) the basis on which the AHA determined the error or program abuses, (3) the remedies to be employed, and (4) the families right to appeal the results through the informal review or hearing process, if applicable (see Chapter 165).

PART II: CORRECTIVE MEASURES AND PENALTIES

14-II.A. SUBSIDY UNDER- OR OVERPAYMENTS

A subsidy under- or overpayment includes (1) an incorrect housing assistance payment to the owner, (2) an incorrect family share established for the family, and (3) an incorrect utility reimbursement to a family.

Corrections

Whether the incorrect subsidy determination is an overpayment or underpayment of subsidy, the AHA must promptly correct the HAP, family share, and any utility reimbursement.

Increases in the family share will be implemented only after the family has received 30 days notice.

Any decreases in family share will become effective the first of the month following the discovery of the error.

Reimbursement

Whether the family or owner is required to reimburse the AHA or the AHA is required to make retroactive subsidy payments to the owner or family depends upon which party is responsible for the incorrect subsidy payment and whether the action taken was an error or program abuse. Policies regarding reimbursement are discussed in the three sections that follow.

14-II.B. FAMILY-CAUSED ERRORS AND PROGRAM ABUSE

Family obligations and general administrative requirements for participating in the program are discussed throughout this plan. This section deals specifically with errors and program abuse by family members.

An incorrect subsidy determination caused by a family generally would be the result of incorrect reporting of family composition, income, assets, or expenses, but also would include instances in which the family knowingly allows the AHA to use incorrect information provided by a third party.

Family Reimbursement to AHA [~~HCV GB pp. 22-12 to 22-13~~]

In the case of family-caused errors or program abuse, the family will be required to repay any excess subsidy received. The AHA may, but is not required to, offer the family a repayment agreement in accordance with Chapter 156. If the family fails to repay the excess subsidy, the AHA will terminate the family's assistance in accordance with the policies in Chapter 12.

AHA Reimbursement to Family [~~HCV GB p. 22-12~~]

The AHA will not reimburse the family for any underpayment of assistance when the underpayment clearly is caused by the family.

Prohibited Actions

An applicant or participant in the HCV program must not knowingly:

- Make a false statement to the AHA [Title 18 U.S.C. Section 1001].
- Commit fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program [24 CFR 982.552(c)(iv)].

Any of the following will be considered evidence of family program abuse:

Payment to the owner in excess of amounts authorized by the AHA for rent, security deposit, and additional services

Offering bribes or illegal gratuities to the AHA Board of Commissioners, employees, contractors, or other AHA representatives

Offering payments or other incentives to the owner or a third party as an inducement for the third party to make false or misleading statements to the AHA on the family's behalf

Use of a false name or the use of falsified, forged, or altered documents

Intentional misreporting of family information or circumstances (e.g. income, family composition)

Omitted facts that were obviously known by a family member (e.g., not reporting employment income)

Admission of program abuse by an adult family member

The AHA may determine other actions to be program abuse based upon a preponderance of the evidence, as defined earlier in this chapter.

Penalties for Program Abuse

In the case of program abuse caused by a family the AHA may, at its discretion, impose any of the following remedies.

- The AHA may require the family to repay excess subsidy amounts paid by the AHA, as described earlier in this section.
- The AHA may require, as a condition of receiving or continuing assistance, that a culpable family member not reside in the unit. See policies in Chapter 3 (for applicants) and Chapter 12 (for participants).
- The AHA may deny or terminate the family's assistance following the policies set forth in Chapter 3 and Chapter 12 respectively.
- The AHA may refer the family for state or federal criminal prosecution as described in section 14-II.E.

14-II.C. OWNER-CAUSED ERROR OR PROGRAM ABUSE

Owner requirements that are part of the regular process of offering, leasing, and maintaining a unit (e.g., HQS compliance, fair housing) are addressed in the appropriate chapters of this plan. This section focuses on errors and program abuse by owners.

An incorrect subsidy determination caused by an owner generally would be the result of an incorrect owner statement about the characteristics of the assisted unit (e.g., the

number of bedrooms, which utilities are paid by the family). It also includes accepting duplicate housing assistance payments for the same unit in the same month, or after a family no longer resides in the unit.

Owner Reimbursement to the AHA

In all cases of overpayment of subsidy caused by the owner, the owner must repay to the AHA any excess subsidy received. The AHA may recover overpaid amounts by withholding housing assistance payments due for subsequent months, or if the debt is large, the AHA may allow the owner to pay in installments over a period of time. ~~[HCV-GB p. 22-13].~~

In cases where the owner has received excess subsidy, the AHA will require the owner to repay the amount owed in accordance with the policies in Section 156-IV.B.

Prohibited Owner Actions

An owner participating in the HCV program must not:

- Make any false statement to the AHA [Title 18 U.S.C. Section 1001].
- Commit fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program [24 CFR 982.453(a)(3)] including:

Any of the following will be considered evidence of owner program abuse:

Charging the family rent above or below the amount specified by the AHA

Charging a security deposit other than that specified in the family's lease

Charging the family for services that are provided to unassisted tenants at no extra charge

Knowingly accepting housing assistance payments for any month(s) after the family has vacated the unit

Knowingly accepting incorrect or excess housing assistance payments

Offering bribes or illegal gratuities to the AHA Board of Commissioners, employees, contractors, or other AHA representatives

Offering payments or other incentives to an HCV family as an inducement for the family to make false or misleading statements to the AHA

Residing in the unit with an assisted family

Remedies and Penalties

When the AHA determines that the owner has committed program abuse, the AHA may take any of the following actions:

- Require the owner to repay excess housing assistance payments, as discussed earlier in this section and in accordance with the policies in Chapter 165.
- Terminate the HAP contract (See Chapter 13).
- Bar the owner from future participation in any AHA programs.
- Refer the case to state or federal officials for criminal prosecution as described in section 14-II.E.

14-II.D. AHA-CAUSED ERRORS OR PROGRAM ABUSE

The responsibilities and expectations of AHA staff with respect to normal program administration are discussed throughout this plan. This section specifically addresses actions of an AHA staff member that are considered errors or program abuse related to the HCV program. Additional standards of conduct may be provided in the AHA personnel policies.

AHA-caused incorrect subsidy determinations include (1) failing to correctly apply HCV rules regarding family composition, income, assets, and expenses, (2) assigning the incorrect voucher size to a family, and (3) errors in calculation.

Repayment to the AHA

Neither a family nor an owner is required to repay an overpayment of subsidy if the error or program abuse is caused by AHA staff. ~~[HCV GB. 22-12].~~

AHA Reimbursement to Family or Owner

The AHA must reimburse a family for any underpayment of subsidy, regardless of whether the underpayment was the result of staff-caused error or staff or owner program abuse. Funds for this reimbursement must come from the AHA's administrative fee reserves. ~~[HCV GB p. 22-12].~~

Prohibited Activities

Any of the following will be considered evidence of program abuse by AHA staff:

- Failing to comply with any HCV program requirements for personal gain
- Failing to comply with any HCV program requirements as a result of a conflict of interest relationship with any applicant, participant, or owner
- Seeking or accepting anything of material value from applicants, participating families, vendors, owners, contractors, or other persons who provide services or materials to the AHA
- Disclosing confidential or proprietary information to outside parties
- Gaining profit as a result of insider knowledge of AHA activities, policies, or practices
- Misappropriating or misusing HCV funds
- Destroying, concealing, removing, or inappropriately using any records related to the HCV program
- Committing any other corrupt or criminal act in connection with any federal housing program

14-II.E. CRIMINAL PROSECUTION

When the AHA determines that program abuse by an owner, family, or AHA staff member has occurred and the amount of overpaid subsidy meets or exceeds the threshold for prosecution under local or state law, the AHA will refer the matter to the appropriate entity

for prosecution. When the amount of overpaid assistance meets or exceeds the federal threshold, the case will also be referred to the HUD Office of Inspector General (OIG).

Other criminal violations related to the HCV program will be referred to the appropriate local, state, or federal entity.

14-II.F. FRAUD AND PROGRAM ABUSE RECOVERIES

The AHA may retain a portion of program fraud losses that the AHA recovers from a family or owner through litigation, court order, or a repayment agreement [24 CFR 982.163].

The AHA must be the principal party initiating or sustaining the action to recover amounts due from tenants that are due as a result of fraud and abuse. 24 CFR 792.202 permits the AHA to retain the greater of:

- 50 percent of the amount it actually collects from a judgment, litigation (including settlement of a lawsuit) or an administrative repayment agreement, or
- Reasonable and necessary costs that the AHA incurs related to the collection including costs of investigation, legal fees, and agency collection fees.

The family must be afforded the opportunity for an informal hearing in accordance with requirements in 24 CFR 982.555.

If HUD incurs costs on behalf of the AHA related to the collection, these costs must be deducted from the amount retained by the AHA.

CHAPTER 15

PROGRAM ADMINISTRATION

INTRODUCTION

This chapter discusses administrative policies and practices that are relevant to the activities covered in this plan. The policies are discussed in eight parts as described below:

Part I: Administrative Fee and Housing Assistance Payment Reserves. This part describes the AHA's policies with regard to oversight of expenditures from its administrative fee reserve and Housing Assistance Payment Reserves.

Part II: Setting Program Standards and Schedules. This part describes what payment standards are, and how they are updated, as well as how utility allowances are established and revised.

Part III: Informal Reviews and Hearings. This part outlines the requirements and procedures for informal reviews and hearings, and for informal hearings regarding citizenship status.

Part IV: Owner or Family Debts to the AHA. This part describes policies for recovery of monies that the AHA has overpaid on behalf of families, or to owners, and describes the circumstances under which the AHA will offer repayment agreements to owners and families. Also discussed are the consequences for failure to make payments in accordance with a repayment agreement.

Part V: Section 8 Management Assessment Program (SEMAP). This part describes what the SEMAP scores represent, how they are established, and how those scores affect AHA.

Part VI: Record-Keeping. All aspects of the program involve certain types of record-keeping. This part outlines the privacy rights of applicants and participants and record retention policies the AHA will follow.

Part VII: Reporting and Record Keeping for Children with Environmental Intervention Blood Lead Level. This part describes the AHA's responsibilities for reporting, data collection, and record keeping relative to children with environmental intervention blood lead levels that are less than six years of age, and are receiving HCV assistance.

Part VIII: Special Housing Types. This part describes what Special Housing Types the AHA will operate.

PART I: ADMINISTRATIVE FEE AND HOUSING ASSISTANCE PAYMENT RESERVE ~~[24 CFR 982.155]~~ [MTW OPERATING NOTICE]

Funds Fungibility

As an MTW agency, the AHA has the flexibility to apply fungibility among Housing Choice Voucher Housing Assistance Payments and Administrative Fee assistance. These

flexibilities expand the eligible uses of each covered funding stream, but do not negate the need for both the PHA and HUD to be able to account for the funding from its original source to the date of its ultimate eligible use¹⁸ by the PHA, comply with federal grant and financial management requirements, and use funds effectively and efficiently for their eligible purposes.

Certain provisions of Sections 8 and 9 of the 1937 Act and implementing requirements are waived as necessary to implement this flexibility. Once the MTW agency receives its MTW designation through the execution of the MTW ACC Amendment, this flexibility in the use of MTW Funding does not require prior HUD approval.

The MTW agency may use MTW Funding covered by MTW flexibility for any eligible activity under Sections 9(d)(1), 9(e)(1) and Section 8(o) of the 1937 Act and for the local, non-traditional activities specified in Appendix I of the MTW Operations Notice. All MTW agency expenditures must be consistent with the MTW agency's charter, approved 5-Year and Annual PHA Plans, and the approved MTW Supplement to the Annual PHA Plan.

Administrative Fee Reserves

For reserves that the AHA has accumulated prior to signing its MTW ACC Amendment, the AHA must use those reserves for their originally appropriated purposes and is not allowed to use the funds flexibly. However, per the Final MTW Operations Notice, in HUD's fiscal year 2020 appropriations act, Congress provided temporary relief from this requirement, providing that an MTW agency may use reserves accumulated prior to the MTW designation flexibly. This additional flexibility has not expired as of the revision of this chapter and due to the fact that the AHA received its MTW designation in March 2022, the AHA may use reserves accumulated after this date flexibly. If Congress makes changes to this portion of the appropriations act in subsequent years and the AHA continues to hold reserves from before its MTW designation, the AHA will ~~The AHA must maintain that the an~~ administrative fee reserve accumulated prior to its MTW designation will be used for the program to pay program administrative expenses in excess of administrative fees paid by HUD for a AHA fiscal year. If funds in the administrative fee reserve are not needed to cover AHA administrative expenses, the AHA may use these funds for other housing purposes permitted by Federal, State and local law.

If the AHA has not adequately administered any Section 8 program, HUD may prohibit use of funds in the administrative fee reserve, and may direct the AHA to use funds in the reserve to improve administration of the program or to reimburse ineligible expenses. HUD also may prohibit use of the funds for certain purposes.

HUD requires the AHA Board of Commissioners or other authorized officials to establish the maximum amount that may be charged against the administrative fee reserve without specific approval.

Expenditures from the administrative fee or other AHA reserves will be made in accordance with all applicable Federal requirements and the AHA procurement policy. The Board of Commissioners through the AHA budget process must approve all expenditure line items. The AHA's Board of Commissioners must approve contracts in excess of \$250,000.

Housing Assistance Payment Reserves

Because the 2016 Expansion Statute does not expressly authorize accumulated reserves to be used in accordance with this fungibility, any previously appropriated prior year funds (i.e., reserves) provided to the AHA prior to the date of its executed MTW Annual Contribution Contract (ACC) Amendment must be used for their originally appropriated purposes and cannot be used flexibly. However, Congress granted MTW Expansion Agencies, including AHA, temporary relief from this requirement in the Fiscal Year (FY) 2022 Appropriations Act, which permitted an MTW Expansion Agency to use its prior year funds flexibly for any MTW-eligible purpose during FY 2022. Congress again provided this funding flexibility in the Consolidated Appropriations Act, 2023 (Public Law 117-328), which was signed into law by the President on December 29, 2022. Consequently, MTW Expansion PHA(s) may utilize funding flexibility for prior-year reserves through September 30, 2023.

Under the MTW program, AHA may use its Housing Assistance Payment (HAP) funds flexibly as allowed by HUD. In addition to the normal HAP uses, these funds may be used to fund MTW activities such as landlord incentives or the cost of administration of the program.

PART II: SETTING PROGRAM STANDARDS AND SCHEDULES

15-II.A. OVERVIEW

Although many of the program's requirements are established centrally by HUD, the HCV program's regulations recognize that some flexibility is required to allow the AHA to adapt the program to local conditions. This part discusses how the AHA establishes and updates certain schedules and standards that are used to administer the program locally. Details about how these schedules are applied to individual families are provided in other chapters. The schedules and standards discussed here include:

- *Payment Standards*, which dictate the maximum subsidy a family can receive (application of the payment standards is discussed in Chapter 6); and
- *Utility Allowances*, which specify how a family's payment should be adjusted to account for tenant-paid utilities (application of utility allowances is discussed in Chapter 6).

Copies of the payment standard and utility allowance schedules are available for review in the AHA's offices during normal business hours or through its website at www.alamedahsg.org.

The AHA will maintain documentation to support its annual review of payment standards and utility allowance schedules. This documentation will be retained for at least 3 years.

15-II.B. PAYMENT STANDARDS [24 CFR 982.503; HCV GB PAYMENT STANDARDS, CHAPTER 7; MTW OPERATIONS NOTICE]

The payment standard sets the maximum subsidy payment a family can receive from the AHA each month [24 CFR 982.505(a)]. Payment standards are based on fair market rents

(FMRs) published annually by HUD. FMRs are set at a percentile within the rent distribution of standard quality rental housing units in each FMR area. Alameda is one FMR area. For most jurisdictions FMRs are set at the 40th percentile of rents in the market area.

The AHA has established a payment standard schedule that establishes payment standard amounts for the AHA's jurisdiction, and for each unit size. For each unit size, the AHA has established a single payment standard amount for the whole FMR area.

For families and participants not included in the MTW activities:

Unless HUD grants an exception, the AHA is required to establish a payment standard within a "basic range" established by HUD – between 90 and 110 percent of the published FMR for each unit size.

For families and participants included in the MTW activities:

Activity 2022-01 allows the AHA to set the payment standard between 80 and 150 percent of the published FMR for each unit size.

Updating Payment Standards

When HUD updates its FMRs, the AHA will update its payment standards if the standards are no longer within the basic range [24 CFR 982.503(b)]. HUD may require the AHA to make further adjustments if it determines that rent burdens for assisted families in the AHA's jurisdiction are unacceptably high [24 CFR 982.503(g)].

The AHA will review the appropriateness of the payment standards on an annual basis when the new FMR is published. In addition to ensuring the payment standards do not exceed the ~~success rate payment~~ standard approved by HUD. The AHA will consider the following factors when determining whether an adjustment should be made to the payment standard schedule:

Funding Availability: The AHA will review the budget to determine the impact projected subsidy adjustments will have on funding available for the program and the number of families served. The AHA will compare the number of families who could be served under revised payment standard amounts with the number assisted under current payment standard amounts.

Rent Burden of Participating Families: Rent burden will be determined by identifying the percentage of families, for each unit size, that are paying more than 30 percent of their monthly adjusted income as the family share. When 40 percent or more of families, for any given unit size, are paying more than 30 percent of adjusted monthly income as the family share, the AHA will consider increasing the payment standard. In evaluating rent burdens, the AHA will not include families renting a larger unit than their family unit size.

Quality of Units Selected: The AHA will review the quality of units selected by participant families when making the determination of the percent of income families are paying for housing, to ensure that payment standard increases are only made when needed to reach the mid-range of the market.

Changes in Rent to Owner: The AHA may review a sample of the units to determine how often owners are increasing or decreasing rents and the average percent of increases/decreases by bedroom size.

Unit Availability: The AHA will review the availability of units for each unit size, particularly in areas with low concentrations of poor and minority families.

Lease-up Time and Success Rate: The AHA will consider the percentage of families that are unable to locate suitable housing before the voucher expires and whether families are leaving the jurisdiction to find affordable housing.

Payment standards for new contracts will go into effect when a family moves. For an offer of new lease, the higher of the old payment standard or the current payment standard will be used if the family composition remains the same. For ongoing contracts, if the payment standard increases, the new payment standard will be effective at the next ~~annual reexamination~~regular reexamination. If the payment standard decreases, the new payment standard will be implemented at the time at the time of move (transfer) or at the time of a regular reexamination~~annual~~ that changes the payment standard due to a change in family composition. If the payment standard decreases due to decreases in the FMR published by HUD, the new payment standard will be implemented at the second regular reexamination.

Exception Payment Standards for Families and Participants Not Included in MTW Activities [982.503(c)]

The AHA must request HUD approval to establish payment standards that are higher than the basic range. At HUD's sole discretion, HUD may approve a payment standard amount that is higher than the basic range for a designated part of the FMR area. HUD may approve an exception payment standard amount (in accordance with program requirements) for all units, or for all units of a given size, leased by program families in the exception area. Any PHA with jurisdiction in the exception area may use the HUD-approved exception payment standard amount. The total population of all HUD-approved exception areas in an FMR area may not include more than 50 percent of the population of the FMR area.

Unit-by-Unit Exceptions [24 CFR 982.505]

Unit-by-unit exceptions to the AHA's payment standards generally are not permitted. However, an exception may be made as a reasonable accommodation for a family that includes a person with disabilities. (See Chapter 2 for a discussion of reasonable accommodations.) This type of exception does not affect the AHA's payment standard schedule.

When needed as a reasonable accommodation, the AHA may make an exception to the payment standard without HUD approval if the exception amount does not exceed 120 percent of the applicable FMR for the unit size. The AHA must maintain documentation that the unit has the feature(s) required to meet the needs of the person with disabilities.

A family that requires a reasonable accommodation may request a higher payment standard at the time the Request for Tenancy Approval (RFTA) is submitted. The family

must document the need for the exception. In order to approve an exception, the AHA must determine that:

- There is a shortage of affordable units that would be appropriate for the family;
- The family's TTP would otherwise exceed 40 percent of adjusted monthly income; and
- The rent for the unit is reasonable.

"Success Rate" Payment Standard Amounts for Families and Participants Not Included in MTW Activities [24 CFR 982.503(e)]

If a substantial percentage of families have difficulty finding a suitable unit, the AHA may request a "success rate payment standard" that applies to the entire jurisdiction. If approved by HUD, a success rate payment standard allows the AHA to set its payment standards at 90-110 percent of a higher FMR (the 50th, rather than the 40th percentile FMR) for families and participants not included in MTW-. To support the request, the AHA must demonstrate that during the most recent 6-month period for which information is available:

- Fewer than 75 percent of families who were issued vouchers became participants;
- The AHA had established payment standards for all unit sizes, and for the entire jurisdiction, at 110 percent of the published FMR for families and participants not included in MTW; and
- The AHA had a policy of allowing voucher holders who made sustained efforts to locate units at least 90 days to search for a unit.

Although HUD approves the success rate payment standard for all unit sizes in the FMR area, the AHA may choose to adjust the payment standard for only some unit sizes in all, or a designated part, of the AHA's jurisdiction within the FMR area.

Decreases in the Payment Standard Below the Basic Range for Families and Participants Not Included in MTW [24 CFR 982.503(d)]

The AHA must request HUD approval to establish a payment standard amount that is lower than the basic range. At HUD's sole discretion, HUD may approve establishment of a payment standard lower than the basic range. HUD will not approve a lower payment standard if the family share for more than 40 percent of program participants exceeds 30 percent of adjusted monthly income.

15-II.C. UTILITY ALLOWANCES [24 CFR 982.517]

An AHA-established utility allowance schedule is used in determining family share and AHA subsidy. The AHA will maintain a utility allowance schedule for (1) all tenant-paid utilities, (2) the cost of tenant-supplied refrigerators and ranges, and (3) other tenant-paid housing services such as trash collection.

The utility allowance schedule must be determined based on the typical cost of utilities and services paid by energy-conservative households that occupy housing of similar size and type in the same locality. In developing the schedule, the AHA must use normal patterns of consumption for the community as a whole, and current utility rates.

The utility allowance must include the utilities and services that are necessary in the locality to provide housing that complies with housing quality standards. Per HUD regulations, cCosts for telephone, cable/satellite television, and internet services are not included in the utility allowance schedule.

In the utility allowance schedule, the AHA will classify utilities and other housing services according to the following categories:

- Gas heating;
- Electric heating;
- Gas cooking;
- Electric cooking;
- Gas water heating;
- Electric water heating;
- Water and sewer;
- Trash collection and recycling;
- Other electric;
- Cost of tenant-supplied refrigerator;
- Cost of tenant-supplied range.

The cost of each utility and housing service will be stated separately by unit size and type. ~~Chapter 16 of the HCV Guidebook~~The HCV Guidebook chapter Utility Allowances provides detailed guidance to the AHA about establishing utility allowance schedules.

Air Conditioning

An allowance for air conditioning will be provided when the majority of housing units in the market have central air conditioning or are wired for tenant-installed air conditioners. Due to the negligible number of housing units with air conditioning, the AHA has not included an allowance for air conditioning in its schedule.

Reasonable Accommodation

The AHA will approve a utility allowance amount higher than shown on the AHA's schedule if a higher allowance is needed as a reasonable accommodation for a family member with a disability. For example, if a family member with a disability requires such an accommodation, the AHA will approve an allowance for air-conditioning, even if the AHA has determined that an allowance for air-conditioning generally is not needed or the AHA will approve the use of the utility allowance for the actual unit leased if the family is in a unit higher than their voucher size (Ssee Chapter 2 for policies regarding the request and approval of reasonable accommodations).

Utility Allowance Revisions

The AHA will review its schedule of utility allowances at least annually, and must revise the schedule if there has been a change of 10 percent or more in any utility rate since the last time the allowance for that utility was revised. The AHA will maintain information supporting its annual review of utility allowance and any revisions made in its utility allowance schedule.

~~15-II.D. CALIFORNIA UTILITY ALLOWANCE CALCULATOR FOR ENERGY EFFICIENT PROJECTS RECEIVING LOW INCOME HOUSING TAX CREDITS~~

~~Under the Housing Choice Voucher program, the AHA recognizes and adopts the use of project specific utility allowances that have been approved for use in qualified Low Income Housing Tax Credit (LIHTC) projects, provided that the utility allowances for the LIHTC project are:~~

- ~~— (i) Developed pursuant to regulations prescribed by the Internal Revenue Service (IRS) and requirements set by the California Tax Credit Allocation Committee (CTCAC) for the LIHTC program;~~
- ~~— (ii) Calculated using the California Utility Allowance Calculator (CUAC) or other models recognized by the CTCAC;~~
- ~~— (iii) Approved by CTCAC for use in affordable housing projects receiving Tax Credit project; and~~
- ~~— (iv) Reviewed and updated pursuant to CTCAC requirements and compliance procedures to reflect changes in energy tariffs.~~

Background

~~Utility allowances for the HCV program and LIHTC program are established through different processes. The result is that the utility allowances for HCV participants substantially vary from the utility allowances approved by CTCAC for non-voucher units even though the building characteristics for the residential units are substantially the same.~~

~~Additionally, the methods used to set utility allowances for the HCV program do not consider new construction standards and practices or the above-code energy efficiency investments commonly made by developers of CTCAC-funded Tax Credit projects. As a result, the utility allowances set by public housing authorities do not accurately reflect the lower energy consumption and costs associated with LIHTC projects. It is commonly understood among affordable housing organizations that the overstatement of energy consumption and costs adversely affects the property's ability to cover added investment costs for high efficiency measures and may also affect the underlying cash flow and financial stability of the property.~~

~~This disparity was formally recognized by the IRS and resulted in an amendment to its regulations governing utility allowances, § 1.42-10. On July 29, 2008, the IRS issued a Final Notice permitting use of alternative approaches for estimating tenant utility costs~~

~~including the use of utility allowance estimates set by state housing finance agencies, use of HUD's Utility Schedule Model, or use of an energy consumption model.~~

~~Following issuance of the IRS rule, the CTCAC authorized use of an energy consumption model developed by the California Energy Commission. The model, known as the California Utility Allowance Calculator (CUAC), is widely used by tax credit properties. The utility cost estimates calculated through this model more accurately reflect utility consumption than the standard allowances used by AHA for the HCV Program.~~

Justification

~~The CUAC used in California for Tax Credit projects provides a well documented, objective, and sound analytical basis for estimating tenant utility costs and setting utility allowances in LIHTC properties.~~

~~The process requires the use of energy professionals in making utility estimates using the CUAC model, and has sufficient safeguards and checks in place to ensure that utility allowances are properly calculated and reasonable. Compliance procedures established by CTCAC will also ensure that utility allowances, once set under the LIHTC program, will be reviewed on an ongoing basis and updated to reflect changes in utility costs.~~

~~Adopting the utility allowances approved by the CTCAC for properties using the CUAC will not result in additional AHA project administration costs.~~

Review of Process for Setting Utility Allowances Under Low Income Housing Tax Credit Program and Potential Utilization for Housing Choice Vouchers Used in Qualified Tax Credit Properties

~~Under the LIHTC program, applicants for LIHTCs must estimate the monthly income and expenses for proposed projects. As part of the calculation, applicants need to provide an estimate of tenant utility costs. A utility allowance is set based on what a reasonable energy consuming household consumes, which is the same standard used for HUD programs.~~

~~In tax credit projects, the gross rent for the unit is reduced by the utility allowance. This is consistent with the approach used in HUD programs to determine the amount of rent the tenant pays the property owner.~~

~~Until recently, the most common source of the utility cost estimates has been Public Housing Authority (PHA) utility allowance schedules. This changed in 2008 with the issuance of the amended regulation by the IRS. The underlying reason for amending the IRS' regulation is that PHA utility allowances based on older buildings are inaccurate and overstate utility costs for tax credit properties built to higher energy efficiency standards and with lower energy consumption.~~

~~In 2009, CTCAC authorized use of the California Utility Allowance Calculator, or CUAC in developing utility cost estimates for LIHTC projects. The CUAC was developed by the~~

~~California Energy Commission in partnership with the affordable housing community to create a more accurate tool for estimating tenants' utility costs.~~

~~Since utility allowances for the HCV program are set independently from the LIHTC program, when a household using a voucher moves into a Tax Credit project, a different utility allowance is used, which results in different utility allowances being applied to units in the same building with the same characteristics affecting energy consumption. To correct this disparity, the AHA has sought and obtained HUD approval to use the utility allowances approved for the LIHTC program.~~

~~Assessment of California Utility Allowance Calculator (CUAC) Model~~

~~The California Utility Allowance Calculator (CUAC) allows energy consultants, working for affordable housing developers, to establish a more accurate estimate of what tenants will pay for utilities, taking into account the energy affecting features of the proposed building, the photovoltaic (PV) system designed for it, and the applicable tariff/utility rate. The CUAC may be used with:~~

- ~~1. New construction projects in the design phase (brand new, never previously used buildings);~~
- ~~2. Newly constructed projects placed in service during or after 2009 that meet Title 24, Part 6 standards (2008 edition); and on a case-by-case basis subject to discretion of CTAC's Executive Director~~
- ~~3. Rehabilitation or adaptive reuse projects that involve tearing the building(s) down to the bare framing, rafters and foundation and then rebuilding it to Title 24, Part 6 standards.~~

~~Appropriate use of the CUAC requires verifying what is actually built, as opposed to what had been proposed, so that a project is accurately modeled using approved California Energy Commission approved software.~~

- ~~• Energy analysts using the CUAC investigate and confirm the relevant energy efficiency measures which are actually used in construction of the project, once the project has been completed, and model the units and building(s) as built. These relevant energy efficiency measures include any components, materials, systems, etc. that impact the building's energy efficiency, including but not limited to the building envelope, heating systems, cooling systems, domestic hot water systems, and installed lighting systems. Energy analysts shall also confirm that appliances comply with the applicable California Appliance Efficiency Regulations, Title 20.~~

~~Assessment of Owner/Developer Requirements~~

~~In order to qualify for the use of a project-specific utility allowance, developers must meet certain requirements and must be awarded LIHTCs. These requirements apply whether the applicant is seeking, or has already been awarded, competitive 9% tax credits, or credits used in conjunction with tax exempt bond financing, or "ARRA Funding" Tax Credit Exchange Program (Section 1602) funds or Tax Credit Assistance Program (TCAP) funds.~~

~~All CUAC estimates will be completed by an independent third party and will be at the expense of the developer. The CTCAC requires that the consultant be a California Association of Building Energy Consultants (CABEC) Certified Energy Plans Examiner (CEPE) and either a certified Home Energy Rating System (HERS) Rater or a California licensed mechanical engineer or electrical engineer. A list of CEPEs with current residential certifications is available at:~~

~~<http://www.cabec.org/ceperosterall.php>.~~

~~All CUAC estimates will include a report, signed by the qualified professional energy analyst (as defined in CTCAC Regulation Section 10322(h)(20)), certifying the following:~~

~~Date the CUAC estimate was prepared and the name of project the estimate was prepared for.~~

- ~~• Name, address and phone number of the analyst who prepared and certified to the accuracy of the CUAC estimate. (NOTE: The preparer and certifying analyst must be the same person).~~
- ~~• Proof of the energy analyst's qualifications to use the CUAC, including a current California Association of Building Energy Consultant's (CABEC) Certified Energy Plans Examiner (CEPE) certification number, and the analyst's California engineering license number or California Home Energy Rating Systems (HERS) certification number.~~
- ~~• A statement that the analyst and the owner of the project, the project applicant, and the project's principals (general partners, members, etc.), are not related parties as defined by CTCAC Regulation 10302(gg) and the Internal Revenue Code section 267(b) and 707(b).~~
- ~~• A statement that CUAC estimate is based solely on the professional building energy modeling and analysis completed by the qualified professional building analyst who signed the CUAC estimate.~~
- ~~• A copy of the completed CARE tariff eligibility analysis done as required by the CUAC User's Guide (if applicable).~~
- ~~• A copy of the California Energy Commission's CF-1R compliance document for the project.~~

~~Additional Requirements for Projects Recently Placed In Service~~

~~Energy analysts who are submitting a CUAC estimate for a newly completed project built to the 2005 or later standards must confirm the energy efficiency measures of the project's units and buildings. The energy analyst will confirm the data used in completing the CUAC estimate is accurate, including all relevant energy efficiency measures. If unable to confirm the energy efficiency measures actually used in the completed units and building(s), the analyst will use conservative default assumptions needed to meet the minimum requirements under the appropriate standards.~~

~~The analyst also must identify the utility providers, confirm that the appropriate tariff was used in the CUAC estimate, confirm building orientation, and determine the building's unit mix, apartment features and unit floor plan layout. This process will be done through~~

~~direct observation (including field testing or sampling at a minimum rate of 1:7 units), official documentation, or qualified third-party resources.~~

~~All CUAC estimates will include a report, certifying to all of the items listed above, as well as the following additional items:~~

- ~~• Explanation of any testing or sampling done to confirm the constructed units and/or building(s) features.~~
- ~~• A list of all third-party resources used to confirm the constructed buildings features, including copies of the building permits and the name and phone number of any HERS rater(s) who conducted review(s) of the project's units and /or building(s).~~
- ~~• Copies of any documentation relied upon to confirm the energy efficiency measures used in the modeling of the constructed units and/or building(s).~~
- ~~• Copies of any completed residential compliance forms (CF-1R, CF-4R, CF-6R, etc.) for the project's units and/or building(s) that were completed at the design phase and upon final construction.~~
- ~~• A list and justification of any conservative default assumptions (Title 24, Part 6 Standards) that were used by the energy analyst in the event the energy analyst was unable to independently confirm the building(s) energy efficiency measures.~~

CUAC Schedule

~~For a Tax Credit project, and most other affordable housing projects, the CUAC estimate will need to be produced or reproduced at three points in the life of a project.~~

- ~~1. At the point of initial application where the CUAC utility allowance is crucial to the underwriting of a project. This should be the "draft" version of the CUAC utility allowance.~~
- ~~2. When the project begins lease-up, so that tenants are appropriately charged for rent. This should be the "final" locked-in-place version of the CUAC utility allowance and represent the project "as built" as opposed to "as proposed." This or a later "annual update" version of the utility allowance is also the utility allowance that should be sent to the CTCAG as part of any placed-in-service package.~~
- ~~3. The "final" version of the CUAC should be updated annually throughout the compliance period. This updating simply involves having the energy analyst reproduce the utility allowance using the latest version of the CUAC lookup tables, which will contain the most up-to-date version of the utility company rates. This will bring the utility allowance up-to-date.~~

Updating Project-Specific Utility Allowance

~~The owner/developer is required to update the schedule of utility allowances at least annually, and must revise the schedule if there has been a change of 10 percent or more in any utility tariff/rate since the last time the allowance for that utility was revised.~~

~~The CUAC update shall be conducted no later than the project's anniversary of its earliest Placed-In-Service date.~~

~~Under the proposal, the owner/developer must provide the AHA the information supporting its annual review of the utility allowance and any revisions made in its utility allowance schedule. The AHA shall retain this information with all other utility allowance update data.~~

PART III: INFORMAL REVIEWS AND HEARINGS

15-III.A. OVERVIEW

When the AHA makes a decision that has a negative impact on a family, the family is often entitled to appeal the decision. For applicants, the appeal takes the form of an informal review; for participants, or for applicants denied admission because of citizenship issues, the appeal takes the form of an informal hearing.

PHAs are required to include in their administrative plans, informal review procedures for applicants, and informal hearing procedures for participants [24 CFR 982.54(d)(12) and (13)].

15-III.B. INFORMAL REVIEWS

Informal reviews are provided for program applicants. An applicant is someone who has applied for admission to the program, but is not yet a participant in the program. Informal reviews are intended to provide a “minimum hearing requirement” [24 CFR 982.554], and need not be as elaborate as the informal hearing requirements. (Federal Register Volume 60, No. 127, p 36490).

Decisions Subject to Informal Review

The AHA must give an applicant the opportunity for an informal review of a decision denying assistance [24 CFR 982.554(a**b**)]. Denial of assistance may include any or all of the following [24 CFR 982.552(a)(2)]:

- Denying listing on the AHA waiting list
- Denying or withdrawing a voucher
- Refusing to enter into a HAP contract or approve a lease
- Refusing to process or provide assistance under portability procedures
- Denying assistance based on an unfavorable history that may be the result of domestic violence, dating violence, or stalking. (See Section 3-III.G)

Informal reviews are *not* required for the following reasons [24 CFR 982.554(c)]:

- Discretionary administrative determinations by the AHA
- General policy issues or class grievances
- A determination of the family unit size under the AHA subsidy standards
- An AHA determination not to grant approval of the tenancy
- An AHA determination that the unit is not in compliance with the HQS

- An AHA determination that the unit is not in accordance with the HQS due to family size or composition

The AHA will only offer an informal review to applicants for whom assistance is being denied. Denial of assistance includes: denying listing on the AHA waiting list; denying or withdrawing a voucher; refusing to enter into a HAP contract or approve a lease; refusing to process or provide assistance under portability procedures.

Notice to the Applicant [24 CFR 982.554(a)]

The AHA must give an applicant prompt notice of a decision denying assistance. The notice must contain a brief statement of the reasons for the AHA decision, and must also state that the applicant may request an informal review of the decision. The notice must describe how to obtain the informal review.

Scheduling an Informal Review

A request for an informal review must be made in writing and delivered to the AHA either in person or by first class mail, by the close of the business day, no later than 14 calendar days from the date of the AHA's denial of assistance.

The AHA must schedule and send written notice of the informal review within 14 calendar days of the family's request.

Informal Review Procedures [24 CFR 982.554(b)]

The informal review must be conducted by a person other than the one who made or approved the decision under review, or a subordinate of this person.

The applicant must be provided an opportunity to present written or oral objections to the decision of the AHA.

The person conducting the review will make a recommendation to the AHA, but the AHA is responsible for making the final decision as to whether assistance should be granted or denied.

Informal Review Decision [24 CFR 982.554(b)]

The AHA must notify the applicant of the AHA's final decision, including a brief statement of the reasons for the final decision.

In rendering a decision, the AHA will evaluate the following matters:

Whether or not the grounds for denial were stated factually in the Notice.

The validity of grounds for denial of assistance. If the grounds for denial are not specified in the regulations, then the decision to deny assistance will be overturned.

The validity of the evidence. The AHA will evaluate whether the facts presented prove the grounds for denial of assistance. If the facts prove that there are grounds for denial, and the denial is required by HUD, the AHA will uphold the decision to deny assistance.

If the facts prove the grounds for denial, and the denial is discretionary, the AHA will consider the recommendation of the person conducting the informal review in making the final decision whether to deny assistance.

The AHA will notify the applicant of the final decision, including a statement explaining the reason(s) for the decision. The notice will be mailed within 14 calendar days of the informal review, to the applicant and his or her representative, if any, along with proof of mailing. Informal hearings may be held in-person or remotely. If remote hearings are scheduled, AHA will ensure equal opportunity and nondiscrimination for individuals with disabilities and limited English proficient (LEP) persons under Section 504 of the Rehabilitation Act of 1973 (Section 504), the Americans with Disabilities Act of 1990 (ADA), Title VI of the Civil Rights Act of 1964, and the Fair Housing Act.

AHAs will make reasonable accommodations in policies, practices, and procedures to ensure persons with disabilities have a full and equal opportunity to participate in and benefit from all aspects of the hearing process. This obligation is in addition to the obligation to ensure effective communication under Section 504 and the ADA.

15-III.C. INFORMAL HEARINGS FOR PARTICIPANTS [24 CFR 982.555]

PHAs must offer an informal hearing for certain AHA determinations relating to the individual circumstances of a participant family. A participant is defined as a family that has been admitted to the AHA's HCV program and is currently assisted in the program. The purpose of the informal hearing is to consider whether the AHA's decisions related to the family's circumstances are in accordance with the law, HUD regulations and AHA policies.

The AHA is not permitted to terminate a family's assistance until the time allowed for the family to request an informal hearing has elapsed, and any requested hearing has been completed. Termination of assistance for a participant may include any or all of the following:

- Refusing to enter into a HAP contract or approve a lease
- Terminating housing assistance payments under an outstanding HAP contract
- Refusing to process or provide assistance under portability procedures

Decisions Subject to Informal Hearing

Circumstances for which the AHA must give a participant family an opportunity for an informal hearing are as follows:

- A determination of the family's annual or adjusted income, and the use of such income to compute the housing assistance payment
- A determination of the appropriate utility allowance (if any) for tenant-paid utilities from the AHA utility allowance schedule
- A determination of the family unit size under the AHA's subsidy standards
- A determination to terminate assistance for a participant family because of the family's actions or failure to act

- A determination to terminate assistance because the participant has been absent from the assisted unit for longer than the maximum period permitted under AHA policy and HUD rules
- A determination to terminate a family's Family Self-Sufficiency contract, withhold supportive services, or propose forfeiture of the family's escrow account [24 CFR 984.303(i)]
- A determination to terminate assistance based on an unfavorable history that may be the result of domestic violence, dating violence, or stalking.
- A determination to deny a request for reasonable accommodation.
- A change in the rent calculation as a result of an increase requested by the owner

Even though not required by regulation [24 CFR 982.555(b)(4)], the AHA also will offer participants the opportunity for an informal hearing when the AHA determines not to approve an extension of or suspends a voucher term.

Circumstances for which an informal hearing is not required are as follows [24 CFR 982.555(b)]:

- Discretionary administrative determinations by the AHA
- General policy issues or class grievances
- Establishment of the AHA schedule of utility allowances for families in the program
- An AHA determination not to approve a unit or tenancy
- An AHA determination that a unit ~~selected by the applicant~~ is not in compliance with the HQS according to the regulations [24 CFR 982.555(b)(6)]
- An AHA determination that the unit is not in accordance with HQS because of family size
- A determination by the AHA to exercise or not to exercise any right or remedy against an owner under a HAP contract

A family may request an informal hearing for the calculation of their rent portion under the rules; however, the rent requested by the owner is not determined by the AHA, so an Informal Hearing is not appropriate for a family contesting the amount of rent the owner is requesting.

Informal Hearing Procedures

Notice to the Family [24 CFR 982.555(c)]

When the AHA makes a decision that is subject to informal hearing procedures, the AHA must inform the family of its right to an informal hearing at the same time that it informs the family of the decision.

For decisions related to the family's annual or adjusted income, the determination of the appropriate utility allowance, and the determination of the family unit size, the AHA must notify the family that they may ask for an explanation of the basis of the determination,

and that if they do not agree with the decision, they may request an informal hearing on the decision.

For decisions related to the termination of the family's assistance, or the denial of a family's request for an exception to the AHA's subsidy standards, the notice must contain a brief statement of the reasons for the decision, a statement that if the family does not agree with the decision, the family may request an informal hearing on the decision, and a statement of the deadline for the family to request an informal hearing.

In cases where the AHA makes a decision for which an informal hearing must be offered, the notice to the family will include all of the following:

The proposed action or decision of the AHA.

A brief statement of the reasons for the decision including the regulatory reference.

The date the proposed action will take place.

A statement of the family's right to an explanation of the basis for the AHA's decision.

A statement that if the family does not agree with the decision the family may request an informal hearing of the decision.

A deadline for the family to request the informal hearing.

To whom the hearing request should be addressed.

A copy of the AHA's hearing procedures.

Scheduling an Informal Hearing [24 CFR 982.555(d)]

When an informal hearing is required, the AHA must proceed with the hearing in a reasonably expeditious manner upon the request of the family.

A request for an informal hearing must be made in writing and delivered to the AHA either in person ~~or~~ by first class mail, [through the online portal, or by e-mail](#), by the close of the business day, no later than 14 calendar days from the date of the AHA's decision or notice to terminate assistance.

The AHA must schedule and send written notice of the informal hearing to the family within 14 calendar days of the family's request.

The family may request to reschedule a hearing for good cause, or if it is needed as a reasonable accommodation for a person with disabilities. Good cause is defined as an unavoidable conflict, which seriously affects the health, safety or welfare of the family. Requests to reschedule a hearing must be made orally or in writing prior to the hearing date. At its discretion, the AHA may request documentation of the "good cause" prior to rescheduling the hearing.

If the family does not appear at the scheduled time, and was unable to reschedule the hearing in advance due to the nature of the conflict, the family must contact the AHA within 24 hours of the scheduled hearing date, excluding weekends and holidays. The AHA will reschedule the hearing only if the family can show good cause for the failure to appear, or if it is needed as a reasonable accommodation for a person with disabilities.

Pre-Hearing Right to Discovery [24 CFR 982.555(e)]

Participants and the AHA are permitted pre-hearing discovery rights. The family must be given the opportunity to examine before the hearing any AHA documents that are directly relevant to the hearing. The family must be allowed to copy any such documents at their own expense. If the AHA does not make the document available for examination on request of the family, the AHA may not rely on the document at the hearing.

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

For the purpose of informal hearings, *documents* include records and regulations.

The family will be allowed to copy any documents related to the hearing at a cost of \$0.10 per page. The family must request discovery of AHA documents no later than 12:00 p.m. on the business day prior to the scheduled hearing date.

The AHA must be given an opportunity to examine at the AHA offices before the hearing any family documents that are directly relevant to the hearing. Whenever a participant requests an informal hearing, the AHA may request a copy of all documents that the participant intends to present or utilize at the hearing. If requested, the participant must make the documents available no later than 12:00 p.m. on the business day prior to the scheduled hearing date.

Participant's Right to Bring Counsel [24 CFR 982.555(e)(3)]

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

Recording of the Hearing

All in-person informal hearings will be recorded by audiotape or a digital recorder. The AHA will not provide a transcript of ~~an audio~~ taped recorded hearing. The ~~tape recording~~ will be retained for a period of 90 days from the date of the "Notice of Final Decision" at which time the ~~tape recording or tape~~ may be deleted or destroyed. If the hearing is conducted virtually, the AHA will record the virtual meeting electronically and will retain the electronic file for a period of 90 days from the date of the "Notice of Final Decision" at which time the file will be deleted.

Informal Hearing Officer [24 CFR 982.555(e)(4)]

Informal hearings will be conducted by a person or persons approved by the AHA, other than the person who made or approved the decision or a subordinate of the person who made or approved the decision.

Attendance at the Informal Hearing

Hearings may be attended by a hearing officer and the following applicable persons:

An AHA representative and any witnesses for the AHA

Other professionals deemed necessary by the AHA such as translators or security personnel

The participant and any witnesses for the participant

The participant's counsel or other representative

Any other person approved by the AHA as a reasonable accommodation for a person with a disability

Conduct at Hearings

The person who conducts the hearing may regulate the conduct of the hearing in accordance with the AHA's hearing procedures [24 CFR 982.555(4)(ii)].

The hearing officer is responsible to manage the order of business and to ensure that hearings are conducted in a professional and businesslike manner. Attendees are expected to comply with all hearing procedures established by the hearing officer and guidelines for conduct. Any person demonstrating disruptive, abusive or otherwise inappropriate behavior will be excused from the hearing at the discretion of the hearing officer.

Evidence [24 CFR 982.555(e)(5)]

The AHA and the family must be given the opportunity to present evidence and question any witnesses. In general, all evidence is admissible at an informal hearing. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

Any evidence to be considered by the hearing officer must be presented at the time of the hearing. There are four categories of evidence.

Oral evidence: the testimony of witnesses

Documentary evidence: a writing, which is relevant to the case, for example, a letter written to the AHA. Writings include all forms of recorded communication or representation, including letters, words, pictures, sounds, videotapes or symbols or combinations thereof.

Demonstrative evidence: Evidence created specifically for the hearing and presented as an illustrative aid to assist the hearing officer, such as a model, a chart or other diagram.

Real evidence: A tangible item relating directly to the case.

Hearsay Evidence is evidence of a statement that was made, other than by a witness while testifying at the hearing, and that is offered to prove the truth of the matter. Even though evidence, including hearsay, is generally admissible, hearsay evidence alone cannot be used as the sole basis for the hearing officer's decision.

If either the AHA or the family fail to comply with the discovery requirements described above, the hearing officer will refuse to admit such evidence.

Other than the failure of a party to comply with discovery, the hearing officer has the authority to overrule any objections to evidence.

The hearing officer may ask the family for additional information and/or might adjourn the hearing in order to reconvene at a later date, before reaching a decision. If the family misses an appointment or deadline ordered by the hearing officer, the action of the AHA will take effect.

Hearing Officer's Decision [24 CFR 982.555(e)(6)]

The person who conducts the hearing must issue a written decision, stating briefly the reasons for the decision. Factual determinations relating to the individual circumstances of the family must be based on a preponderance of evidence presented at the hearing. A copy of the hearing must be furnished promptly to the family, generally within 14 calendar days.

In rendering a decision, the hearing officer will consider the following matters:

AHA Notice to the Family: The hearing officer will determine if the reasons for the AHA's decision are factually stated in the Notice.

Discovery: The hearing officer will determine if the AHA and the family were given the opportunity to examine any relevant documents in accordance with AHA policy.

AHA Evidence to Support the AHA Decision: The evidence consists of the facts presented. Evidence is not conclusion and it is not argument. The hearing officer will evaluate the facts to determine if they support the AHA's conclusion.

Validity of Grounds for Termination of Assistance (when applicable): The hearing officer will determine if the termination of assistance is for one of the grounds specified in the HUD regulations and AHA policies. If the grounds for termination are not specified in the regulations or in compliance with AHA policies, then the decision of the AHA will be overturned.

The hearing officer will issue a written decision promptly to the family and the AHA, generally no later than 14 calendar days after the hearing. The report will contain the following information:

Hearing information:

- Name of the participant;
- Date, time and place of the hearing;
- Name of the hearing officer;
- Name of the AHA representative; and
- Name of family representative (if any).

Background: A brief, impartial statement of the reason for the hearing.

Summary of the Evidence: The hearing officer will summarize the testimony of each witness and identify any documents that a witness produced in support of his/her testimony and that are admitted into evidence.

Findings of Fact: The hearing officer will include all findings of fact, based on a preponderance of the evidence. *Preponderance of the evidence* is defined as evidence 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.

Conclusions: The hearing officer will render a conclusion derived from the facts that were found to be true by a preponderance of the evidence. The conclusion will result in a determination of whether these facts uphold the AHA's decision.

Order: The hearing report will include a statement of whether the AHA's decision is upheld or overturned. If it is overturned, the hearing officer will instruct the AHA to change the decision in accordance with the hearing officer's determination. In the case of termination of assistance, the hearing officer will instruct the AHA to restore the participant's program status.

AHA Notice of Final Decision [24 CFR 982.555(f)]

The AHA is not bound by the decision of the hearing officer for matters in which the AHA is not required to provide an opportunity for a hearing, decisions that exceed the authority of the hearing officer, decisions that conflict with or contradict HUD regulations, requirements, or are otherwise contrary to Federal, State or local laws.

If the AHA determines it is not bound by the hearing officer's decision in accordance with HUD regulations, the AHA must promptly notify the family of the determination and the reason for the determination.

The AHA will mail a "Notice of Final Decision" including the hearing officer's report, to the participant and their representative. This Notice will be sent by first-class mail, postage pre-paid with an affidavit of mailing enclosed. The participant will be mailed the original "Notice of Final Decision" and a copy of the proof of mailing. A copy of the "Notice of Final Decision" along with the original proof mailing will be maintained in the AHA's file.

Once the "Notice of Final Decision" has been sent, the family's time to obtain a judicial review of that decision through administrative mandamus is limited to 90 days after service of the "Notice of Final Decision."

15-III.D. HEARING AND APPEAL PROVISIONS FOR NON-CITIZENS [24 CFR 5.514]

Denial or termination of assistance based on immigration status is subject to special hearing and notice rules. Applicants who are denied assistance due to immigration status are entitled to an informal hearing, not an informal review.

Assistance to a family may not be delayed, denied, or terminated on the basis of immigration status at any time prior to a decision under the United States Citizenship and Immigration Services (USCIS) appeal process. Assistance to a family may not be terminated or denied while the AHA hearing is pending, but assistance to an applicant may be delayed pending the completion of the informal hearing.

A decision against a family member, issued in accordance with the USCIS appeal process or the AHA informal hearing process, does not preclude the family from exercising the right, that may otherwise be available, to seek redress directly through judicial procedures.

Notice of Denial or Termination of Assistance [24 CFR 5.514(d)]

As discussed in Chapters 3 and 11, the notice of denial or termination of assistance for non-citizens must advise the family:

- That financial assistance will be denied or terminated, and provide a brief explanation of the reasons for the proposed denial or termination of assistance.
- The family may be eligible for proration of assistance.
- In the case of a participant, the criteria and procedures for obtaining relief and the provisions for preservation of families [24 CFR 5.514 and 5.518].
- That the family has a right to request an appeal to the USCIS of the results of secondary verification of immigration status and to submit additional documentation or explanation in support of the appeal.
- That the family has a right to request an informal hearing with the AHA either upon completion of the USCIS appeal or in lieu of the USCIS appeal.
- For applicants, assistance may not be delayed until the conclusion of the USCIS appeal process, but assistance may be delayed during the period of the informal hearing process.

USCIS Appeal Process [24 CFR 5.514(e)]

When the AHA receives notification that the USCIS secondary verification failed to confirm eligible immigration status, the AHA must notify the family of the results of the USCIS verification. The family will have 30 days from the date of the notification to request an appeal of the USCIS results. The request for appeal must be made by the family in writing directly to the USCIS. The family must provide the AHA with a copy of the written request for appeal and the proof of mailing.

The AHA will notify the family in writing of the results of the USCIS secondary verification within 14 calendar days of receiving the results.

The family must provide the AHA with a copy of the written request for appeal and proof of mailing within 14 calendar days of sending the request to the USCIS. The family must provide the AHA with a copy of the written decision.

~~The family must forward to the designated USCIS office any additional documentation or written explanation in support of the appeal. This material must include a copy of the USCIS document verification request (used to process the secondary request) or such other form specified by the USCIS, and a letter indicating that the family is requesting an appeal of the USCIS immigration status verification results.~~

~~The USCIS will notify the family, with a copy to the AHA, of its decision. When the USCIS notifies the AHA of the decision, the AHA must notify the family of its right to request an informal hearing.~~

The AHA will send written notice to the family of its right to request an informal hearing within 14 calendar days of receiving notice of the USCIS decision regarding the family's immigration status.

Informal Hearing Procedures for Applicants [24 CFR 5.514(f)]

After notification of the USCIS decision on appeal, or in lieu of an appeal to the USCIS, the family may request that the AHA provide a hearing. The request for a hearing must be made either within 30 days of receipt of the AHA notice of denial or termination, or within 30 days of receipt of the USCIS appeal decision.

For the informal hearing procedures that apply to participant families whose assistance is being terminated based on immigration status, see Section 15-III.C.

The informal hearing procedures for applicant families are described below.

Informal Hearing Officer

The AHA must provide an informal hearing before an impartial individual, other than a person who made or approved the decision under review, and other than a person who is a subordinate of the person who made or approved the decision.

Evidence

The family must be provided the opportunity to examine and copy at the family's expense, at a reasonable time in advance of the hearing, any documents in the possession of the AHA pertaining to the family's eligibility status, or in the possession of the USCIS (as permitted by USCIS requirements), including any records and regulations that may be relevant to the hearing.

The family will be allowed to copy any documents related to the hearing at a cost of \$0.10 per page copy. The family must request discovery of AHA documents no later than 12:00 p.m. on the business day prior to the hearing.

The family must be provided the opportunity to present evidence and arguments in support of eligible status. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

The family must also be provided the opportunity to refute evidence relied upon by the AHA, and to confront and cross-examine all witnesses on whose testimony or information the AHA relies.

Representation and Interpretive Services

The family is entitled to be represented by an attorney or other designee, at the family's expense, and to have such person make statements on the family's behalf.

The family is entitled to arrange for an interpreter to attend the hearing, at the expense of the family, or the AHA, as may be agreed upon by the two parties.

Recording of the Hearing

The family is entitled to have the hearing recorded ~~by audiotape~~. The AHA may, but is not required to provide a transcript of the hearing.

The AHA will not provide a transcript of ~~an audioa taped-recorded~~ hearing.

Hearing Decision

The AHA must provide the family with a written final decision, based solely on the facts presented at the hearing, within 14 calendar days of the date of the informal hearing. The decision must state the basis for the decision.

Retention of Documents [24 CFR 5.514(h)]

The AHA must retain for a minimum of 5 years the following documents that may have been submitted to the AHA by the family, or provided to the AHA as part of the USCIS appeal or the AHA informal hearing process:

- The application for assistance
- The form completed by the family for income reexamination
- Photocopies of any original documents, including original USCIS documents
- The signed verification consent form
- The USCIS verification results
- The request for an USCIS appeal
- The final USCIS determination
- The request for an informal hearing
- The final informal hearing decision

PART IV: OWNER OR FAMILY DEBTS TO THE AHA

15-IV.A. OVERVIEW

PHAs are required to include in the administrative plan, policies concerning repayment by a family of amounts owed to the AHA [24 CFR 982.54]. This part describes the AHA's policies for recovery of monies that have been overpaid on behalf of families, or to owners.

When an action or inaction of an owner or participant results in the overpayment of housing assistance, the AHA holds the owner or participant liable to return any overpayments to the AHA.

The AHA will enter into repayment agreements with participants in accordance with the policies contained in this part as a means to recover monies owed.

When an owner or participant refuses to repay monies owed to the AHA, the AHA will utilize other available collection alternatives including, but not limited to, the following:

- Collection agencies
- Small claims court
- Civil law suit

15-IV.B. REPAYMENT POLICY

Owner Debts to the AHA

Any amount due to the AHA by an owner will be deducted from the next HAP payment by the amount owed. If the amount owed is more than the HAP payment, the balance is due within 30 days.

If the owner is not entitled to future HAP payments, the entire amount owed must be repaid by the owner within 30 days of the AHA determination of the debt.

If the owner refuses to repay the debt, the AHA will ban the owner from future participation in the program and pursue other modes of collection.

Family Debts to the AHA

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

The family must be in good standing with the AHA and the debt amount must be \$3,000 or less. To be in good standing, a participant must not have any other outstanding debts related to an existing repayment agreement or be under the termination process for another program violation. If the amount owed is greater than \$3,000 a repayment agreement may only be entered into with the Executive Director's approval. If such an agreement is not approved, then the participant's assistance will be terminated.

If the family refuses to repay the debt, enter into a repayment agreement, or breaches a repayment agreement, the AHA will terminate the assistance upon notification to the family and pursue other modes of collection.

Repayment Agreement [24 CFR 792.103, [PIH Notice 2018-18](#)]

The term *repayment agreement* refers to a formal document signed by a tenant or owner and provided to the AHA in which a tenant or owner acknowledges a debt, in a specific amount, and agrees to repay the amount due at specific time periods.

Repayment Agreement Guidelines

[Payment Requirement Terms for Overpaid Rental Assistance](#)

[A repayment agreement will contain the following provisions:](#)

- [Total amount owed](#)
- [Amount of lump sum payment made at time of execution](#)
- [Monthly repayment amount](#)
- [Reference to the reason for non-compliance and that the family may be subject to termination of tenancy or assistance or both](#)
- [Monthly retroactive rent payment amount is in addition to the family's regular rent contribution and is payable to AHA](#)
- [The terms of the agreement may be renegotiated if there is a decrease or an increase in the family's income](#)
- [Late and missed payments constitute default of the repayment agreement and may result in termination of tenancy and/or assistance](#)

Down Payment Requirement

Prior to the execution of a repayment agreement, the owner or family must pay 10 percent of the balance owed to the AHA.

Payment Thresholds

The debt amount must be \$3,000 or less. If the amount owed is greater than \$3,000 a repayment agreement may only be entered into with the Executive Director's approval. If such an agreement is not approved, then the participant's assistance will be terminated.

Amounts between \$2,001 to \$3,000 must be repaid within 36 months.

Amounts between \$901 and \$2,000 must be repaid within 24 months.

Amounts between \$451 and \$900 must be repaid within 12 months.

Amounts under \$450 must be repaid within 6 months.

All repayment agreements will normally require a minimum monthly payment of at least \$25.

Adjustments to the above can only be made with Executive Director approval. For participants that will continue to receive assistance, the AHA may cap monthly payments and tenant portion of rent to owner at 40% of tenant's income and allow the repayment agreement to go longer; however, this change must be approved by the Executive Director or designee. Repayment agreements over 36 months require Executive Director approval.

Execution of the Agreement

The head of household and spouse/cohead (if applicable) must sign the repayment agreement.

Due Dates

All payments are due by the close of business on the 1st business day of the month.

Non-Payment

A late or partial payment is considered a missed payment. The AHA will issue a notice of termination to participants who miss more than one monthly installment under the payment agreement within a 12-month period, the balance of the debt must be paid in full or the participant family will be terminated from the HCV program. The Executive Director must approve any exceptions to these guidelines.

Families, whose assistance is terminated, have the opportunity to request an informal hearing.

No Offer of Repayment Agreement

The AHA will not enter into a repayment agreement if there is already a repayment agreement in place with the family.

PART V: RECORD KEEPING

15-V.A. OVERVIEW

The AHA must maintain complete and accurate accounts and other records for the program in accordance with HUD requirements, in a manner that permits a speedy and effective audit. All such records must be made available to HUD or the Comptroller General of the United States upon request.

In addition, the AHA must ensure that all applicant and participant files are maintained in a way that protects an individual's privacy rights.

15-V.B. RECORD RETENTION [24 CFR 982.158]

During the term of each assisted lease, and for at least three years thereafter, the AHA must keep:

- A copy of the executed lease;
- The HAP contract; and
- The application from the family.
- In addition, the AHA must keep the following records for at least three years:
 - Records that provide income, racial, ethnic, gender, and disability status data on program applicants and participants;
 - An application from each ineligible family and notice that the applicant is not eligible;
 - HUD-required reports;
 - Unit inspection reports;
 - Lead-based paint records as required by 24 CFR 35, Subpart B.
 - Accounts and other records supporting AHA budget and financial statements for the program;
 - Records to document the basis for AHA determination that rent to owner is a reasonable rent (initially and during the term of a HAP contract); and
 - Other records specified by HUD.

The AHA will retain any documents relating to the family's participation in the Housing Choice Voucher Program, including, but not limited to, written notice from the owner of serious or repeated lease violations, police reports, neighbor complaints or other third party information. These documents will be retained in the file for the term of the family's participation in the program, and for at least three years thereafter. Electronic storage of the required documents, in a system such as Laserfiche or Yardi, will suffice for the records retention requirement. The originals do not also need to be retained.

If an informal hearing to establish a family's citizenship status is held, longer retention requirements apply for some types of documents. For specific requirements, see Section 15-III.D., Retention of Documents.

15-V.C. RECORDS MANAGEMENT

PHAs must maintain applicant and participant files and information in accordance with the regulatory requirements described below.

All applicant and participant information will be kept in a secure location and access will be limited to authorized AHA staff.

AHA staff will not discuss personal family information unless there is a business reason to do so. Inappropriate discussion of family information or improper disclosure of family information by staff will result in disciplinary action.

Privacy Act Requirements [24 CFR 5.212 and Form-9886]

The collection, maintenance, use, and dissemination of social security numbers (SSN), employer identification numbers (EIN), any information derived from these numbers, and income information of applicants and participants must be conducted, to the extent applicable, in compliance with the Privacy Act of 1974, and all other provisions of Federal, State, and local law.

Applicants and participants, including all adults in the household, are required to sign a consent form, HUD-9886, Authorization for Release of Information. This form incorporates the Federal Privacy Act Statement and describes how the information collected using the form may be used, and under what conditions HUD or the AHA may release the information collected.

[HUD Form-9886 may be required to be signed by participants between regular reexaminations. See Section 7-I.A. Family Consent to Release Information for more information on this requirement.](#)

Upfront Income Verification (UIV) Records

The AHA, which accesses UIV data through HUD's Enterprise Income Verification (EIV) System, are required to adopt and follow specific security procedures to ensure that all EIV data is protected in accordance with Federal laws, regardless of the media on which the data is recorded (e.g. electronic, paper). These requirements are contained in the HUD-issued document *Enterprise Income Verification (EIV) System Security Procedures for Upfront Income Verification Data*.

Prior to utilizing HUD's EIV system, the AHA will adopt and implement EIV security procedures required by HUD.

Criminal Records

The AHA may only disclose the criminal conviction records which the AHA receives from a law enforcement agency to officers or employees of the AHA, or to authorized representatives of the AHA who have a job-related need to have access to the information [24 CFR 5.903(e)].

The AHA must establish and implement a system of records management that ensures that any criminal record received by the AHA from a law enforcement agency is maintained confidentially, not misused or improperly disseminated, and destroyed, once the purpose for which the record was requested has been accomplished, including expiration of the period for filing a challenge to the AHA action without institution of a challenge or final disposition of any such litigation [24 CFR 5.903(g)].

The AHA must establish and implement a system of records management that ensures that any sex offender registration information received by the AHA from a State or local agency is maintained confidentially, not misused or improperly disseminated, and destroyed, once the purpose for which the record was requested has been accomplished, including expiration of the period for filing a challenge to the AHA action without institution of a challenge or final disposition of any such litigation. This requirement does not apply to information that is public information, or is obtained by AHA other than under 24 CFR 5.905.

Medical/Disability Records

PHAs are not permitted to inquire about the nature or extent of a person's disability. The AHA may not inquire about a person's diagnosis or details of treatment for a disability or medical condition. If the AHA receives a verification document that provides such information, the AHA should not place this information in the tenant file. The AHA should destroy the document.

PART VI: REPORTING AND RECORD KEEPING FOR CHILDREN WITH ENVIRONMENTAL INTERVENTION BLOOD LEAD LEVEL

15-VI.A. OVERVIEW

The AHA has certain responsibilities relative to children with environmental intervention blood lead levels that are receiving HCV assistance. The notification, verification, and hazard reduction requirements are discussed in Chapter 8. This part deals with the reporting requirements, and data collection and record keeping responsibilities that the AHA is subject to.

15-VI.B. REPORTING REQUIREMENT [24 CFR 35.1225(E)]

The AHA must report the name and address of a child identified as having an environmental intervention blood lead level to the public health department within 5 business days of being so notified by any other medical health care professional.

The AHA will provide the public health department written notice of the name and address of any child identified as having an environmental intervention blood lead level.

15-VI.C. DATA COLLECTION AND RECORD KEEPING [24 CFR 35.1225(F)]

At least quarterly, the AHA must attempt to obtain from the public health department(s) with a similar area of jurisdiction, the names and/or addresses of children less than 6 years old with an identified environmental intervention blood lead level.

If the AHA obtains names and addresses of environmental intervention blood lead level children from the public health department(s), the AHA must match this information with the names and addresses of families receiving HCV assistance, unless the public health department performs such a procedure. If a match occurs, the AHA must carry out the notification, verification, and hazard reduction requirements discussed in Chapter 8, and the reporting requirement discussed above.

At least quarterly, the AHA must also report an updated list of the addresses of units receiving assistance under the HCV program to the same public health department(s), unless the public health department(s) states that it does not wish to receive such a report.

The public health department(s) has stated they **do not** wish to receive a report of an updated list of the addresses of units receiving assistance under the HCV program, on a quarterly basis. Therefore, the AHA is not providing such a report.

PART VII: REPORTING REQUIREMENTS OF VIOLENCE AGAINST WOMEN REAUTHORIZATION ACT OF 2013~~22~~ (VAWA)

15-VII.A. NOTIFICATION TO PARTICIPANTS [PUB. L. 113-4]

VAWA requires the AHA to notify housing choice voucher participants of their rights under this law, including their right to confidentiality and the limits thereof. The AHA will provide all participants with notification of their protections and rights under VAWA with any AHA notification of eviction or terminations of assistance and during the annual recertification or lease renewal process.

15-VII.B. NOTIFICATION TO APPLICANTS

The AHA will provide all applicants with notification of their protections and rights under VAWA at the time the individual is provided assistance or admission and at the time the applicant is denied assistance or admission. The notice also will inform each applicant of AHA confidentiality requirements.

15-VII.C. NOTIFICATION TO OWNERS AND MANAGERS [PUB.L. 113-4]

VAWA requires the AHAs to notify owners and managers of their rights and responsibilities under this law. HUD encourages PHAs to identify opportunities to provide notice and/or training to owners participating in the HCV program of their rights and obligations under VAWA. The AHA will inform property owners and managers of their screening and termination responsibilities related to VAWA. The AHA will utilize any or all of the following means to notify owners of their VAWA responsibilities:

As appropriate, in day to day interactions with owners and managers.

Inserts in HAP payments, 1099s, owner workshops, classes, orientations, and/or newsletters.

Signs in the AHA lobby and/or mass mailings which include model VAWA certification forms.

PART VIII: SPECIAL HOUSING TYPES [24 CFR 982 SUBPART M]

15-VIII.A. OVERVIEW

Subpart M of 24 CFR 982 allows for the operation of Special Housing Types. These include: Single Room Occupancy (SRO), Congregate Housing, Group Home, Shared

Housing, Cooperative, Manufactured Home, Manufactured Home Space Rental, and Homeownership Option.

The AHA will allow Shared Housing in cases where it expands the housing choice for voucher holders. All regulations at 24 CFR 982.615 through 982.618 must be met in order for Shared Housing to be approved. These include:

- The resident owner may not be related to the assisted family by blood or marriage.
- An approved live-in aide may reside with the family.
- The other persons in the unit (a house or an apartment) may be assisted or not assisted under the tenant-based program.
- There is a separate HAP contract and lease for each assisted family.
- The pro-rata portion of the rent must be reasonable.
- The entire unit, including the portion of the unit available for use by the assisted family under its lease, must meet housing quality standards.
- The facilities available for use under the lease for the assisted family must include a living room, sanitary facilities, and food preparation and refuse disposal facilities.
- The entire unit must provide adequate space and security for all residents.
- Each unit must contain private space for each assisted family which must contain at least one bedroom for each two persons in the family.

CHAPTER 16

PROJECT-BASED 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. General provisions of the PBV program including maximum budget authority requirements, relocation requirements, and equal opportunity requirements.

Part II: PBV Owner Proposals. Policies related to the submission and selection of owner proposals for PBV assistance. This part 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. 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. 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. HAP contract requirements and policies including the execution, term, and termination of the HAP contract. In addition, this part 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. Requirements and policies governing how the PHA and the owner will select a family to receive PBV assistance.

Part VII: Occupancy. 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 the greater of 25 units or 25 percent of the units in any project) are also discussed.~~

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

Part IX: Payments to Owner. Types of payments owners may receive under this program.

PART I: GENERAL REQUIREMENTS

16-I.A. OVERVIEW [24 CFR 983.5]

The project-based voucher (PBV) program allows the AHA, which already administers a tenant-based voucher program under an annual contributions contract (ACC) with HUD, to operate a PBV program using up to 250 percent of its voucher unit allocation under an approved MTW activity and attach the funding to specific units rather than using it for tenant-based assistance [24 CFR 983.6]. The AHA will only operate a PBV program, at its discretion up to 250 percent of its voucher unit allocation ~~and will only use the additional 10 percent for homeless families, families with veterans, supportive housing for persons with disabilities or elderly persons or in areas where vouchers are difficult to use~~ if the AHA has the funding for these units, consistent with its Annual Plan, and the goal of deconcentrating poverty and expanding housing and economic opportunities [42 U.S.C. 1437f(o)(13)].

PBV assistance may be attached to existing housing or newly constructed or rehabilitated housing [24 CFR 983.52]. The AHA 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 [24 CFR 983.6].

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

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

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

Any persons displaced as a result of implementation of the PBV program will 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. The AHA will not use voucher program funds to cover relocation costs, ~~except that the AHA 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 also will 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 AHA to ensure the owner and any representatives of the owner, such as a property manager, comply with these requirements.

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

The AHA, owners and property managers 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 AHA will comply with the AHA Plan certification on civil rights and affirmatively furthering fair housing, submitted in accordance with 24 CFR 903.7(o).

PART II: PBV OWNER PROPOSALS

16-II.A. OVERVIEW

In this document, the AHA will describe the procedures for owner or owner's designee submission of PBV proposals, AHA selection of PBV proposals, describe how the AHA will determine that PBV proposals comply with HUD program regulations and requirements, that proposals comply with the cap on the number of PBV units per project, and meet site selection standards.

Under approved MTW Activity 2022-10, The AHA can award project-based voucher units to a property owned by a single-asset entity (S.A.E.) of the AHA without engaging in a selection process after conducting a Subsidy Layering Review, ensuring the property is compliant with HUD's site selection requirements, and having a 3rd party conduct HQS inspections of the units. Therefore, Section 16-II.B. does not apply if the AHA decides to award PBV units under this activity.

16-II.B. OWNER PROPOSAL SELECTION PROCEDURES [24 CFR 983.51]

The AHA will select PBV proposals in accordance with the selection procedures in this AHA Administrative Plan. If a selection process is to be used (MTW Activity 2022-10 allows award without a selection process), the AHA will select PBV proposals by either of the following two methods.

- AHA request for PBV Proposals. The AHA may solicit proposals by using a Request For Proposals (RFP) to select proposals on a competitive basis in response to the AHA request. The AHA 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.
- AHA selection of a proposal 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.

Under approved MTW Activity 2022-10 Elimination of PBV Selection Process for PHA-owned Projects without Improvement, Development, or Replacement, (HCV), AHA may award project-based voucher units to a property owned by a single-asset entity (S.A.E.) of the AHA without engaging in a selection process. This MTW activity allows the AHA to award vouchers, without using the PBV proposal process, to units in the AHA's portfolio that qualify for PBV after conducting a Subsidy Layering Review, ensuring the property is compliant with HUD's site selection requirements, and having a 3rd party conduct HQS inspections of the units. The decision to use this MTW Activity versus the full RFP process as outlined above is at the discretion of the AHA.

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

AHA procedures for selecting PBV proposals are designed and operated to provide broad public notice of the opportunity to offer PBV proposals for consideration by the AHA.

AHA Request for Proposals for ~~Rehabilitated and Newly Constructed~~ Units

The AHA will advertise its request for proposals (RFP) for rehabilitated, ~~and~~ newly constructed and/or existing housing in one of the following newspapers:

- *Alameda Journal/Bay Area Newsgroup*
- *Alameda Sun*

In addition, the AHA will post the RFP and proposal submission and selection procedures on its website (www.alamedahsg.org).

The AHA will publish its notice at least once in the newspapers ~~and trade journals~~ mentioned above. The notice will specify the number of units the AHA estimates that it will be able to assist under the funding the AHA is making available. Proposals will be due in the AHA office by close of business no less than three weeks from the date of publication.

In order for the proposal to be considered, the owner or owner's designee (hereinafter referred to as "owner") must submit the proposal to the AHA by the published deadline date and time, and the proposal must respond to all requirements as outlined in the RFP. Incomplete proposals will not be reviewed. All proposals will be time and date stamped upon submission.

The AHA will rate and rank proposals for rehabilitated, ~~and~~ newly constructed, or existing housing using the criteria listed on the corresponding ~~the~~ Ranking and Selection Checklist in the RFP advertisement and on the AHA website.

An application that does not meet the minimum points in each category will not be considered. The minimum number of points an application must have to proceed in the process is 60% of the total maximum available points. If there are a limited number of vouchers available, as stated in the RFP, the vouchers will be awarded to the applicant with the highest number of points. In the event of a tie, the RFP will specify the method

used to break the tie such as the date and time of submission ~~will be the tie-breaker or random selection.~~

The Ranking and Selection Checklist for rehabilitated or newly constructed housing will include, but is not limited to, the following scoring components:

- Site location adequacy (such as proximity to transit, recreation and parks, libraries, supermarkets, community centers, pharmacies, and other mainstream services);
- Design adequacy (amenities and physical layout of project to meet the needs of the population served);
- Project Feasibility – Financial;
- Project Feasibility – Developer and Management experience;
- Owner experience and capability to build or rehabilitate housing as identified in the RFP;
- Extent to which the project furthers the goal of deconcentrating poverty and expanding housing and economic opportunities;
- Social Services provided onsite; and
- Other criteria stated in the RFP.

AHA Requests for Proposals for Existing Housing Units

~~The AHA will advertise its request for proposals (RFP) for existing housing in at least one of the following newspapers:~~

- ~~• Alameda Journal/ Bay Area Newsgroup~~
- ~~• Alameda Sun~~

~~In addition, the AHA will post the notice inviting such proposal submission and the rating and ranking procedures on its electronic web site.~~

~~The AHA will periodically publish its notice in the newspapers mentioned above. The notice will specify the number of units the AHA estimates that it will be able to assist under the funding the AHA is making available. If owner proposals will be accepted on an ongoing basis with an evaluation taking place when the AHA has received a minimum of five proposals or four weeks have past, whichever comes first, the public notice will state this. The proposals will be evaluated using the criteria listed on the Ranking and Selection Checklist. The Checklist for each RFP will be posted on the AHA website and RFP advertisement.~~

~~An application that does not meet the minimum points in each category will not be considered. The minimum number of points an application must have to proceed in the process is 60% of the total maximum available points. If there are a limited number of~~

~~vouchers available, as stated in the RFP, the vouchers will be awarded to the applicant with the highest number of points. In the event of a tie, the date and time of submission will be the tie-breaker.~~

The Ranking and Selection Checklist for Existing Housing will include, but will not be limited to, the following scoring components:

- Site location (such as proximity to transit, recreation and parks, libraries, supermarkets, community centers, pharmacies, and other mainstream services);
- Owner experience and capability to build or rehabilitate housing as identified in the RFP;
- Extent to which the project furthers the goal of deconcentrating poverty and expanding housing and economic opportunities; and
- Other criteria stated in the RFP.

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

The AHA 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~~ after an announcement of its acceptance of proposals. AHA will ensure that the Previous Competitive Selection which is the basis for selection for PBV assistance is made without regard to the possibility of PBV assistance.

The AHA may periodically advertise that it is accepting proposals, specifying the number of vouchers available for this purpose in one of the following newspapers:

- *Alameda Journal/ Bay Area Newsgroup*
- *Alameda Sun*

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

- Extent to which the project furthers the AHA goal of deconcentrating poverty and expanding housing and economic opportunities; and
- Extent to which the proposal complements other local activities such as the HOME program, CDBG activities, other development activities in a HUD-designated Enterprise Zone, Economic Community, or Renewal Community; and
- The rating factors outlined in the previous section.

The AHA may decide not to make an award if the selection of the project is not consistent with the AHA's Annual Plan or voucher leasing strategy, such as the AHA does not have additional funds to assist additional contract commitments.

AHA-owned Units [24 CFR 983.51(e) and 983.59]

If the AHA chooses to accept RFP proposals through the above processes and AHA submits a proposal for project-based housing that is owned or controlled by the AHA, as defined by PIH Notice 2017-21, AHA will:

- Seek HUD approval to have an independent entity review the proposal and determine if the AHA's proposal should be selected. If HUD does not approve of the independent entity, the AHA will seek HUD's review of the AHA's proposal.
- Use an independent entity which meets HUD approval to perform HQS inspections.
- Use an independent entity which meets HUD approval to determine rents and rent reasonableness.
- Will obtain HUD approval for the services of these entities prior to selecting the proposal for AHA-owned housing.

The AHA can use its ongoing administrative fee income to compensate the independent entity. Under MTW, the AHA can also use other sources of funds for these payments provided that such use is consistent with the Annual Plan and MTW Supplement. will only compensate the independent entity, which is responsible for obtaining the services of an appraiser, from AHA ongoing administrative fee income (including amounts credited to the administrative fee reserve). The AHA will not use other program receipts to compensate the independent entity and appraiser for their services.—The AHA, independent entity, and appraiser may not charge the family any fee for the appraisal or the services provided by the independent entity.

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

Within 14 calendar days of the AHA making a selection, the AHA will notify the selected owner in writing of the owner's selection for the PBV program. The AHA 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(s).

In addition, the AHA will publish its notice for selection of PBV proposals in the same newspapers and trade journals that the AHA used to solicit the proposals. The announcement will include the name of the owner and address of units selected for the PBV program. The AHA will also post the notice of owner selection on its website.

The AHA will make available to any interested party its rating and ranking sheets and documents that identify the AHA 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. The AHA will not make available sensitive owner information that is privileged, such as financial statements and similar information about the owner.

The AHA will make these documents available for review at the AHA during normal business hours. The cost for reproduction of allowable documents will be 10¢ per page.

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

The AHA will 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 AHA selection, the units exist and substantially comply with HQS. "Substantially" is defined as any unit that has an accumulation of items that would cost less than \$1,000 and take less than one month's time to comply fully with HQS requirements. Units for which new construction or rehabilitation was started in accordance with PBV program requirements do not qualify as existing housing. The AHA choice of housing type will be reflected when it solicits proposals.

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

Ineligible Housing Types [24 CFR 983.53]

The AHA will 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 or pads; and transitional housing. In addition, the AHA will not attach or pay PBV assistance for a unit occupied by an owner and the AHA will not select or enter into an AHAP or enter into a HAP contract for a unit occupied by a family ineligible for participation in the PBV program.

Subsidized Housing [24 CFR 983.54]

The AHA will 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 the AHA could 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 AHA in accordance with HUD requirements.

Other Ineligible Housing Types

Due to the need for more one, two, and three bedroom units, the AHA will not attach or pay PBV assistance for group homes or single room occupancy (SRO) units.

16-II.E. SUBSIDY LAYERING REQUIREMENTS [24 CFR 983.55]

The AHA will provide PBV assistance only in accordance with HUD subsidy layering regulations [24 CFR 4.13] and other requirements. 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.

A subsidy layering review is not required for existing housing.

The AHA will submit the necessary documentation to HUD for a subsidy layering review for new construction and rehabilitation projects. The AHA will not enter into an AHAP contract until HUD (or an independent entity approved by HUD) has conducted any required subsidy layering review and determined that the PBV assistance is in accordance with HUD subsidy layering requirements.

The HAP contract will 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.

If before or during the HAP contract, the owner receives additional HUD or other governmental assistance for the project that results in an increase in project financing in an amount that is equal to or greater than 10 percent of the original development budget, the Owner must report such changes to the PHA and the PHA must notify the HCA, or HUD (if there is no participating HCA in their jurisdiction), that a further subsidy layering review is required.

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

~~**25 Unit or 25 Percent per Project Cap [24 CFR 983.56(a) as amended by HERA and HOTMA]**~~

In general, Under MTW, the AHA will not can waive 24 CFR 983.56(a) as amended by HERA and HOTMA which caps PBV projects at 25 units or 25 percent of a project. This allows the AHA to award more than the cap of the greater of 25 units or 25% of the units

at a complex to receive Project-Based Voucher assistance. The AHA may select to award up to 100% of the units at a project regardless of the supportive services being provided or if the units are for the elderly; however, the AHA would include this information in any notices of acceptance of proposals such as a request for proposals. The AHA is not required to assist projects at the 100% level as the AHA will limit PBV assistance to make the project viable without over subsidizing the project.

PBV units selected prior to the AHA's implementation of MTW Activities (June 2023) will meet the conditions under which the unit was selected or the contract was executed. For example, if the units were selected because they were providing supportive services, the complex must continue to provide supportive services and verification of providing those services.

~~select a proposal to provide PBV assistance for units in a project or enter into an AHAP 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 25 percent of the number of dwelling units (assisted or unassisted) in the project.~~

Exceptions to Project Cap [24 CFR 983.56(b) as amended by HERA and HOTMA]

~~Exceptions are allowed and PBV units are not counted against the greater of 25 units or 25 percent per project cap if:~~

- ~~• The units that are specifically made available for disabled families and the HAP contract was executed prior to April 17, 2017;~~
- ~~• The units are *excepted units* in a multifamily project because they are specifically made available for elderly families or families eligible to receive supportive services (also known as *qualifying families*).~~

~~In calculating the number of units in the project that can be assisted where there are excepted units, the following is an example of how the formula will work:~~

- ~~▪ 60 Units in Project~~
- ~~▪ 25 greater of 25 units or 25 percent of units in project (in our example 25% is 15)~~
- ~~▪ 20 in our example there are 10 units specifically serving elderly families, so are~~
- ~~▪ exceptions to the cap~~
- ~~▪ 45 units in project that will be project based~~

Supportive Services

The types of supportive services offered to families for a project to qualify for the exception are those intended to promote self-sufficiency, including:

- Outreach
- Case management, counseling
- Health care, psychiatric and mental health care, substance abuse treatment

- Life skills, parenting skills
- Child care, transportation, housing search assistance, budgeting
- Employment assistance, job training/placement
- Education, vocational opportunities

Supportive services do not have to be provided at the project site. When supportive services are provided, whether or site or not, the following conditions apply:

- The AHA will ensure that only families eligible to receive supportive services are assisted.

To qualify, a family must have at least one member eligible to receive at least one qualifying supportive service. The AHA will not require participation in supportive services. A family that becomes ineligible for the supportive services may not be terminated from the program or evicted from the unit.

~~If a family at the time of initial tenancy is receiving, and while the resident of an excepted unit has received, FSS supportive services or any other supportive services as defined above, 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.~~

The AHA will monitor the ~~excepted family's continued eligibility~~complexes offering of supportive services for contracts signed requiring supportive services. Monitoring will be accomplished by requiring the owner to provide annual reports on the ~~family's eligibility services offered~~ and confirming this information ~~by certification by the~~with the tenant at the regularly scheduled re-examination.

~~The AHA will provide PBV assistance for the following types of excepted units — units limited to use by “qualifying families”:~~

- ~~• Units in a multifamily project specifically made available for elderly families;~~
- ~~• Units in a multifamily project specifically made available for disabled families and the HAP contract was executed prior to April 17, 2017; and~~
- ~~• Units for families receiving supportive services.~~

~~Elderly, disabled (for HAP prior to April 17, 2017), and families receiving supportive services are all “qualifying families.”~~

~~Promoting Partially-Assisted Projects [24 CFR 983.56(c) as amended by HERA and HOTMA]~~

~~The AHA is not setting a cap on the number of PBV units assisted per project beyond the greater of 25 units or 25 percent cap for non-excepted units.~~

16-II.G. SITE SELECTION STANDARDS

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

The AHA will not select a proposal for existing, newly constructed, or rehabilitated PBV housing on a site or enter into an AHAP contract or HAP contract for units on the site,

unless the AHA 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 will be consistent with the Agency Plan under 24 CFR 903 and this Administrative Plan.

In addition, prior to selecting a proposal, the AHA will 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 (See Chapter 2), and that the site meets the HQS site and neighborhood standards at 24 CFR 982.401(I).

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

The AHA will grant exceptions to the 20 percent standard where the AHA determines 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 census tracts where:

- The proposed PBV development will be located in a HUD-designated Enterprise Zone, Economic Community, or Renewal Community;
- The concentration of assisted units will be or has decreased as a result of public housing demolition and HOPE VI redevelopment;
- The proposed PBV development will be located is undergoing significant revitalization as a result of state, local, or federal dollars invested in the area;
- New market rate units are being developed where such market rate units will positively impact the poverty rate in the area;
- There has been an overall decline in the poverty rate within the past five years; or
- There are meaningful opportunities for educational and economic advancement.

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

The AHA will not enter into an AHAP for units that will be rehabilitated, nor execute a HAP contract for existing units 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 AHA 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.

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

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

In the case of existing housing, the City of Alameda, 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 AHA will not enter into an agreement to enter into a HAP contract or a HAP contract with an owner, and the AHA, 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 AHA will supply all available, relevant information necessary for the responsible entity to perform any required environmental review for any site. The AHA requires the owner to carry out mitigating measures required by the City of Alameda (or HUD, if applicable) as a result of the environmental review.

PART III: DWELLING UNITS

16-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.

16-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, cooperative 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, apply to the PBV program.

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

Housing will 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 AHA will 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, will 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)

16-III.D. INSPECTING UNITS

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

The AHA will examine the proposed site before the proposal selection date. If the units to be assisted already exist, the AHA will inspect all the units before the proposal selection date, and will determine whether the units substantially (as previously defined ~~on page 7~~ in Section 16-II.C.) comply with HQS. To qualify as existing housing, units must substantially comply with HQS on the proposal selection date. The AHA, however, will not execute the HAP contract until the units fully comply with HQS.

Pre-HAP Contract Inspections [24 CFR 983.103(b)]

The AHA will inspect each contract unit before execution of the HAP contract. The AHA will not enter into a HAP contract covering a unit until the unit fully complies with HQS. Under MTW Activity 2022-06, the AHA may pre-qualify a unit by inspecting it up to 90 days prior to the HAP contract execution.

Turnover Inspections [24 CFR 983.103(c)]

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

Annual Inspections [24 CFR 983.103(d)]

At least annually during the term of the HAP contract, the AHA will inspect a random sample, consisting of at least 20 percent of the contract units in each building to determine if the contract units and the premises are maintained in accordance with HQS. The sample will be selected at random. A database of the units will be maintained which can be exported to a random number generator, such as contained in Excel or random.org, that will allow 20 percent of the total units to be selected at random. Turnover inspections are not counted toward meeting this annual inspection requirement.

If more than 20 percent of the annual sample of inspected contract units in a building fails the initial inspection, the AHA will reinspect 100 percent of the contract units in the building.

Other Inspections [24 CFR 983.103(e)]

The AHA will 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 AHA will take into account complaints and any other information coming to its attention in scheduling inspections.

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

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

Inspecting AHA-owned Units [24 CFR 983.103(f)]

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

PART IV: REHABILITATED AND NEWLY CONSTRUCTED UNITS

16-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.

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

In order to offer PBV assistance in rehabilitated or newly constructed units, the AHA will enter into an agreement to enter into an AHAP contract with the owner of the property. The Agreement will be in the form required by HUD [24 CFR 983.152(a)].

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

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

At a minimum, the AHAP will 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 will 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 will include the rehabilitation work write up and, where determined necessary by the AHA, specifications and plans. For new construction units, the description will include the working drawings and specifications.
- Any additional requirements for quality, architecture, or design over and above HQS.

Execution of the AHAP [24 CFR 983.153]

The AHAP will be executed “promptly” after AHA notice of proposal selection to the selected owner. The AHA, however, will not enter into the AHAP with the owner until the subsidy layering review is completed. Likewise, the AHA will not enter into the AHAP until the environmental review is completed and the AHA has received environmental approval. Promptly, in this case, requires the selected owner to have completed the necessary reviews for the project and be ready to enter into an AHAP within one year from the date of notification that the project is awarded PBV assistance. The AHA has the option to grant an extension to this one year limit provided the owner can demonstrate that progress is being made and that the project will go to AHAP within the extended time frame.

16-IV.C. CONDUCT OF DEVELOPMENT WORK

Labor Standards [24 CFR 983.154(b)]

If an AHAP 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 AHA will monitor compliance with labor standards.

Equal Opportunity [24 CFR 983.154(c)]

The owner must comply with Section 3 of the Housing and Urban Development Act of 1968 and the implementing regulations at 24 CFR part 135. The owner must also comply with federal equal employment opportunity requirements.

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

The AHAP and HAP contracts 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 AHAP and HAP contracts or HUD regulations.

16-IV.D. COMPLETION OF HOUSING

The AHAP will specify the deadlines for completion of the housing, and the owner must develop and complete the housing in accordance with these deadlines. The AHAP will 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 AHA in the form and manner required by the AHA:

- Owner certification that the work has been completed in accordance with HQS and all requirements of the AHAP;
- Owner certification that the owner has complied with labor standards and equal opportunity requirements in development of the housing; and
- Certificate of Occupancy (for new construction) or Final Building Permit cards (for rehabilitation projects) from the City of Alameda.

AHA Acceptance of Completed Units [24 CFR 983.156]

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

If the work has not been completed in accordance with the AHAP, the AHA will not enter into the HAP contract.

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

PART V: HOUSING ASSISTANCE PAYMENTS CONTRACT (HAP)

16-V.A. OVERVIEW

The AHA will 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. The HAP contract will be in the form required by HUD [24 CFR 983.202].

16-V.B. HAP CONTRACT REQUIREMENTS

Contract Information [24 CFR 983.203]

The HAP contract will 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; and
- ~~The number of units in any project that will exceed the project cap, which will be set aside for occupancy by qualifying families; 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 AHA will not enter into a HAP contract until each contract unit has been inspected and the AHA has determined that the unit complies with Housing Quality Standards (HQS). For existing housing, the HAP contract will be executed “promptly” after the AHA selects the owner proposal and inspects the housing units. “Promptly,” in this case, means that the owner must be ready and willing to sign the HAP contract within two months from the date the AHA has completed HQS inspections, found the units in compliance, and has notified the owner of its selection decision.

For newly constructed or rehabilitated housing, the HAP contract will be executed after the AHA has inspected the completed units, determined that the units have been completed in accordance with the AHAP, and the owner furnishes all required evidence of completion.

For rehabilitated or newly constructed housing, the HAP contract will be executed within two months of the AHA determining that the units have been completed in accordance with the AHAP, all units meet HQS, and the owner has submitted all required evidence of completion.

Term of HAP Contract [24 CFR 983.205]

The AHA will enter into a HAP contract with an owner for an initial term of no less than one year and no more than 20 years.

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

AHA may agree to enter into an extension of the HAP contract at the time of the initial HAP contract execution or any time before the expiration of the contract if the AHA determines an extension is appropriate to continue providing affordable housing for low-income families. The maximum aggregate term for an extension of the HAP contract is 20 years. All extensions must be on the form and subject to the conditions prescribed by HUD at the time of the extension.

When determining whether or not to extend an expiring PBV contract, the AHA 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 AHA [24 CFR 983.205(c)]

The HAP contract will provide that the term of the AHA's contractual commitment is subject to the availability of sufficient appropriated funding as determined by HUD or by the AHA 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.

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 AHA may terminate the HAP contract by notice to the owner. The termination will 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 AHA. In this case, families living in the contract units must be offered tenant-based assistance.

Remedies for HQS Violations [24 CFR 983.207(b)]

The AHA will 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 AHA determines that a contract unit(s) does not comply with HQS, the AHA 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.

16-V.C. AMENDMENTS TO THE HAP CONTRACT

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

The AHA will amend the HAP contract to substitute a different unit, if the unit has the same number of bedrooms in the same project, is HQS compliant, and meets all PBV requirements for a previously covered contract unit. Before any such substitution can

take place, the AHA will inspect the proposed unit and determine the reasonable rent for the unit.

Addition of Contract Units [24 CFR 983. 207(b)]

At the AHA's discretion and subject to ~~the restrictions on the number of dwelling units that can receive PBV assistance per project and on~~ the overall size of the AHA's PBV program, a HAP contract may be amended to add additional PBV units in the same project. This type of amendment is subject to all PBV program requirements except that a new PBV proposal is not required.

The AHA will consider adding contract units to the HAP contract when the AHA determines that additional housing is needed to serve eligible low-income families. Circumstances may include, but are not limited to:

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

The AHA is not required to 1) allow units to be added to PBV contracts and 2) assist projects at the 100% level. The AHA will limit PBV assistance to make the project viable without over subsidizing the units unless the units are determined necessary to provide housing opportunities for low-income families that cannot be achieved through the HCV program.

16-V.D. HAP CONTRACT YEAR, ANNIVERSARY AND EXPIRATION DATES [24 CFR 983.207(C) 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.

16-V.E. OWNER RESPONSIBILITIES UNDER THE HAP [24 CFR 983.209]

When the owner executes the HAP contract, the owner 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 AHA, 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; and
- The family does not own or have any interest in the contract unit.

16-V.F. ADDITIONAL HAP REQUIREMENTS

Housing Quality and Design Requirements [24 CFR 983.101(e) and 983.207(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 AHA and in the lease with each assisted family. In addition, maintenance, replacement and redecoration must be in accordance with the standard practice for the project as established by the owner.

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

The AHA will identify the need for any special features on a case-by-case basis depending on the intended occupancy of the PBV project. The AHA will specify any special design standards or additional requirements in the invitation for PBV proposals, the AHAP contract, and the HAP contract.

Vacancy Payments [24 CFR 983.352(b)]

Vacancy Payments will be paid to the owner in accordance with the terms of the HAP contract and as outlined in Sections 16-VI-F and 16-IX.B. of this Administrative Plan.

PART VI: SELECTION OF PBV PROGRAM PARTICIPANTS

16-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.

16-VI.B. ELIGIBILITY FOR PBV ASSISTANCE [24 CFR 983.251(A) AND (B)]

The AHA will select families for the PBV program from those who are participants in the AHA'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 will 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 AHA, 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 AHA's collection and use of family information regarding income, expenses, and family composition [24 CFR 5.230]. An applicant family also must meet HUD requirements related to current or past criminal activity. ~~In addition, families who will reside in "Excepted" units must meet the appropriate criteria as a "qualified" family.~~

The AHA will determine an applicant family's eligibility for the PBV program in accordance with the policies in Chapter 3.

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 AHA 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 will be placed on the AHA's waiting list. Once the family's continued eligibility is determined (the AHA may deny assistance to an in-place family for the grounds specified in 24 CFR 982.552 and 982.553), the family will be given an absolute selection preference and the AHA 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.

Tenant Referrals to PBV Units

When a vacancy exists at a PBV site, the AHA will notify the next families on the applicable waiting list. The AHA's letter to the applicants also will state that if the applicant is interested in residing in the vacant PBV unit, that the applicant will not lose her or his place on the AHA's HCV waiting list.

All applicants indicating interest in the PBV unit will be referred to the owner in the order in which they appear on the appropriate ~~wait list~~waiting list. If the tenant selection criteria

of the owner include screening for credit and criminal background, these procedures may be performed prior to completion of the full eligibility process. If, on the basis of the credit and/or criminal background screening process, the owner will not offer tenancy to the applicant, the AHA will not complete the voucher eligibility process and the applicant will be removed from the selected grouped site-based project-based ~~wait list~~waiting list and sent a notice to this effect.

In the event that the PBV ~~wait list~~waiting lists are exhausted, the AHA may outreach to the following:

- 1) Applicants on other PBV ~~wait list~~waiting lists
- 2) HCV ~~wait list~~waiting list or tenant-based assisted households known to be seeking new units (i.e. newly-issued voucher holder, current participants who have given notice or otherwise indicated interest in seeking a new unit) to determine if there is interest in a HCV family moving to a PBV unit. However, voucher holders porting into the AHA jurisdiction may not be offered a PBV unit because HCVP provisions on portability under 24 CFR Part 982 do not apply to the project-based program under 24 CFR Part 983. PBV applicants shall always have priority over HCV tenants for available PBV units. Interested HCV tenants shall be considered for PBV units on a first ready, first served basis. Any additional HCV tenant families interested in PBV units will be informed that the unit(s) have been leased and no further action will be taken on their behalf.

PBV ~~Wait List~~Waiting list applicants shall have priority over all HCV assisted tenants for PBV units.

16-VI.C. ORGANIZATION OF THE WAITING LIST [24 CFR 983.251(C)]

The AHA will use its PBV Program waiting lists to select tenants for PBV units.

16-VI.D. SELECTION FROM THE WAITING LIST [24 CFR 983.251(C)]

Applicants who will occupy units with PBV assistance will be selected from the AHA's PBV ~~Wait List~~Waiting lists. The AHA will place families referred by the PBV owner on its grouped or single site-based PBV waiting list, as appropriate, when the waiting list is open.

~~Wait list~~Waiting list referrals to the PBV owner will remain active for consideration for a PBV vacancy for a maximum period of 120 days from the date of selection from the ~~wait list~~waiting list. Referred tenants will be screened by the owner and readied for occupancy. First ready, is first referred back to the AHA for eligibility determination and leasing. Readiness is defined to mean having met all of the owner's screening criteria and accepted for tenancy.

In the event that multiple families are made ready for a PBV unit, as a tie breaker for who is assigned the unit, the family who has the highest rank from the referral list of all "ready"

families will be processed by the AHA for eligibility determination and offered the available unit.

An owner may continue to work on suitability screening for up to three families from the latest referral list in anticipation of any additional vacancies that may arise during the 120-day referral period. The AHA will also continue the eligibility process for any family made ready by the owner.

If no unit is scheduled to be vacated by an existing tenant or there are no impending vacancies prior to the expiration of the 120-day period, all unassigned referrals will be returned to the PBV ~~wait list~~waiting list. The AHA may return applicants to the ~~wait list~~waiting list before the 120-day period if the AHA is going to draw names for another owner off the same ~~wait list~~waiting list.

If the AHA referrals do not provide the owner with a suitable tenant for the unit and the ~~wait list~~waiting list is exhausted, the owner may refer a Section 8 eligible individual or family to the AHA's grouped site-based PBV waiting list if it is open. The referred family must meet the AHA's eligibility criteria.

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

At least 75 percent of the families admitted to the AHA's tenant-based and project-based voucher programs during the AHA fiscal year from the waiting list will 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 AHA must first refer families who require such features to the owner.

Preferences [24 CFR 983.251(d)]

The AHA will use the same definitions and requirements for selection preferences that are used for the tenant-based voucher program. The AHA provides an absolute selection preference for eligible in-place families as described in Section 16-VI.B. The preferences for the PBV program may differ slightly from the HCV program. See Chapter 4-III.C.

When vacancies exist in PBV units of a specific size (i.e., number of bedrooms) or in excepted units, the AHA will select only qualified families of the correct family composition size according to the AHA's subsidy standards for those units in the correct order from the waiting list.

Preference points are aggregated to produce the total preference points for each applicant. Applicants with the same total preference points will then be sorted by the method in which they were selected to be placed on the waiting list (i.e., date and time of application or order of random selection).

At the time of initial application, the applicant certifies as to whether or not it is eligible for a preference, and the AHA will place the applicant on the waiting list according to the preference claimed. Before the family receives assistance, however, the AHA must verify

the family's eligibility for the preference based on current circumstances. If upon verification the AHA determines that the family does not qualify for the preference claimed, the family does not receive the preference. In this situation, the AHA will notify the applicant in writing that they do not qualify for the preference and will be returned to the waiting list with an update to the applicant record.

If the AHA has projects with contracts executed prior to MTW designation and with more than the project cap of the units receiving project based assistance because those projects include "excepted units" (units specifically made available for elderly families or families receiving supportive services), the AHA will give preference to such families when referring families to these units [24 CFR 983.261(b)]. "Excepted units" for HAP contracts signed prior to April 18, 2017 this also includes s units specifically made available for disabled families.

16-VI.E. OFFER OF PBV ASSISTANCE

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

The AHA is prohibited from taking, and will not take, 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 AHA'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 AHA will give the family an oral briefing. The briefing will include information on how the program works and the responsibilities of the family and owner. In addition to the oral briefing, the AHA will provide a briefing packet that explains how the AHA determines the total tenant payment for a family, the family obligations under the program, and applicable fair housing information.

Persons with Disabilities

The AHA will assure effective communication with all households, including those with persons with disabilities. In accordance with 24 CFR 8.6, in conducting the oral briefing and in providing the written information packet alternate forms could be provided (see Chapter 2). In addition, the AHA will have a mechanism for referring a family that includes a member with mobility impairment to an appropriate accessible PBV unit.

Persons with Limited English Proficiency

The AHA will 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).

16-VI.F. 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(b)] and provide a copy of this notice to the AHA.

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 AHA from the AHA'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 AHA's subsidy standards.

Filling Vacancies [24 CFR 983.254(a)]

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

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

The AHA will make every reasonable effort to refer families to the owner within 14 calendar days of receiving such notice from the owner.

After execution of a HAP contract, units must promptly be filled by the owner. Promptly here will be defined as 60 days. If the owner does not meet this deadline, the AHA may, at its discretion, 1) remove units from the contract or 2) grant the owner an extension to fill the units. In order to be granted an extension, an owner must show the steps taken to fill the units and the reason for the delay. If the owner has criteria for the unit that is more stringent than the AHA's eligibility requirements and this is resulting in delayed the leasing, the AHA may require the owner to change the criteria for the unit or remove it from the HAP contract.

Vacancy Payments will be paid to the owner in accordance with terms of the HAP contract and as outlined in this section and in Section 16-IX.B. of this Administrative Plan.

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 AHA will 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.

The AHA will provide the notice to the owner within 14 calendar days of the 120th day of the vacancy. Unless the owner can give adequate reason for the AHA not to reduce the number of contract units within 14 calendar days of the date of the AHA's notice, the amendment to the HAP contract will be effective the 1st day of the month following the date of the AHA's notice.

16-VI.G. TENANT SCREENING [24 CFR 983.255]

AHA Responsibility

The AHA is not responsible or liable to the owner or any other person for the family's behavior or suitability for tenancy. The AHA will not conduct screening to determine a PBV applicant family's suitability for tenancy unless the applicant is to move into an AHA-owned or managed unit. The AHA may deny applicants based on such screening.

The AHA will inform owners of their responsibility to screen prospective tenants. Upon request, owners may request and the AHA will provide specific information about the family being considered for tenancy. The AHA will provide the following information:

- The family's current address as provided by the Applicant; and
- The name and address, if known, of the owner/landlord of the family's current and prior places of residence.

The AHA will respond only to specific questions asked by owners and only when the AHA has documentation to confirm the accuracy of the information being provided. The AHA will provide applicant families a description of its policy on providing information to owners and give the same types of information to all owners. Refer to "Screening for Suitability as a Tenant" in Chapter 3 or "9-I.A. Tenant Screening" in Chapter 9 for the information that may be released.

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.
- The owner must notify AHA in writing within 14 calendar days when rejecting an applicant and give the grounds for such rejection.

PART VII: OCCUPANCY

16-VII.A. OVERVIEW

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

16-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.

The AHA 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 AHA (the names of family members and any AHA-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) and 983.257(b)]

The initial lease term must be for at least one year. Upon expiration of the lease, an owner may renew the lease, refuse to renew the lease for “good cause,” or refuse to renew the lease without good cause. If the owner refuses to renew the lease without good cause, the AHA will provide the family with a tenant-based voucher and remove the unit from the PBV HAP contract. This unit or another unit will not be added onto the contract at a later date. This unit is permanently removed.

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 AHA a copy of all changes.

The owner must notify the AHA 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 AHA and in accordance with the terms of the lease relating to its amendment. The AHA will 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 owner may specify in the lease a maximum period of tenant absence from the unit that is shorter than the maximum period permitted by AHA 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.

Security Deposits [24 CFR 983.258]

The owner may collect a security deposit from the tenant. The security deposit, under state law, must not exceed the following:

Unfurnished Unit: Two months contract rent (this includes any amount labeled as last month’s rent)

Furnished Unit: Three months contract rent (this includes any amount labeled as last month’s rent)

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 AHA has no liability or responsibility for payment of any amount owed by the family to the owner.

16-VII.C. MOVES

Overcrowded, Under-Occupied, and Accessible Units [24 CFR 983.259]

If the AHA determines that a family is occupying a unit that is too small or too big, based on the AHA's subsidy standards and HQS requirements, 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 AHA will notify the family and the owner within 14 calendar days of the AHA's determination of the family's need to move. The AHA 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.

The AHA will make two offers of available assistance to the family, if possible. For example, if a PBV unit is not available and a vacancy is not anticipated in the near future, the AHA may offer just tenant-based assistance. If funding is not available for tenant-based assistance, the family will receive an offer as soon as funding becomes available and prior to issuance of vouchers from wait list/waiting lists. If the family does not accept the offer(s), the AHA will terminate the housing assistance payments for the wrong-sized or accessible unit with a 30-day notice.

If the AHA offers the family a tenant-based voucher, the AHA will terminate the housing assistance payments for a wrong-sized or accessible unit at expiration of the term of the family's voucher (including any extension granted by the AHA).

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

The AHA 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.

If the AHA terminates the housing assistance for the unit, the AHA has, at its discretion, the option to remove the unit, substitute another like unit, or allow the current unit to remain on the contract with no assistance payments.

For PBV under-housed families living in a complex offering disability-specific supportive services that the family is eligible, the family may stay in the unit if the supportive services are needed and equivalent services are not offered at other PBV units of the right size.

Family Right to Move [24 CFR 983.260]

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 AHA. If the family wishes to move with continued tenant-based assistance, the family must contact the AHA 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 AHA will offer the family the opportunity for continued tenant-based assistance, in the form of a Housing Choice Voucher. If a voucher is not immediately available upon termination of the family's lease in the PBV unit, the AHA will give the family priority to receive the next available voucher. The Director of Housing Programs shall maintain a list of interested PBV participants who want to move with continued tenant-based HCV assistance. Placement and ranking on the list will be on a first come, first served basis. The AHA shall give preference on this list to Violence Against Women's Act (VAWA)-eligible households.

If the family terminates the assisted lease before the end of the first year, the family relinquishes the Housing Choice Voucher assistance.

Family Break-Up

In the event of a family break-up by divorce or legal separation, the family shall decide who remains in the assisted unit and report the change in household composition in writing to the AHA. No further subsidy shall be provided to the departing spouse. The assistance generally remains with the family members who remain in the assisted unit.

If family members are forced to leave the unit because of actual or threatened physical violence against family members by a spouse or other members of the household, the AHA may terminate the HAP contract for the original assisted unit and transfer the assistance to the family members forced to leave. The actual or threatened physical violence must be documented.

The documentation must include one of the following elements:

- A signed statement by the victim that provides the name of the perpetrator and certifies that the incidents in question are bona fide incidents of actual or threatened domestic violence, dating violence, or stalking, or

- A police or court record documenting the actual or threatened abuse, or

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

the incidents in question are bona fide incidents of abuse, and the victim must sign or attest to the statement.

(Notice policies related to terminating assistance for participants who may be victims of domestic violence, dating violence, or stalking are contained in Section 12-II.E. of the Administrative Plan.)

The family must notify the AHA, in writing, within 14 days of an action causing a family break-up and request a determination of the assignment of the assistance. The AHA may schedule a meeting with the family members to discuss the assignment.

In the event that the AHA must determine which of the family members will continue to receive the ~~Section 8~~ PBV assistance or retain placement on the waiting list(s) for PBV assistance, the AHA determination will be made based on the following priorities:

In the absence of a judicial decision, or an agreement among the original family members, the AHA will determine which family retains their placement on the waiting list or will continue to receive assistance taking into consideration the following factors: (1) the interest of any minor children, including custody arrangements, (2) the interest of any ill, elderly, or disabled family members, (3) any possible risks to family members as a result of domestic violence or criminal activity, and (4) the recommendations of social service professionals.

For ~~excepted~~ units with contracts executed prior to MTW designation and additional requirements such as housing for the elderly or families receiving supportive services, the qualifying family member will be entitled to the continuation of the rental assistance. ~~The qualifying member is defined as the household member who does not interrupt their supportive services eligibility.~~ Any ~~excepted~~ unit in which the elderly or disabled household member is no longer in residence, the remaining household members will not be entitled to remain in the ~~excepted~~ unit as designated under the HAP contract.

16-VII.D. EXCEPTIONS TO THE OCCUPANCY CAP [24 CFR 983.262 AS AMENDED BY HERA AND HOTMA] FOR CONTRACTS EXECUTED PRIOR TO MTW DESIGNATION

Under regulation tThe AHA ~~will was~~ not allowed to 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 [24 CFR 983.56]:

- Specifically made available for elderly families
- Specifically made available for disabled families and contract signed prior to April 17, 2017; or
- Specifically made available for families receiving supportive services as defined by the AHA. At least one member must be eligible to receive at least one qualifying supportive service.

These units were known as excepted units. The owner is still bound by the terms of the contract and must house families that are eligible for the unit.

~~If a family at the time of initial tenancy is receiving or while the resident of an excepted unit has received Family Self-Sufficiency (FSS) supportive services or any other service as defined by the AHA 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.~~

A family (or remaining members of a family) residing in an excepted unit based on elderly or disabled family status no longer meets the criteria for a “qualifying family” due to a change in status that was beyond the control of the family, such as a death or long-term hospitalization, the unit is counted as excepted while the family remains in the unit. The family may need to move if the PBV unit is wrong-sized for the family.

If the family is moving to a non-excepted PBV unit, the family will have 60 days in which to complete the move. If the family will move with a Housing Choice Voucher, as is likely to be the case with a non-elderly or non-disabled surviving spouse, then the term of the voucher will apply. The AHA may grant extensions if the family can demonstrate good cause as outlined in Chapter 5, Section II-E of this Administrative Plan.

~~If a family is no longer eligible for all supportive services offered to the residents of an excepted unit and the ineligibility is for reasons other than successfully completing the supportive services objective, the unit is no longer eligible to be excepted. The family cannot be terminated from the program or evicted from the unit; however, the cap still applies. The AHA may substitute another unit for the excepted unit or remove the unit from the PBV HAP contract. If the unit is removed from the contract, the AHA and owner may add it back to the contract if the unit is filled with an family eligible for supportive services.~~

PART VIII: DETERMINING RENT TO OWNER

16-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 ten percent or greater decrease in the published FMR.

16-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 AHA, 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.

The amount determined by the AHA to limit the rent to owner can be different than the payment standards used for tenant-based vouchers under the HCV program.

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

For certain tax credit units wherein the tax credit rent may exceed the applicable Payment Standard, the rent limits are determined differently than for other PBV units. In general, 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.

The AHA will follow the rules and regulations promulgated by HUD and in effect at the time the HAP contract is executed.

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 unit size (i.e., number of bedrooms) 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).

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

When determining the initial rent to owner, the AHA will 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 AHA will use the most recently published FMR and the utility allowance schedule in effect at the time of redetermination. The AHA will not use an earlier FMR for initial rent determination or for redeterminations.

Any HUD-approved exception payment standard amount under the tenant-based voucher program also applies to the project-based voucher program. The same utility allowance schedule applies to both the tenant-based and project-based voucher programs.

~~For eligible units where the owner is participating in the Low Income Housing Tax Credit Program (LIHTC) and utilizing a utility allowance that has been created with the California Utility Allowance Calculator (CUAC), PBV assisted units may utilize the CUAC utility allowance applicable to that property.~~

Redetermination of Rent [24 CFR 983.302]

The AHA will 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 AHA, it must be requested 60 days prior to the annual anniversary of the HAP contract and include the requested amount of rent being proposed (see Section 16-V.D.). The AHA will 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).

The AHA will not approve 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 will 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 will be decreased regardless of whether the owner requested a rent adjustment.

The rent to owner shall not be decreased below the initial rent if the HAP contract specifies this per 24 CFR 983.302 (c)(2).

Notice of Rent Change

The rent to owner is redetermined by written notice by the AHA to the owner specifying the amount of the redetermined rent. The AHA 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.

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

AHA-owned Units [24 CFR 983.301(g)]

For AHA-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 AHA will use the rent to owner established by the independent entity.

16-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 will not exceed the reasonable rent for the unit as determined by the AHA.

When Rent Reasonable Determinations are Required

The AHA will 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 AHA approves a change in the allocation of responsibility for utilities between the owner and the tenant;
- The HAP contract is amended to add or substitute a different contract unit in the same 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 will be determined by comparison to rent for other comparable unassisted units. When making this determination, the AHA will 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 are receiving project-based assistance. The analysis will show how the reasonable rent was determined, including major differences between the contract units and comparable unassisted units, and will be retained by the AHA. The comparability analysis may be performed by AHA staff or by another qualified person or entity, including 3rd party software systems. Those who conduct these analyses or are involved in determining the housing assistance payment based on the analyses will not have any direct or indirect interest in the property.

AHA-owned Units

For AHA-owned units, the amount of the reasonable rent will be determined by an independent agency approved by HUD in accordance with PBV program requirements. The independent entity will provide a copy of the determination of reasonable rent for AHA-owned units to the AHA 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 AHA may require the owner to submit information on rents charged by the owner for other units in the premises or elsewhere.

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

In addition to the rent limits discussed in Section 16-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 16-II.D).

Other Subsidy [24 CFR 983.301 and 983.304]

At its discretion, the AHA may reduce the initial rent to owner because of other governmental subsidies, including tax credit or tax exemption, grants, or other subsidized financing.

For units receiving assistance under the HOME program, rents will 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 will 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 will 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 also may be subject to rent control or other limits under local, state, or federal law.

PART IX: PAYMENTS TO OWNER

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

During the term of the HAP contract, the AHA will make housing assistance payments to the owner in accordance with the terms of the HAP contract. During the term of the HAP contract, payments will 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 will be paid to the owner on or about the first day of the month for which payment is due, unless the owner and the AHA agree on a later date.

Except for vacancy payments, the AHA will 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 AHA 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 ~~and under the following conditions:~~

- ~~• Vacancy payments to the owner will be paid for up to two calendar months (based on a 30-day month) in an amount equal to the AHA's HAP for the family that last occupied that unit.~~
- ~~• The owner is not eligible to receive any vacancy payments beyond the second calendar month after the unit becomes vacant.~~
- ~~• The owner is not eligible to receive any vacancy payments if the unit does not meet Housing Quality Standards as a result of the owner's negligence and/or if the owner is receiving payments in lieu of rent/HAP from any other source (e.g., insurance company). If the owner is receiving payments in lieu of rent/HAP from any other source that does not include any of the sixty-day period permitted for vacancy payments and all other conditions for vacancy payments have been met, the owner shall be entitled to vacancy payments for the portion of the sixty-day period not covered by the third party payments.~~
- ~~• The owner will receive vacancy payments only if the vacancy is not the owner's fault and the owner has taken every feasible action to minimize the likelihood and length of the vacancy.~~

~~Also refer to Section 16-V.F. "Filling Vacancies."~~

16-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. Vacancy payments also will be paid to the owner in accordance with the terms of the HAP contract and under the following conditions:

- Vacancy payments to the owner will be paid for up to two calendar months (based on a 30-day month) in an amount equal to the AHA's HAP for the family that last occupied that unit.
- The owner is not eligible to receive any vacancy payments beyond the second calendar month after the unit becomes vacant.
- The owner is not eligible to receive any vacancy payments if the unit does not meet Housing Quality Standards and/or if the owner is receiving payments in lieu of rent/HAP from any other source (e.g., insurance company). If the owner is receiving payments in lieu of rent/HAP from any other source that does not include any of the sixty-day period permitted for vacancy payments and all other conditions for vacancy payments have been met, the owner shall be entitled to vacancy payments for the portion of the sixty-day period not covered by the third party payments.

- The owner will receive vacancy payments only if the vacancy is not the owner's fault and the owner has taken every feasible action to minimize the likelihood and length of the vacancy.

Also refer to Section 16-V.F. "Filling Vacancies."

16-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 AHA in accordance with HUD requirements. Any changes in the amount of tenant rent will be effective on the date stated in the AHA 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 AHA 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 AHA. The owner must immediately return any excess payment to the tenant.

If the family's income causes the HAP payment to decrease to zero, the AHA has, at its discretion, the option to remove the unit, substitute another like unit, or allow the current unit to remain on the contract with no assistance payments.

Tenant and AHA 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 AHA.

Likewise, the AHA is responsible only for making the housing assistance payment to the owner in accordance with the HAP contract. The AHA is not responsible for paying tenant rent, or any other claim by the owner, including damage to the unit. The AHA will 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 AHA will 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.

16-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 will not be included in the rent to owner, nor will the value of meals and supportive services be included in the calculation of the reasonable rent. Non-payment of such charges, however, 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.

CHAPTER 17

FAMILY SELF-SUFFICIENCY PROGRAM

INTRODUCTION

This chapter describes the AHA's implementation of its Family Self-Sufficiency (FSS) program in five parts:

Part I: Overview of the Program. General overview of the FSS program including information on the Program Coordinating Committee and goals of the program.

Part II: Recruitment and Eligibility. Policies related to the AHA's efforts to recruit and outreach. Includes eligibility for the program and the family's responsibility to select the head of the FSS family.

Part III: Contract of Participation and Program Administration. Discusses the Contract of Participation and Individual Training and Services Plan along with ongoing case management services and termination from the FSS program.

Part IV: Escrow Account. Description of the escrow account and the policies governing the account and payout of the account.

Part V: Portability. Policies on using portability while a participant in the FSS program.

PART I. OVERVIEW OF THE PROGRAM

17-I.A. OVERVIEW

Family Self-Sufficiency (FSS) is a HUD program to help Section 8 Housing Choice Voucher, Project-Based Voucher, Other Special Purpose Vouchers (VASH, EHV, FUP, NED, Mainstream), and Moderate Rehabilitation SRO and Project Based Voucher participants obtain employment which will lead to economic independence and self-sufficiency through individual planning, case management services and community resources. It is expected that families participating in the ~~in~~-FSS program will need services and the following services offered through FSS community linkages-connections to meet those needs may include: job training and employment counseling; substance/alcohol abuse treatment or counseling; money management; child care; transportation; education; household skill training; and homeownership counseling. Participation in the FSS program is voluntary and involves adherence to a five-year Contract of Participation by admitted participant families. Selection of a family to not participant-participate in the FSS program will not affect their admission to a housing assistance program.

The development of the services and activities under this FSS program have been coordinated with the JOBS Program; the programs provided under the JTPA; and any

other relevant employment, child care, transportation, training, and education programs (e.g., Job Training for the Homeless Demonstration program) in the applicable area, and that implementation will continue to be coordinated, in order to avoid duplication of services and activities.

17-I.B PURPOSE (24 CFR 984.101)

The purpose of the Family Self Sufficiency (FSS) program is to promote the development of local strategies to coordinate the use of HUD assistance with public and private resources, to enable families eligible to receive HUD assistance to achieve economic independence and self-sufficiency. ~~reduce the dependency of Section 8 Voucher Participants on public assistance by achieving economic independence and self sufficiency over a five year period.~~ Under the FSS program, the Housing Authority of the City of Alameda (AHA) will establish relationships with public and private agencies which will enable ~~voucher~~ participant families opportunities for skills building, job training, counseling, education, and other forms of social services; which should reduce or eliminate the need for public assistance over time as they become active participants in the general workforce and possible candidates for homeownership.

This is a voluntary program and in the event a participant family fails to meet its obligations under the FSS Contract of Participation, the AHA will not terminate the participant family from the Section 8 Voucher or SRO program. Additionally, a A family will not be terminated from the voucher program for not enrolling in the FSS program.

17-I.C. NON-DISCRIMINATION (24 CFR 5.105)

In selecting participating families, the selection will be made in a nondiscriminatory manner without regard to race, color, religion, age, sex ~~(includes, but is not limited to, pregnancy, childbirth, or medical conditions related to pregnancy or childbirth, as well as gender identity and gender expression), marital or family/familial~~ status, disability, gender, gender identity, gender expression, sexual orientation, marital status, ~~medical condition,~~ national origin, ancestry, and source of income, ~~and sexual orientation~~, in compliance with Title VI of the Civil Rights Act of 1964 as amended, Title VIII of the Civil Rights Act of 1968 as amended, and Executive Orders 11063-, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, Title II of the American's with Disabilities Act, California's Fair Employment and Housing Act, California Unruh Civil Rights Act, and California Disabled Persons Act.& 12892.

AHA will not discriminate against otherwise qualified persons on the basis of disabilities and will make reasonable accommodations to allow participation in the FSS Program by persons with disabilities. AHA may decide that an accommodation is not reasonable if it causes undue financial and/or administrative burdens.

17-I.D. ~~G~~-PROGRAM COORDINATING COMMITTEE (24 CFR 984.202)

The role of the Program Coordinating Committee (PCC) is to help secure commitments of public and private resources for the operation of the program; and to assist in developing the Action Plan and implementing the FSS program. The PCC (or body serving a similar function for Alameda and AHA participants) will generally meet on a quarterly basis. One member of the PCC will be a participant in the voucher program and one will be an AHA representative, as required by 24 CFR 984.202(b)(1)(ii).

Recommended Membership for PCC includes:

- Local agencies responsible for carrying out JOBS training programs, or programs under the JTPA,
- Other organizations, such as other State, local or tribal welfare and employment agencies,
- Public and private education or training institutions,
- Child care providers,
- Nonprofit service providers, private business, and
- Any other public and private service providers with resources to assist the FSS program.

AHA will maintain a PCC in accordance with HUD regulations.

PART II. RECRUITMENT AND ELIGIBILITY

17-II.A.D. ESTIMATE OF PARTICIPATING FAMILIES (24 CFR 984.201)

AHA's funding provides for a minimum of 26 FSS families to be served, but the AHA's goal is to increase to 50 participant families and then maintain annual enrollment whenever fiscally sound to do so.

Historically, AHA's FSS program has enrolled six to nine new families into the FSS program each year. Accordingly, AHA expects to be able to provide FSS services to around 60 families over a five-year period. The Housing Authority of the City of Alameda will initially recruit and maintain at least 26 participant families in the Family Self-Sufficiency program. However based on evidence of program number fluctuations due to port-outs, terminations and graduations, AHA will attempt to consistently maintain 30-35 participant families whenever fiscally sound to do so.

17-II.B.E. RECRUITMENT (24 CFR 984.201)

At the re-establishment of the Family Self-Sufficiency Program in May 2011, all voucher participants were contacted by direct mail. ~~The mailing consisted of a brief description of the FSS program and dates of upcoming informational sessions in which interested persons could attend and acquire additional information about the program. Applications~~

~~for admittance were made available at the informational sessions. Efforts were made to provide program information in a number of languages so that individuals with Limited English Proficiency (LEP) were able to access the program. Subsequently, all All voucher and SRO participants routinely receive a FSS brochure included in their annual re-exam packet and FSS information in periodic newsletters.~~

In addition, AHA, marketing activities to the Section 8 Voucher and SRO program participants will also include:

- a) Distribution of FSS program brochures to any participant who has requested additional information prior to becoming a new FSS participant
- b) Conducting FSS program presentations during Voucher and SRO briefings for new participants
- c) Reminder of FSS program and its benefits in AHA Participant Newsletters and annual re-examination packets
- d) Displaying FSS program posters throughout agency to market program
- e) Updating AHA's website with FSS program information and application, when accepting applications, for online inquiries
- f) Distribution of FSS program brochures and applications to Housing Specialists to distribute during annual or interim certifications to inquiring participants
- g) Informational meetings with guest speakers, as budget and time allows

The AHA's application is online allowing for translation of the form for Limited English Proficiency applicants and reasonable accommodations will be made for those with disabilities to the application process.

The only incentive offered by the AHA to participant in the FSS program is the establishment of the FSS escrow account in accordance with requirements set forth in 24 CFR 984.305.

17-II.C. ELIGIBILITY (24 CFR 984.201)

The FSS program is open to current Section 8 voucher participants under AHA's numerous voucher programs which include: Housing Choice, Project—Based, ~~I~~Mainstream, Non-Elderly Disabled (NED), ~~and~~ Family Reunification Program (FUP), Veterans Affairs Supportive Housing (VASH) and Emergency Housing Vouchers (EHV) voucher holders. All current voucher participants are eligible to voluntarily apply to the FSS program. –Additionally, Single Room Occupancy (SRO) Moderate Rehabilitation participants are eligible and encouraged to apply for participation in the FSS program.

To be selected to participate in the FSS program, a participant must be deemed the “head of the FSS family” by the participating family. the head of household under AHA's Voucher Program. To be eligible a participant family must be in good standing as verified, as verified by the family's assigned housing specialist. voucher program

~~caseworker~~ The housing specialist must verify that the family is in compliance with Family Obligations/Responsibilities of the applicable assisted programs, and/or from the accounting department stating must verify that there are no monies owed to the AHA.

- Families that owe money to the Housing Authority, are behind in monthly installment payments, or have not entered into a payment agreement will not be eligible for participation in the FSS Program. Families may be ineligible for monies owed from any program or housing operated by the Housing Authority.

The Head of the FSS family can be any adult member of the household and is designated by the participating family. The AHA may make itself available to consult with families on this decision, but it is the assisted household that chooses the head of FSS family that is most suitable for their individual household circumstances. The designation or any changes by the household to the Head of FSS Family must be submitted to the AHA in writing on a specific form developed by the AHA.

Once a specific adult, currently in the household, has been designated by all adult members, then all adults must sign the Declaration of Head of FSS family paperwork acknowledging their choice.

The FSS family includes everyone in the household. However, only the person deemed Head of the FSS Family signs the FSS contract of participation and only one escrow account will be established under the name of the Head of the FSS Family. The Head of FSS Family will receive all monies plus interest accrued in the established escrow account if they successfully complete the program within five-years or the end of the approved extension term. Other members of a household (over 18) are eligible to receive supportive services under the FSS program if there is a signed Contract of Participation. However, only one escrow — account will be established per household. Other members of a household (over 18) are eligible to receive supportive services under the FSS program if the head of household has signed a Contract of Participation.

17-II.D. HEAD OF FSS FAMILY LEAVES ASSISTED UNIT

If the head of the FSS family leaves the assisted unit, the remaining family members may, after consulting with the AHA, name another family member to take over the Contract or receive the FSS escrow account funds in accordance with the terms of the agreement.

PROGRAM COORDINATING COMMITTEE (24 CFR 984.202)

~~The role of the Program Coordinating Committee (PCC) is to help secure commitments of public and private resources for the operation of the program; and to assist in developing the Action Plan and implementing the FSS program. The PCC (or body serving a similar function for Alameda and AHA participants)~~

~~will generally meet on a quarterly basis. One member of the PCC will be a participant in the voucher program and one will be an AHA representative, as required by 24 CFR (b)(1)(ii).~~

~~a) Recommended Membership for PCC includes:~~

- ~~• Local agencies responsible for carrying out JOBS training programs,~~
- ~~• or programs under the JTPA, and~~
- ~~• Other organizations, such as other State, local or tribal welfare and employment agencies,~~
- ~~• Public and private education or training institutions,~~
- ~~• Child care providers,~~
- ~~• Nonprofit service providers, private business, and~~
- ~~• Any other public and private service providers with resources to assist the FSS program.~~

~~b)a) AHA will maintain a PCC in accordance with HUD regulations.~~

17-II.E. H. APPLICATION AND SELECTION PROCESS (24 CFR 984.203)

All potential participants must complete the initial FSS application and self-survey and will be screened for a priority status preference.

- ~~a) Priority Status:~~ applies to participants who are currently enrolled in and/or attending any educational or training program including:
 - Workforce Investment Act programs administered through One-Stop Career Centers: Adult/Youth Low Income Programs, Dislocated Workers Program, Eastbay Works; College/University coursework and other educational programs that lead to employment.

Fifty percent of the available FSS slots will be targeted to voucher holders or SRO participants who have one or more family members currently enrolled in, or on a waiting list for a Priority Status related service programs. FSS applicants will be placed on a ~~wait list~~waiting list in order of date and time of FSS application, and the only out of order admissions will be to fill ~~every other an~~ available slot with a priority status family.

Once pulled from the FSS ~~wait list~~waiting list, prospective participants will meet with FSS staff for an orientation interview conducted either in person or virtually, interview which explains the program rules and regulations, the Contract of Participation, the Individualized Training and Service Plan (ITSP) and Escrow account accumulation.

Accommodation for those with disabilities will be offered on a case-by-case basis, depending on the needs of the applicant. Accommodations may include, but are not limited to, additional time to complete an application or self-assessment, an individually scheduled orientation session, provision of transportation to/from the orientation site, translation services, an alternative location, a virtual orientation session, or allowance and encouragement to bring children to the session, where possible.

During the program overview, the participant's motivation to become economically self-sufficient by ending cash aid assistance and obtaining and maintaining employment is discussed and emphasized.

PART III: CONTRACT OF PARTICIPATION AND PROGRAM PARTICIPATION

17-III.A. ~~I~~-ASSESSMENT AND INDIVIDUAL TRAINING AND SERVICES PLAN (ITSP) **(24 CFR 984.303 (b)(2))**

The process of identifying support needs begins with the potential participant's own ~~self assessment~~self-assessment. Prior to the initial interview, each applicant must complete a ~~Self Assessment~~Self-Assessment form. Each client is asked to examine their goals, family dynamics, school and employment patterns; financial and health concerns. Then through a series of discussions between the prospective participant and the Coordinator potential barriers/hindrances to achieving stated goals will be identified and a plan of action will be developed to successfully maneuver through barriers ~~and~~ while also striving towards successful completion of goals outlined in the ITSP plan.

The ~~Individual Training and Services Plan (ITSP)~~ will grow out of those discussions between the FSS Coordinator and prospective participant. Specific goals will be identified and sequenced. FSS staff will work with the participant to map the sequence of small steps that need to be taken to achieve each goal and to establish realistic target dates for their completion.

- The ITSP will be reviewed at least annually by both parties and may be amended by mutual agreement between the participant and FSS Staff, with such changes made in writing and signed, then becoming the required attachment to the initial FSS Contract of Participation.

17-III.B.J. CASE MANAGEMENT

Case management is a key factor in ensuring comprehensive service delivery. Case management establishes a systematic, continuous process in which families are actively involved in planning the steps they can take to improve their lives and in evaluating the results. Case management is not merely service brokering, but a problem-solving partnership among practitioners and clients. AHA employs a FSS Program Coordinator who fulfills the following functions:

- Assist in briefing of applicants;
- Provide information and referral services to participants;
- Monthly one on one coaching sessions: in person or virtually;
- Monthly goal enrichment group meetings;
- Assist in identifying and utilizing appropriate community resources;
- Coordinate services for participants with various Health and Human Services/Social Services agencies, and other non-profit groups;

- Monitor participant's progress in meeting goals set out in ITSP;
- Work with other agencies' case managers; and
- Monitor participants' compliance with their program obligations/responsibilities and lease agreement.

17-III.C.K. CONTRACT OF PARTICIPATION (24 CFR 984.303)

All applicants selected for participation in the FSS program will be required to sign a five-year Contract of Participation (CoP). AHA will use a contract format approved by HUD. The contract will include an Individual Training and Services Plan (ITSP). The contract will include the family's annual income, earned income, and the Total Tenant Payment (TTP) in effect as of the effective date of the contract.

Family Responsibilities:

- a) Seek and maintain suitable employment* throughout the term of the contract. AHA recognizes that suitable employment varies with the capability and circumstances of each the FSS Participant.
 - a. *Suitable Employment: based on the ~~Head of FSS Family's Head-of-Household's~~ skills, job training, education and available employment opportunities in ~~AHA's jurisdiction~~the area.
 - a.b. Suitable employment must be specified in the ITSP for the family member and may include up to working a minimum of 32 hours per week.
- ~~b) All FSS Participants must work full-time (min. 32 hrs. week) of his/her contract in suitable employment, earning at least minimum wage, matching the client's final goal outlined in the ITSP.~~
 - ~~a. Self-employed participants must work at the capacity outlined in their ITSP, earning a net income which is at least equivalent to rate of minimum hourly wage and full-time work hours per week.~~
 - ~~b. A FSS participant with circumstances/conditions that affect their ability to work 32 hrs per work may request a modification to this requirement.~~
- e)b) Approved (in the ITSP) job training or education leading toward full-time employment may constitute "suitable employment" until the last six months of the FSS Client's participation in the FSS Program.
 - a. *Suitable Employment may also be a part-time job that has possibilities for advancement and full-time hours near the end of the FSS Client's participation in the FSS Program.
- ~~d)c) Complete activities in the ITSP within the specified dates; and~~
- e)d) Provide the AHA with information about the family's participation in the FSS program upon request, including:
 - a. Information regarding employment, job interviews, training, educational attendance, and other FSS services and activities.
 - a.b. Specifically, FSS participants must return phone calls, respond to written correspondence, surveys etc., from FSS staff in a timely manner.

- FSS Participants who do not respond to communication efforts by the FSS Coordinator will be terminated from the FSS Program after reasonable effort is made by the FSS Coordinator to receive a response.

f)e) All FSS participant family members must:

- a. Comply with the family obligations under the Section 8 or SRO program; and
- b. Become independent from welfare assistance** at and remain independent from welfare assistance for at least 12 months prior to the expiration of the contract of participation.
 - **Welfare Assistance defined: Welfare assistance means *(for purposes of the FSS program only)* income assistance from Federal or State welfare programs, and includes only cash maintenance payments designed to meet a family's ongoing basic needs.

~~h)~~ **Contract of Participation Extension**

a. A participant in the FSS program may request in writing an extension of the contract of participant, if the family is unable to complete its goals within the five-year period due to a *good cause*.

- Good Cause defined: ~~a serious illness, involuntary loss of employment for the head of household, or other circumstances beyond the family's control.~~
 - Circumstances beyond the control of the FSS family, as determined by the AHA such as a serious illness or involuntary loss of employment;
 - Active pursuit of a current or additional goal that will result in furtherance of self-sufficiency during the period of the extension (e.g. completion of a college degree during which the participant is unemployed or under-employed, credit repair towards being homeownership ready, etc.) as determined by the AHA; or
 - Any other circumstances that the AHA determines warrant an extension.

b. If the FSS Coordinator determines there is a good cause for contract extension, then an initial extension shall be granted, in writing, for up to a ~~one-year~~one-year period, and the ITSP will be modified in writing to reflect the extension and ongoing goals.

- At the end of the initial ~~one-~~year extension, if the FSS participant can show that the effects of the good cause delay have been alleviated, and
 - FSS Participant has shown significant progress towards completing final goals, an additional ~~one-~~year extension may be granted with approval of the Director of Housing Programs.
- At no time shall the allotted contract of participation extension exceed more than two years from the initially contracted contract of participation completion date.

17-III.D.L. TERMINATION OF CONTRACT OF PARTICIPATION (24 CFR 984.303 (H))

The FSS Contract of Participation will be terminated if the FSS Participant's Section 8 Voucher or Moderate Rehabilitation SRO assistance is terminated in accordance with HUD requirements.

AHA will terminate the contract of FSS families who do not comply with the family responsibilities in the FSS Contract of Participation. Termination from the FSS Program will not cause a family to lose its Section 8 Voucher or Moderate Rehabilitation SRO housing assistance.

Termination of the Contract of Participation Reasons

AHA will terminate the family's Contract of Participation if:

- The family and AHA mutually agree to terminate the contract; or
- AHA determines the family is not complying with, or has not complied with its responsibilities under the FSS program; or
- The family withdraws from the FSS program; or
- Participant's housing assistance has been terminated; or
- Such other act as is deemed inconsistent with the purpose of the FSS program (such as noncompliance with the lease, noncompliance with the Section 8 program family obligations, or Moderate Rehabilitation program's statement of family responsibilities, fraud, or a violent or drug related criminal act); or
- Operation of law or
- The family does not complete the requirements of the contract prior to the expiration date without good cause; or
- The family exercises portability to a jurisdiction that does not have a FSS program, or the family is not accepted into the new jurisdiction's FSS program.
- The family exercises portability to a jurisdiction, without good cause, prior to meeting the ~~one-year~~one-year initial jurisdiction requirement. Good cause includes reasonable accommodation requests and VAWA cases.

b) Contract of Participation termination, whether by choice or due to noncompliance with obligations and/or responsibilities, will result in forfeiture of escrow account funds. See section on Portability for how portability affects the escrow account.

Hearing Procedures

a) A family that is terminated from the FSS Program has the right to request an Informal Hearing. The procedures for requesting, scheduling and conducting an Informal Hearing are the same as for the termination of a voucher. The Informal Hearing Policies and Procedures of the Housing Authority are described in Chapter 15 of this Administrative Plan.

PART IV. ESCROW ACCOUNT

17-IV.A.M. ESCROW ACCOUNT IMPLEMENTATION (24 CFR 984.305)

The FSS program provides for the establishment of an escrow account. The amount of the escrow credit is based on increases in the family's total tenant payment (TTP) resulting from increases in the family's earned income during the term of the FSS contract ~~subsequent to~~after signing the contract. FSS escrow credits will be calculated monthly and in accordance with HUD regulations. Interest on the FSS escrow account balances will be allocated monthly.

The money in the escrow account belongs to the Housing Authority until the FSS participant completes the goals in the Contract of Participation. Upon successful completion of the contract, the participant shall receive all of the money in the escrow account less any amount owed to the Housing Authority.

a) *Establishing Escrow Account:*

a. FSS escrow funds must be deposited into a single, interest-bearing depository account. The accounting for these funds will be supported through a subsidiary ledger that records the balance of each individual FSS participant's account.

b. AHA will report to the family at least annually on the escrow account including:

- i. The balance at the beginning of the reporting period,
- ii. The amount credited during the period,
- iii. Any deductions made from the account for amounts due AHA before interest was distributed,
- iv. The amount of interest earned on the account, and
- v. The total in the account at the end of the reporting period

b) *Forfeiture of Escrow Account:*

a. A ~~Head of FSS Family participating family~~ has no right to any funds from its FSS escrow account if the family's Contract of Participation is terminated, declared null and void, or the AHA determines the family did not successfully graduate from the FSS program.

b. A participating family that withdrawals from the AHA FSS program or ports to another jurisdiction, ~~without good prior cause, prior~~ to the ~~one-year~~one-year initial jurisdiction requirement will forfeit its escrow account. See ~~Section 8~~Portability part for more details.

~~**c.** Forfeited escrow funds remaining from terminated participants will be collected in a general fund and may be disbursed evenly among participants in good standing on an annual basis. The AHA will close the family's escrow account and will treat forfeited escrow funds as program receipts for payment of program expenses under the AHA budget for the applicable Section 8 program, and shall be used in accordance with HUD requirements governing the use of program receipts.~~

d. A Participant whose Escrow Account is forfeited has the right to request an Informal Hearing.

17-IV.BN. ESCROW DISBURSEMENTS (24 CFR 984.305 (c))

The AHA will permit the family to withdraw funds from the FSS escrow account before completion of the contract if the family has completed specific interim goals, designated by the AHA, and needs some of the FSS escrow account funds to complete the contract.

a) *Partial Disbursement of Escrow Account Funds to FSS Participant:*

a. An FSS Participant in good standing with the AHA and FSS program may request a partial disbursement of escrow account funds up to, but not exceeding, 50% of the total balance at time of request one time during their 5-year contract of participation;

FSS Participant must submit in writing, to FSS Coordinator, a request for funds, specifically stating the purpose of the funds request and how the expenditure will assist participant to further their FSS contract goals. The written request must be signed and dated by the FSS participant.

~~b. —~~

~~i.e.~~ For example, the FSS Participant may request funds for- medical and/or mental health expenditure, child-care expenditure, transportation expenditure, work related expenditure, job training or educational expenditure, credit repair and/or other activities that support a family's effort to achieve self-sufficiency.

~~c. — The written request must be signed and dated by the FSS participant.~~

b) *Qualifications for partial Disbursements:*

~~a.~~ **a.** FSS participant and household is in compliance with Section 8 Family Obligations

• FSS participant must have been actively participating ~~in the~~ FSS program for at least one year. Actively participating defined: completing quarterly check-ins, attending FSS-sponsored workshops and functions; working towards completing goals.

~~b.~~ **b.** Participant must have successfully completed at least one interim goal.

~~c.~~ **c.** Participant must have accumulated at least \$1000 in their escrow account prior to request for partial disbursement.

• A waiver to the minimal \$1000 amount is possible in the event of extreme hardship.

~~d.~~ **d.** — Once qualifications are determined successful, FSS Coordinator then forwards written request from the participant and successful qualifications documents to Director of Housing Programs for approval.

e. The Director of Housing Programs will review ~~request~~requests, qualifications and make a determination to approve or disapprove.

~~f.~~ **f.** If approved, a written check request and supportive documentation is completed and forwarded to the Executive Director for final approval and signature.

~~a)~~ **a)** If possible, the expenditure must be such that the payment can be made directly to vendor.

- o The FSS participant must provide vendor information including billing and/or price amounts.
- o If not approved, the FSS Coordinator will communicate to the requestor the reason for the disapproval in writing.

17-IV.C DISBURSEMENT OF ESCROW IN CASES OF CONTRACT TERMINATION

The AHA must disburse to the FSS family the amount in the family's FSS escrow account, less any amount owed to the AHA (for unpaid rent or other outstanding debts), when the family is compliant with its lease and:

- The AHA, with HUD approval, determines there is good cause to disburse FSS escrow funds; or
- When the Contract has been terminated for the following reasons:
 - o Services that the AHA and the FSS family have agreed are integral to the FSS family's advancement towards self-sufficiency are unavailable;
 - o The head of the FSS family becomes permanently disabled and unable to work during the period of the contract, and the AHA and FSS family determine it is not possible to modify the Contract or designate a new head of the FSS family; or
 - o A voucher FSS family in good standing moves outside the jurisdiction of the AHA (in accordance with regulatory portability requirements) for good cause, as determined by the AHA, and continuation of the CoP or completion of the CoP prior to the move, is not possible.
 - o Successful Completion of the Contract of Participation/Graduation from FSS Program and Disbursement of Escrow

g.—The participating family will receive a disbursement of its escrow funds upon “successful completion” of the Contract of Participation.

a) “Successful Completion” is defined as:

- Written verification that Head of FSS Family Head of Household has satisfied final goal requirements set out in ITSP for suitable employment.
- Written verification that no one in FSS participant’s household has-is receiving any Federal, State or other public welfare assistance at the time of the in-the-12 months prior to five-year contract expiration date or date of early termination of contract.

h.—The Family Self-Sufficiency Coordinator and the Director of Housing Programs will review final disbursement requests and written verifications.

i.—A thorough audit of the Escrow Account ledger and FSS Participant’s case file will be made prior to final disbursement.

j. The family may use its final disbursement escrow funds for any purpose.

DISBURSEMENT OF ESCROW IN CASES OF CONTRACT TERMINATION

~~The HA must disburse to the FSS family the amount in the family's FSS escrow account, less any amount owed to the HA (for unpaid rent or other outstanding debts), when the family is compliant with its lease and:~~

- ~~— The PHA/owner, with HUD approval, determines there is good cause to disburse FSS escrow funds; or~~
- ~~— When the Contract has been terminated for the following reasons:~~
 - ~~— Services that the PHA/owner and the FSS family have agreed are integral to the FSS family's advancement towards self-sufficiency are unavailable;~~
 - ~~— The head of the FSS family becomes permanently disabled and unable to work during the period of the contract, and the PHA/owner and FSS family determine it is not possible to modify the Contract or designate a new head of the FSS family; or~~
 - ~~— A voucher FSS family in good standing moves outside the jurisdiction of the PHA (in accordance with regulatory portability requirements) for good cause, as determined by the PHA, and continuation of the CoP move, or completion of the CoP prior to the move, is not possible.~~

PART V. PORTABILITY

17-V.A0. PORTABILITY OVERVIEW (24 CFR 984.306)

In order to participate in the FSS Program, families must live in the initial jurisdiction for not less than one year before the family will be considered for a move under portability. AHA has the authority to approve a family's request to move during this period. Moves will only be approved during the first year of FSS participation for approved reasonable accommodation requests for an individual with disabilities or is a move is protected under the VAWA.

~~AHA must clearly explain to any FSS family that is requesting to move under portability how such a move may impact the family's participation in FSS, including any affections on continued participation, graduation, and possible forfeiture of escrow funds. In cases where the portability move would result in forfeiture of the FSS escrow funds, a waiver can be requested from HUD if the move is for good cause.~~

17-V.B. OUTGOING PORTABILITY:

~~AHA must clearly explain to any FSS family that is requesting to move under portability how such a move may impact the family's participation in FSS, including any effects on continued participation, graduation, and possible forfeiture of escrow funds. The FSS Family may qualify for Contract Termination with disbursement of escrow funds in some cases.~~

a) ~~—~~ After one year a family can choose to continue to participate in the FSS Program but move to another jurisdiction if with the following conditions:

a. ~~The~~the family ~~must~~can demonstrate to the satisfaction of AHA that it will be able to fulfill its responsibilities under the original (or a modified) Contract of Participation in the receiving jurisdiction.

b) ~~—~~If a participating family moves and is unable to fulfill its obligations under the Contract of Participation (or a modification thereof), AHA will ~~;~~:

a. ~~—~~terminate the participating family from the FSS Program; and the family will forfeit its escrow account.

e) If the family is participating in the FSS Voucher program and moves outside the AHA's jurisdiction, AHA will transfer the balance of the family's escrow account upon:

a. ~~•~~ Receipt of a written request from the Receiving Housing Authority's (RHA) FSS staff that the participating family has been admitted to the RHA's FSS program.

b. ~~•~~ The RHA should contact the AHA as soon as possible to coordinate the current submission of FSS Addendums to IMS/PIC and the transfer of the escrow account. The RHA must meet any HUD portability notification requirements.

d) All other provisions of portability remain the same under the FSS Program

Effects of escrow accounts for families who move to other jurisdictions are detailed in PIH Notice 2016-08~~;~~:

a) If an FSS family moves and the RHA absorbs the family:

a. ~~•~~ If the RHA does not operate an FSS program, the family's participation in the FSS program will terminate and the escrow account may be forfeited.

b. ~~•~~ If the RHA does operate an FSS program, the family may enroll in the RHA's program or remain in the AHA's program. Both options require approval from the RHA. The AHA would only agree to the second option if it believes the family can continue to meet the obligations of the contract of participation. The escrow account will be transferred to the RHA.

b) ~~—~~If the FSS participating family moves and the RHA ~~-~~chooses to administer the voucher and bill the AHA, the family may request to remain in the AHA's FSS program with AHA and RHA approval, or, with RHA approval, enroll in the RHA's program. The escrow account will remain with the AHA.

e) ~~—~~If the family wishes to remain in the AHA's program, the family must demonstrate ~~;~~:

a. ~~—~~follow through with goal updates with FSS staff.

d) ~~—~~If the family enrolls in the RHA's FSS program under a billing situation and the family completes the Contract of Participation, the RHA will notify AHA and certify that the family is no longer receiving ~~housing-welfare~~ assistance.

a. ~~—~~If the family has met the requirements for successful completion of contract which allows for final disbursement of escrow account, then AHA will pay out the escrow account to the family.

e) If the family enrolls in the RHA's FSS program under a billing situation and the family does not complete the Contract of Participation, when it expires, the escrow account is forfeited.

17-V.C. INCOMING PORTABILITY:

a) AHA is not obligated to accept incoming portable FSS participants into the FSS program. AHA will accept portable FSS participants into its program under the following conditions:

a. There is an available slot in the program.

b. The AHA has available funds and staff for the admission.

c. The family is in good standing with the FSS program from the original Housing Authority.

d. There is not a ~~wait list~~waiting list for the FSS program.

b) If the AHA is unable to admit the family into its FSS program, and the Initial Housing Authority (IHA) is willing to allow the participant to remain in the IHA's program, the AHA will approve this as long as:

a. The IHA promptly notifies the AHA of any IMS/PIC submission data

b. The IHA agrees to follow HUD guidance on escrow funds and other program requirements.

c) It is the responsibility of all FSS families exercising portability into the jurisdiction of AHA to notify AHA of their status in the FSS program. This notification should be done at voucher issuance but no later than lease-up to ensure that the AHA may timely submit all electronic information to IMS/PIC. If the family notifies the AHA of their participation in the FSS program too late for the AHA to meet any HUD portability deadlines, the AHA will not accept the family into the FSS program.

d) If AHA accepts the family into the FSS program, the AHA will execute a new FSS Contract of Participation. The client will remain in the AHA FSS program until 5 years from the start of their initial contract with their initial Housing Authority unless early graduation, termination, or extension of their contract by AHA occurs.

CHAPTER 18

HUD-VASH PROGRAM

INTRODUCTION

This chapter describes HUD regulations and PHA policies related to the HUD-VASH program in ~~nine~~five parts:

Part I: Overview of the Program. General overview of the HUD-VASH program and goals.

Part II: Eligibility and Admissions. Policies related to the ~~eligible and~~ admission of eligible veterans for the HUD-VASH program including screening criteria for both the Veterans Affairs Department and the AHA. This also includes changes in required documentation for social security numbers, income targeting, and limitations on background screening.

Part III: Continued Occupancy. Policies related to the ongoing occupancy of participants under the HUD-VASH program including leasing concerns, inspections, and moves.

Part IV: Termination. Policies related to the termination of the assistance under the VASH program.

Part V: Resources. Additional documents pertaining to the HUD-VASH program.

PART I. OVERVIEW OF THE PROGRAM

18-I.A. OVERVIEW

The HUD-Veterans Affairs Supportive Housing (HUD-VASH) program combines voucher rental assistance for homeless veterans with case management and clinical services provided by the Department of Veterans Affairs (VA). VA provides these services for participating veterans at VA medical centers (VAMCs) and community-based outreach clinics (CBOCs). The goal is to provide permanent housing for eligible homeless veterans.

The HUD-VASH program works through a Housing-First model. This model provides permanent housing as quickly as possible to those experiencing homelessness and then provides supportive services as needed. Due to this model, there are minimal requirements for admittance to the program. After housing is secured, participants are connected with supportive services, such as substance abuse counseling, to maintain recovery and housing in the community.

[Moving to Work \(MTW\) activities do not include HUD-VASH applicants or participants.](#)

18-I.B. RESPONSIBILITIES UNDER PROGRAM

The VAMC or CBOC's responsibilities include:

1. Screening of homeless veterans to determine whether they meet the HUD–VASH program participation criteria established by the VA national office;
2. Referring homeless veterans to the AHA;
3. Providing appropriate treatment and supportive services to potential HUD–VASH program participants, if needed, prior to AHA issuance of rental vouchers;
4. Identifying the social service and medical needs of HUD–VASH participants and providing, or ensuring the provision of, regular ongoing case management, outpatient health services, hospitalization, and other supportive services as needed throughout the veterans' participation period; and
5. Maintaining records and providing information for evaluation purposes, as required by HUD and the VA.

The AHA's responsibilities include:

1. Determining limited eligibility criteria of families that have been referred by the partner VA
2. Maintaining documentation of referrals from the partner VA
3. Administer the vouchers in accordance with the AHA's Administrative Plan, AHA policies and procedures, and HUD regulation.

To support the HUD-VASH Housing-First model, certain voucher requirements are waived. In most ways, the HUD-VASH program follows regular voucher requirements (24 CFR Section 982 and 983). However, the HUD Secretary, in consultation with the VA Secretary, has the authority to waive or alter any provision for the effective delivery and administration of voucher assistance (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment).

HUD-VASH requirements differ from voucher requirements in eligibility, leasing, portability, and other categories. See the "HUD-VASH Reference Guide" for details.

PART II. ELIGIBILITY AND ADMISSION

18-II.A. ELIGIBILITY

Eligible families are homeless veterans and their families that are referred by the partnering VAMC. VA staff screen families according to the VA's screening criteria and determine clinical eligibility for the program. The VA criteria follow, but these are determined by VA staff and not the AHA:

Applicants must be VA health care eligible, meaning they have served in the active military and were separated under any condition except dishonorable. Applicants must also be homeless, as defined by The McKinney Homeless Assistance Act.

Additionally, participants are expected to participate in case management and utilize the supportive services, treatment recommendations and assistance needed to successfully maintain recovery and housing in the community.

VA HUD–VASH case managers refer HUD–VASH-eligible families to the Housing Authority for housing assistance. The AHA **must** accept referrals from their VA partner. Written documentation of these referrals **must** be maintained in the tenant file by the AHA. By agreeing to administer the HUD–VASH program, the AHA is relinquishing its authority to determine the eligibility of families in accordance with regular program rules and policies. The AHA will **not** have the authority to maintain a waiting list or apply local preferences for HUD–VASH vouchers. Admissions, cross-listing of the waiting list, and opening and closing the waiting list do not apply to the HUD–VASH program.

When a VA case manager refers an applicant to the AHA, AHA staff determine if the applicant is eligible based **only** on the following:

1. Income limits and
2. If any member of the household maintains Lifetime Sexual Offender Registry status

The applicant is not eligible for HUD-VASH if they exceed income limits and/or if they maintain Lifetime Sexual Offender Registry status. The AHA uses the low income level for the VASH program compared to the very-low income level for all other vouchers.

It is prohibited to deny an applicant for any grounds permitted under 24 CFR 982.552 (broad denial for violations of program requirements) and 982.553 (specific denial for criminals and alcohol abusers), other than Lifetime Sexual Offender Registry Status. This applies to all family members. For instance, AHA cannot deny assistance to an otherwise eligible HUD-VASH family that owes money to a Housing Authority in connection with a past program participation.

However, when **new** family members are added **after** the veteran is a participant, 24 CFR 982.551(h)(2) and regular AHA screening criteria apply. Other than the birth, adoption, or court-awarded custody of a child, the AHA must approve additional family members and may apply its regular screening criteria in doing so.

18-II.B. ACCEPTABLE DOCUMENTATION:

To verify Social Security numbers for homeless veterans and their family members, an original document issued by a federal or state government agency, which contains the name of the individual and the SSN of the individual along with other identifying information of the individual, is acceptable. In the case of the homeless veteran, the AHA must accept the Certificate of Release or Discharge from Active Duty (DD–214) or the

VA-verified Application for Health Benefits (10–10EZ) as verification of SSN and cannot require the veteran to provide a SSN card.

18-II.C. INCOME TARGETING:

The income targeting requirement of 75% of families being extremely low-income does not apply to HUD-VASH. The AHA uses the low income level for the VASH program compared to the very-low income level for all other vouchers.

PART III. CONTINUED OCCUPANCY

18-III. A. LEASING

For the AHA's VASH allocation, all vouchers are project-based VASH vouchers. Since the vouchers are project-based vouchers, the family must live in the unit to which the assistance is tied for at least 12 months before transferring with assistance.

18-III. B. UNIT INSPECTIONS

AHAs may pre-inspect units that veterans may be interested in leasing. If a family selects a unit that passed a HQS inspection (without intervening occupancy) within 45 days of the date of the Request for Tenancy Approval, the unit may be approved.

18-III. C. PORTABILITY AND TRANSFERS

Families receiving HUD–VASH voucher assistance must receive case management services provided by a partnering VAMC or CBOC. Therefore, special mobility and portability procedures must be established. A HUD-VASH family can move within the VAMC's catchment area as long as case management can still be provided, as determined by the VA. The VA must **always** be consulted prior to a move to ensure that case management will continue to be provided.

In accordance with 24 CFR § 983.261(a) and the lease, the family may terminate the assisted lease any time after the first year of occupancy. In 24 CFR § 983.261(b) it is further stated that if the family has elected to terminate the lease in this manner, the PHA must offer the family the opportunity for continued tenant-based rental assistance in the form of either assistance under the voucher program or other comparable tenant-based rental assistance as defined in 24 CFR § 983.3. However, in accordance with 24 CFR § 983.261(c), before providing notice to terminate the lease (with a copy to the PHA), the family must contact the PHA to request comparable tenant-based rental assistance if the family wishes to move with continued assistance.

As a condition of PBV rental assistance, a HUD-VASH family must receive case management services from the VAMC or CBOC; however, a VAMC or CBOC determination that the participant family no longer requires case management is not grounds for termination of assistance. In such cases where a HUD-VASH family wishes to move from its PBV unit, at its option, the AHA may offer the family continued HCV assistance through one of its regular vouchers to free up the HUD-VASH voucher for another eligible family referred by the VAMC or CBOC if there are available HCVs.

Where case management is still required, tenant-based rental assistance will be limited to jurisdictions where VAMC or CBOC case management services are available and the family may receive a tenant-based VASH voucher, if available.

However, to ensure that all PBV units under a housing assistance payments contract remain continuously funded, the following must be implemented when a HUD-VASH family is eligible to move from its PBV unit and there is no other comparable tenant-based rental assistance to offer the family:

- a. If a HUD-VASH tenant-based voucher (in another jurisdiction through portability) is not available at the time the family wants (and is eligible) to move, the AHA could require the family to wait for a HUD-VASH tenant-based voucher for a period not to exceed 180 days;
- b. If a HUD-VASH tenant-based voucher is still not available after that period of time, the family must be allowed to move with its HUD-VASH voucher and the AHA would be required to replace the assistance in the PBV unit with one of its regular vouchers unless the AHA and owner agree to remove the unit from the HAP contract; and
- c. If after 180 days, a HUD-VASH tenant-based voucher does not become available and the AHA does not have sufficient available funding in its HCV program to attach assistance to the PBV unit, the family may be required to remain in its PBV unit until such funding becomes available.

PORTABILITY WITHIN CATCHMENT AREA OF INITIAL VAMC OR CBOC

If the family initially leases up, or moves, under portability provisions, but the initial VAMC will still be able to provide the necessary case management services due to the family's proximity to the partnering VAMC, the receiving PHA must process the move in accordance with the portability procedures of 24 CFR 982.355. For example, a participant family initially received HUD-VASH assistance in the City of Alameda. They then wish to move Oakland. Since they are still close enough to the initial VAMC to receive services and participate in case management, they would be permitted to move.

The VASH amendment to HUD-Form 52665 will be attached.

PORTABILITY BEYOND CATCHMENT AREA OF INITIAL VAMC OR CBOC

If a family wants to move to another jurisdiction where it will not be possible for the initial VAMC to provide case management services, the VAMC must first determine that the HUD-VASH family could be served by another VAMC that is participating in this program. The receiving PHA must also have a HUD-VASH voucher available for this family. In these cases, the families must be absorbed by the receiving PHA.

PORTABILITY WHEN CASE MANAGEMENT IS NO LONGER REQUIRED

If the family no longer requires case management, there are no portability restrictions. Normal portability rules apply.

18-III. D. FAMILY BREAK-UP

The HUD-VASH voucher will remain with the veteran in the case of family break-ups.

The only exception to this would be protections for victims under VAWA and the veteran is the perpetrator.

PART IV. TERMINATION

A participant cannot be terminated from the program for a reason that could not be used for denying admission to the program. Prior to any termination action, the AHA will contact the VA case manager to determine if there are extenuating circumstances that should be considered to avoid the termination.

The AHA **may** terminate assistance for the following reasons:

1. Program violations that occur after admission to the voucher program
A HUD–VASH participant family must not be terminated after admission for a circumstance or activity that occurred before admission and was known to the AHA, but could not be considered at the time due to the HUD–VASH Operating Requirements. For instance, once accepted to the program, a family could not be terminated for money owed to the AHA on a past voucher; however, families are not protected if violations occur after admission. The AHA will work with the VA to find alternatives to termination to minor program infractions as long as the AHA staff and other residents are not endangered by the family’s behavior.
2. Failure to participate, without good cause, in case management as verified by the VAMC
As a condition of receiving rental assistance, a HUD–VASH-eligible family must receive case management services from the VAMC or CBOC. Therefore, a HUD–VASH participant family’s assistance must be terminated for failure to participate, without good cause, in case management as verified by the VAMC or CBOC.

However, a VAMC or CBOC determination that the participant family no longer requires case management is **not** grounds for termination of assistance. In such a case, the AHA may offer the family continued HCV assistance through one of its regular vouchers, to free up the HUD–VASH voucher for another eligible family referred by the VAMC or CBOC. If the AHA has no voucher to offer, the family will retain its HUD–VASH voucher until such time as the AHA has an available voucher for the family.

PART V. MORE INFORMATION

Up to date information can be found on HUD’s “HUD-VASH Vouchers” webpage:

https://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/hcv/vash

HUD-VASH OPERATING REQUIREMENTS:

<http://www.gpo.gov/fdsys/pkg/FR-2012-03-23/pdf/2012-7081.pdf>

This notice establishes the policies and procedures for the administration for the administration of tenant-based HCV rental assistance under the HUD-VASH program. In this second version of the HUD-VASH Operating Requirements published on March 23, 2012, HUD provides new and clarifying guidance on verification documentation, the addition of family members after the veteran is a participant in the HCV program, PHA termination of assistance, portability moves, reallocation of HUD-VASH vouchers, and Housing Quality Standards (HQS) initial inspections.

HUD-VASH QUESTIONS AND ANSWERS

http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_9175.pdf

These Qs & As serve as a supplement to the HUD-VASH Operating Requirements published in the Federal Register on May 6 and 19, 2008.

HUD-VASH REFERENCE GUIDE

<http://portal.hud.gov/huddoc/vash-referguide2012-10.pdf>

This two-page document provides an easy-to-read overview of the unique requirements that govern the voucher side of the HUD-VASH program.

HUD-VASH 101 WEBINAR; HUD-VASH 101 SLIDES:

<http://portal.hud.gov/hudportal/documents/huddoc?id=vash-101-slides.pdf>

HUD-VASH webinar on January 24, 2012.

HUD-VASH BEST PRACTICES - VERSION 1.0:

<http://portal.hud.gov/huddoc/VASH-BestPractices.pdf>

The purpose of this working document is to spread the word about effective strategies for administering HUD-VASH, as well as highlight the innovation and dedication of HUD-VASH sites and our partners in the field.

CHAPTER 19

EMERGENCY HOUSING VOUCHERS/ STABILITY VOUCHERS Effective July 21, 2021

INTRODUCTION

This chapter describes the HUD regulations and PHA policies related to the Emergency Housing Vouchers (EHVs) as outlined in PIH Notice 2021-15.

Part I: Overview of the Program. General overview of the EHV program and goals. [Overview of Stability Vouchers and differences from EHV.](#)

Part II: Eligibility and Admissions. Policies related to eligible families and admission into the EHV program.

Part III: Continued Occupancy. HCV Policies will govern the EHV program.

Part IV: Termination and Reissuance. Policies related to termination and reissuance of EHV program vouchers.

PART I. OVERVIEW OF THE PROGRAM

19-I.A. OVERVIEW OF EMERGENCY HOUSING VOUCHERS (EHV)

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 (P.L. 117-2, hereafter referred to in this notice as “the ARP”) into law, which provides over \$1.9 trillion in relief to address the continued impact of the -COVID-19 pandemic on the economy, public health, State and local governments, individuals, and businesses.

Section 3202 of the ARP appropriates \$5 billion for new incremental EHVs, the renewal of those EHVs, and fees for the cost of administering the EHVs and other eligible expenses defined by notice to prevent, prepare, and respond to coronavirus to facilitate the leasing of the emergency vouchers, such as security deposit assistance and other costs related to retention and support of participating owners.

Under PIH Notice 2021-15, in May 2021, HUD allocated 70,000 EHVs to public housing authorities and issued guidance on the administration of these EHVs. The AHA was allocated 57 EHVs. The AHA cannot reissue any turnover EHV after September 30, 2023.

All other sections of this Plan apply to EHV unless explicitly stated otherwise in this chapter or HUD regulation or guidance. COVID waivers applied to the regular HCV program that are eligible to the EHV program will be applied to EHV. These updates are posted on the AHA’s website if in effect.

Moving to Work (MTW) activities do not include EHV applicants or participants.

19-I.B. OVERVIEW OF STABILITY VOUCHERS (SV)

The Consolidated Appropriations Act, 2021 (Public Law 116-260) authorized a new allocation of Stability Vouchers. In June 2023, the AHA received an allocation of ten (10) Stability Vouchers as outlined in PIH Notice 2022-24. Stability Vouchers are similar to EHV, but have some slight differences such as Stability Vouchers do not have a deadline after which turnover vouchers may not be issued.

As with EHV, all other sections of this Plan apply to Stability Vouchers unless explicitly stated otherwise in this chapter or HUD regulation or guidance.

Moving to Work (MTW) activities do not include Stability Voucher applicants or participants.

19-I.CB. FUNDING AND USES OF FUNDING

Funding and its approved uses are spelled out in PIH Notice 2021-15 for EHV. The funding for Stability Vouchers differs from EHV in several ways and was outlined in the award letter from HUD.

ADMINISTRATIVE FEES

Administrative fees received for EHV can only be used for EHV and must be recorded separately for the Administrative Fees of other AHA programs.

- **On-going monthly administrative fee:** received to administer the program calculated the same as under the Housing Choice Voucher program
- **Preliminary Fee:** single, one-time payment
- **Placement Fee/Expedited Issuance Reporting Fee:** one-time fee received for initial lease-up of each EHV. Amount depends on time to lease.
- **Service Fee:** one-time fee for each EHV allocated.

At the recommendation of the Director of Housing Programs and with the Approval of the Executive Director or designee, one-time administrative fees may be used for other eligible expenses (see next section).

The SV program receives one-time Special Fees for each awarded SV and not the above categories for EHV.

QUALIFIED ACTIVITIES FOR ONE-TIME ADMINISTRATIVE FEES FOR EHV

Each EHV household shall be eligible for up to \$3500 of services; choice and provision of the services will be at the AHA's discretion.

- 1) Housing Search Assistance if unavailable through the CoC**
 - a) Identify and visit possible units including ADA accessible
 - b) Transportation and directions
 - c) Rental application assistance
 - d) Expedite leasing process including payment of leasing related fees
- 2) Security Deposit if unavailable through the CoC**

- a) Security Deposit Assistance
 - i) Cannot exceed the less of
 - (1) Two month's rent
 - (2) Maximum security deposit allowed under law
 - (3) Actual amount required by owner for other unassisted units
 - (3)(4) \$3,000
 - ii) The AHA will pay the security deposit directly to the owner
 - iii) The owner must refund the security deposit to the AHA at the end of the tenancy less any amounts retained by the owner in accordance with the lease and California State law.

3) Owner-related Uses

- a) Owner recruitment and outreach
- b) Owner incentive and/or retention payments
 - i) The AHA will make one-time incentive payments of \$2,000 at the lease-up of an EHV family.

4) Other Eligible Uses

- a) Tenant-readiness services
 - i) Fees may be paid for customized plans to address or mitigate barriers such as negative credit, lack of credit, negative rental or utility history or to connect the family to other resources.
- b) Moving Expenses
 - i) The AHA will pay some or all of the family's reasonable moving expenses when the family initially leases a unit with the program.
 - (1) The family must submit documentation of moving expenses for payment.
 - ii) The AHA will pay for application fees up to \$500 per family.
 - ~~iii) The AHA will assist with the Security Deposit up to the lesser of the following

 - ~~(1) Actual Security Deposit required by owner~~
 - ~~(2) Maximum security deposit allowed under state or local law~~
 - ~~(3) \$3,000~~~~
- c) Essential Household items
 - i) The AHA may use the services fee funding to assist the family with some or all of the costs of acquiring essential household items
 - ii) Definition of Essential Households Items: tableware, bedding, cleaning supplies, bathroom supplies, kitchen supplies, basic tools, and basic household items such as light bulbs or smoke detectors.

QUALIFIED ACTIVITIES FOR ONE-TIME SPECIAL FEES FOR SV

Each SV household shall be eligible for services from SV funding not to exceed EHV limit; choice and provision of the services will be at the AHA's discretion. Once SV Special Fees funding are expended, the AHA may fund these activities through non-Federal funds at its discretion.

1) Owner incentive

a) Owner incentive and/or retention payments

- i) The AHA will make one-time incentive payments of \$2,000 at the lease-up of an SV family.

2) Security Deposit if unavailable through the CoC

a) Security Deposit Assistance

- i) Cannot exceed the less of

(1) Two month's rent

(2) Maximum security deposit allowed under law

(3) Actual amount required by owner for other unassisted units

- ii) The AHA will pay the security deposit directly to the owner

- iii) The owner must refund the security deposit to the AHA at the end of the tenancy less any amounts retained by the owner in accordance with the lease and California State law.

3) Application Fees

- a) The AHA will pay for application fees up to \$500 per family.

19-I.DG. RESPONSIBILITIES UNDER PROGRAM

Agencies with MOU's with the AHA will refer families according to the terms in the MOU for both the EHV and SV vouchers. The AHA will issue and administer the EHV and SV.

PART II. ELIGIBILITY AND ADMISSION

19-II.A. ELIGIBILITY

To be eligible for EHV a family must be:

- Homeless;
- At risk of homelessness;
- Fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking; or
- Recently homeless and for whom providing rental assistance will prevent the family's homelessness or having high risk of housing instability.

The definitions for EHV eligibility are found in PIH Notice 2021-15 section 8.a. ~~These definitions will be used rather than definitions provided in other parts of this Administrative Plan.~~

To be eligible for SV a family must be:

- Homeless;
- At risk of homelessness;
- Fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking; or
- Veterans and families that include a veteran family that meet one of the preceding criteria.

The definitions for SV eligibility are found in PIH Notice 2022-24 section 8.

These definitions will be used rather than definitions provided in other parts of this Administrative Plan.

19-II.B. DENIAL OF ASSISTANCE

Section 3-III.B Mandatory Denial of Assistance [24 CFR 982.553(a)] does not apply to EHV or SV, instead the following apply:

HUD requires the AHA to deny assistance to EHV or SV in the following cases:

- Any household member has ever been convicted of drug-related criminal activity for the production or manufacture of methamphetamine on the premises of federally assisted housing
- Any household member is subject to a lifetime registration requirement under a state sex offender registration program

The AHA may deny assistance if any member of the family has engaged in abusive or threatening behavior towards AHA personnel. Abusive or violent behavior towards AHA personnel includes verbal as well as physical abuse or violence. Use of racial epithets, or other language, written or oral, that is customarily used to intimidate may be considered abusive or violent behavior.

Threatening refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.

In making its decision to deny assistance, the AHA will consider the factors discussed in Section 3-III.E. Upon consideration of such factors, the AHA may, on a case-by-case basis, decide not to deny assistance.

19-II.C. REFERRAL TO PROGRAM

The AHA will receive direct referrals from Alameda County's Coordinated Entry System (CES) and other non-profit partners only if the CES does not meet MOU deadlines; therefore, since HUD waived sections of 24 CFR 982.204, the sections (mostly Chapter 4) of this Plan relating to waiting list selection do not apply.

A Memorandum of Understanding (MOU) must be executed before the AHA will receive referrals from partner agencies. These partner agencies will provide to the AHA a verification that the family meets the criteria of one of the ~~four~~ above categories under Section 19-II.A.

19-II.D. PREFERENCES

The AHA will not apply the HCV preferences to the EHV or SV voucher applicants. The referring agencies will be responsible for determining order of referrals. Waiting lists for each type of voucher will be ordered by date and time referred. Admission to the EHV/SV programs will be on a first ready, first served basis.

19-II.E. VERIFICATIONS AND CORRECTION OF OMISSIONS AND ERRORS

Since HUD has waived program requirements under 24 CFR 982.201 for verifications of applicants under the EHV and SV program, the AHA will accept documents dated over 60-days as valid verifications for EHV and SV applicants.

EIV requirements remain in ~~a~~effect for applicants such as searching the Existing Tenant Search and running a report within 90 days of admission to verify reported income.

If it is discovered that the EHV or SV family did not report income at admission into the program, the AHA will terminate the family's assistance. If it is discovered that the EHV or SV family did not correctly report income and the family would still have been eligible for the program, the AHA will offer the option to repay all overpaid assistance prior to terminating assistance.

Acceptance of verifications older than 60-days and a certification will not require additional verification until the family experiences a change in income or family composition or until the next regular reexamination.

19-II.F. HOUSING SEARCH

To obtain assistance with an initial (first lease-up) housing search, EHV and SV referrals will be given contact information for this service once the voucher has been issued.

The AHA will use payment standards set at 120% of the area fair market rents (FMR). As of November 2, 2022, this sets the payment standards at:

Unit Size	FMR	120% of FMR (EHV Payment Standard)
Studio	\$1,658	\$1,989
1-bedroom	\$1,969	\$2,362
2-bedroom	\$2,405	\$2,886
3-bedroom	\$3,144	\$3,772
4-bedroom	\$3,706	\$4,447
5-bedroom	\$4,261	\$5,113

The selected unit must still comply with all Rent Reasonableness tests performed by AHA prior to move in.

The AHA would prefer an initial lease for 12 months to assist with housing stability but will accept a lesser term.

19-II.G. VOUCHER ISSUANCE

The AHA will issue an EHV or SV family a voucher for an initial term of 180 days. If an extension for a voucher term of more than 180 days is needed, the regular HCV extension requirements apply. Please see Chapter 5 Section 5-II.E *Voucher Term*,

Extensions, and Suspensions subpart *Extensions of Voucher Term* for additional information. The AHA will follow its normal suspension procedures found in Section 5.II.E of Chapter 5 of its Administrative Plan.

19-II.H. PORTABILITY

Portability, moving outside the City of Alameda, will not be restricted on nonresident applicants, so all applicants may move prior to initial lease-up to any jurisdiction operating a housing choice voucher program.

The AHA's briefing for EHV and SV families will include, along with the normal portability information, information on how portability will impact the EHV or SV services and assistance that may be available to the family.

PART III. CONTINUED OCCUPANCY

19-III.A. APPLICABILITY OF ALL REQUIREMENTS FOR CONTINUE OCCUPANCY

All HCV rules will apply to EHV and SV households, including adding family members.

~~Waivers in place for the HCV program will apply to EHV if the waiver is eligible to be applied to the EHV program under PIH Notice 2021-15.~~

PART IV. TERMINATION AND REISSUANCE

19-IV.A. REISSUANCE

EHV turnover vouchers will not be reissued after September 30, 2023 per PIH Notice 2021-15.

SV turnover vouchers do not have the above restriction and will be issued to other SV eligible families.

19-IV.B. TERMINATION

All HCV rules will apply to EHV and SV households in reasons for termination by action or inaction of the family. All HCV rules will apply in the noticing and procedures of terminations such as offering an Informal Hearing of the termination if the family's action or inaction caused the termination.

19-IV.C. TERMINATION OF ASSISTANCE DUE TO UNDER FUNDING EHV

The program has been allocated its full funding through the ARP. When the remaining EHV HAP renewal funding is no longer sufficient to fully fund all PHAs' EHV renewal funding eligibility, HUD will prorate EHV renewal funding allocations. If EHV funding received from HUD is not sufficient to cover the HAP of the remaining families, the AHA will follow all procedures to secure more EHV funding. If after all procedures are followed to obtain more funding, the funding is still insufficient to cover EHV HAP expenses, the AHA will terminate assistance in the following order:

- In consultation with any agencies providing supportive services, those families deemed the most self-sufficient with the resources to maintain housing.
- Families with the smallest EHV HAP payment.
- Families with the longest tenure in the program.

EHV families are not eligible for conversion to a Housing Choice Voucher while residing in the AHA's jurisdiction. EHV families are eligible to apply to any open waiting lists the AHA administers, but the EHV does not guarantee the family a place on the waiting list. The EHV family must apply and be processed in the same manner as all other applicants.

GLOSSARY

A. ACRONYMS USED IN SUBSIDIZED HOUSING

AAF	Annual Adjustment Factor. A factor published by HUD in the Federal Register which is used to compute annual rent adjustment.
ACC	Annual Contributions Contract
CFR	Code of Federal Regulations. Commonly referred to as "the regulations". The CFR is the compilation of Federal rules which are first published in the Federal Register and define and implement a statute.
ELI	Extremely low income
FICA	Federal Insurance Contributions Act - Social Security taxes
FMR	Fair Market Rent
FY	Fiscal Year
FYE	Fiscal Year End
GR	Gross Rent
HAP	Housing Assistance Payment
HQS	Housing Quality Standards
HUD	The Department of Housing and Urban Development or its designee.
IRA	Individual Retirement Account
MSA	Metropolitan Statistical Area established by the U.S. Census Bureau
<u>MTW</u>	<u>Moving to Work</u>
PHA	Public Housing Agency
PMSA	A Primary Metropolitan Statistical Area established by the U.S. Census Bureau
PS	Payment Standard

QC	Quality Control
RFTA	Request for Tenancy Approval
SRO	Single Room Occupancy
SSMA	Standard Statistical Metropolitan Area. Has been replaced by MSA, Metropolitan Statistical Area.
TR	Tenant Rent
TTP	Total Tenant Payment
UA	Utility Allowance
URP	Utility Reimbursement Payment
VAWA	Violence Against Women Reauthorization Act of 2005

B. GLOSSARY OF TERMS IN SUBSIDIZED HOUSING

1937 ACT. The United States Housing Act of 1937 (42 U.S.C. 1437 et seq.)

ADMINISTRATIVE PLAN. The HUD required written policy of the PHA governing its administration of the Section 8 tenant-based programs. The Administrative Plan and any revisions must be approved by the PHA's board and a copy submitted to HUD as a supporting document to the PHA Plan.

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

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

ADA. Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.)

ADJUSTED INCOME. Annual income, less allowable HUD deductions.

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

ADMINISTRATIVE FEE RESERVE (Formerly "Operating reserve"). Account established by PHA from excess administrative fee income. The administrative fee reserve must be used for housing purposes.

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

participant in the program.

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

ANNUAL CONTRIBUTIONS CONTRACT (ACC). A written contract between HUD and a PHA. Under the contract HUD agrees to provide funding for operation of the program, and the PHA agrees to comply with HUD requirements for the program

ANNUAL INCOME. The anticipated total Annual 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.

ANNUAL INCOME AFTER ALLOWANCES. The Annual Income (described above) less the HUD-approved allowances.

APPLICANT. (or applicant family). A family that has applied for admission to a program but is not yet a participant in the program.

ASSETS. (See Net Family Assets.)

ASSISTED TENANT. A tenant who pays less than the market rent as defined in the regulations. Includes tenants receiving rent supplement, Rental Assistance Payments, or Section 8 assistance and all other 236 and 221 (d)(3) BMIR tenants, except those paying the 236 market rent or 120% of the BMIR rent, respectively.

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.

~~**CERTIFICATE.** A Certificate issued by the PHA under the Section 8 pre-merger certificate program, declaring a family to be eligible for participation in this program and stating the terms and conditions for such participation. Will no longer be issued after October 1, 1999.~~

~~**CERTIFICATE PROGRAM.** Pre-merger rental certificate program.~~

CHILD CARE EXPENSES. Amounts paid by the family for the care of minors under 13 years of age where such care is necessary to enable a family member to be employed or for a household member to further his/her education.

CO-HEAD. An individual in the household who is equally responsible for the lease with the Head of Household. (A family never has a Co-head and a Spouse and; a Co-head is never a Dependent).

CONGREGATE HOUSING. Housing for elderly persons or persons with disabilities that meets the HQS for congregate housing.

CONSOLIDATED ANNUAL CONTRIBUTIONS CONTRACT. (Consolidated ACC). See 24 CFR 982.151.

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

CONTINUOUSLY ASSISTED. An applicant is continuously assisted under the 1937 Housing Act if the family is already receiving assistance under any 1937 Housing Act program when the family is admitted to the voucher program. A brief interruption in assistance does not constitute a break in the “continuously assisted” definition for Special Admission. A brief interruption is defined only as an interruption that is not under the control of the applicant and does not exceed 30 days in length. For example continued assistance to residents of a Section 8 project after the HAP contract expires or is terminated for owner breach, and there may be a short delay in arranging for continued assistance for project residents.

CONTRACT. (See Housing Assistance Payments Contract.)

CONTRACT RENT. The total amount of rent specified in the HAP contract as payable to the owner by the tenant and by HUD or the PHA on the tenant’s behalf.

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 household (excluding foster children) other than the family head or spouse, who is under 18 years of age or is a Disabled Person or Handicapped Person, or is a full-time student 18 years of age or over.

DISABILITY ASSISTANCE EXPENSE. Anticipated costs for care attendants and auxiliary apparatus for disabled family members which enable a family member (including the disabled family member) to work.

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

DISABLED PERSON. See Person with Disabilities.

DISPLACED PERSON/FAMILY. A person or family 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 under 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, use, or the possession with intent to manufacture, sell distribute or use, of a controlled substance (as defined in Section 102 of the Controlled Substance Act (21 U.S.C. 802)).

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

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

ELDERLY HOUSEHOLD. A family whose head or spouse or whose sole member is at least 62 years of age; may include two or more elderly persons living together or one or more such persons living with another person who is determined to be essential to his/her care and wellbeing.

ELDERLY PERSON. A person who is at least 62 years old.

~~**ELIGIBILITY INCOME.** May 10, 1984, regulations deleted Eligibility Income, per se, because Annual Income is now for eligibility determination to compare to income limits.~~

ELIGIBLE FAMILY (Family). A family is defined by the PHA in the administrative Plan, which is approved by HUD.

~~**EXCEPTIONAL MEDICAL OR OTHER EXPENSES.** Prior to the regulation change in 1982, this meant medical and/or unusual expenses as defined in Part 889 which exceeded 25% of the Annual Income. It is no longer used.~~

~~**EXCEPTION RENT.** In the pre-merger certificate program, an initial rent (contract rent plus any utility allowance) in excess of the published FMR. See FMR/Exception rent.~~

~~**EXCESS MEDICAL EXPENSES.** Any medical expenses incurred by elderly or disabled families only in excess of 3% of Annual Income which are not reimbursable from any other source.~~

EXTREMELY LOW-INCOME FAMILY. A very low-income family whose annual income does not exceed the higher of the Federal poverty level or 30 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD may establish income ceilings higher or lower than 30% of medical income for an area if HUD finds such variations are necessary due to unusually high or low family incomes.

FAIR HOUSING ACT. Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988 (42 U.S.C. 3601 et seq.)

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

FAMILY. "Family" includes, but is not limited to, the following, regardless of actual or perceived sexual orientation, gender identity, or marital status: 1) a single person, who may be an elderly person, displaced person, disabled person, near-elderly person, or any other single person; 2) or a group of persons residing together, and such group includes, but is not limited to: i) a family with or without children; ii) an elderly family; iii) a near-elderly family; iv) a disabled family; v) a displaced family; and vi) the remaining member of a tenant family.

FAMILY OF VETERAN OR SERVICE PERSON. A family is a "family of veteran or service person" when:

- The veteran or service person (a) is either the head of household or is related to the head of the household; or (b) is deceased and was related to the head of the household, and was a family member at the time of death.

The veteran or service person, unless deceased, is living with the family or is only temporarily absent unless s/he was (a) formerly the head of the household and is permanently absent because of hospitalization, separation, or desertion, or is divorced; provided, the family contains one or more persons for whose support s/he is legally responsible and the spouse has not remarried; or (b) not the head of the household but is permanently hospitalized; provided, that s/he was a family member at the time of hospitalization and there remain in the family at least two related persons.

FAMILY RENT TO OWNER. In the voucher program, the portion of the rent to owner paid by the family.

FAMILY SELF-SUFFICIENCY PROGRAM (FSS PROGRAM). The program established by a PHA to promote self-sufficiency of assisted families, including the provision of supportive services.

FAMILY SHARE. The amount calculated by subtracting the housing assistance payment from the gross rent.

FAMILY UNIT SIZE. The appropriate number of bedrooms for a family, as determined by the PHA under the PHA's subsidy standards.

FMR/EXCEPTION RENT. The fair market rent published by HUD headquarters. ~~In the pre-merger certificate program the initial contract rent for a dwelling unit plus any utility allowance could not exceed the FMR/exception rent limit (for the dwelling unit or for the family unit size).~~ In the voucher program the PHA adopts a payment standard schedule that is within 90% to 110% of the FMR for each bedroom size for households not included in MTW activities. Under approved MTW Activity 2022-01, this amount may be set within 80% to 150% of FMR.

FOSTER CHILD CARE PAYMENT. 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).

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

~~**GROSS FAMILY CONTRIBUTION.** Changed to Total Tenant Payment.~~

GROSS RENT. The sum of the Rent to Owner and the utility allowance. If there is no utility allowance, Rent to Owner equals Gross Rent.

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).

HAP CONTRACT. (See Housing Assistance Payments contract.)

HEAD OF HOUSEHOLD. The head of household is the person who assumes legal and financial responsibility for the household and is listed on the application as head.

HOUSING AGENCY. A state, county, municipality or other governmental entity or public body (or agency or instrumentality thereof) authorized to engage in or assist in the development or operation of low-income housing. ("PHA" and "HA" mean the same thing.)

HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974. Act in which the U.S. Housing Act of 1937 (sometimes referred to as the Act) was recodified, and which added the Section 8 Programs.

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

A payment to the owner for rent to owner under the family's lease.

An additional payment to the family if the total assistance payment exceeds the rent to owner. The additional payment is called a "utility reimbursement" payment.

HOUSING ASSISTANCE PAYMENTS CONTRACT. (HAP contract). A written contract between a PHA and an owner in the form prescribed by HUD headquarters, in which the PHA agrees to make housing assistance payments to the owner on behalf of an eligible family.

HOUSING QUALITY STANDARDS (HQS). The HUD minimum quality standards for housing assisted under the tenant-based programs.

HUD. The Department of Housing and Urban Development.

HUD REQUIREMENTS. HUD requirements for the Section 8 programs. HUD requirements are issued by HUD headquarters as regulations. Federal Register notices or other binding program directives. [Some of these may be waived under the MTW program.](#)

IMMEDIATE FAMILY MEMBER. A spouse, parent, brother or sister, or child of that person, or an individual to whom that person stands in the position or place of a parent; or any other person living in the household of that person and related to that person by blood and marriage.

IMPUTED ASSET. Asset disposed of for less than Fair Market Value during two years preceding examination or reexamination.

IMPUTED INCOME. HUD passbook rate x total cash value of assets. Calculation used when assets exceed \$5,000 as of July 1, 2023 for families included in the MTW activities and as of January 1, 2024 for families not included in MTW activities.

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.

INITIAL PHA. In portability, the term refers to both:

A PHA that originally selected a family that later decides to move out of the jurisdiction of the selecting PHA; and

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.

~~**INTEREST REDUCTION SUBSIDIES.** The monthly payments or discounts made by HUD to reduce the debt service payments and, hence, rents required on Section 236 and 221 (d)(3) BMIR projects. Includes monthly interest reduction payments made to mortgagees of Section 236 projects and front-end loan discounts paid on BMIR projects.~~

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

LANDLORD. This term means 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. In cooperative housing, a written agreement between a cooperative and a member of the cooperative. The agreement establishes the conditions for occupancy of the member's family with housing assistance payments to the cooperative under a HAP contract between the cooperative and the PHA.

~~**LEASE ADDENDUM.** For pre-merger Certificate, pre-merger OFTO, and pre-merger~~

~~Voucher tenancies, the lease language required by HUD in the lease between the tenant and the owner.~~

LIVE-IN AIDE. A person who resides with an elderly person or disabled person and who is determined to be essential to the care and well-being of the person, is not obligated for the support of the person, and would not be living in the unit except to provide necessary supportive services.

LOCAL PREFERENCE. A preference used by the PHA to select among applicant families.

LOW-INCOME FAMILY. A family whose annual income does not exceed 80 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD may establish income ceilings higher or lower than 80% for areas with unusually high or low income families.

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.

MEDICAL EXPENSES. Those total 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% of Annual Income.

MINOR. A member of the family household (excluding foster children) other than the family head or spouse who is under 18 years of age.

MIXED FAMILY. A family with citizens and eligible immigration status and without citizens and eligible immigration status as defined in 24 CFR 5.504(b)(3)

MONTHLY ADJUSTED INCOME. 1/12 of the Annual Income after Allowances or Adjusted Income.

MONTHLY INCOME. 1/12 of the Annual Income.

MOVING TO WORK (MTW). A demonstration program for public housing authorities (PHAs) that provides them the opportunity to design and test innovative, locally designed strategies that use Federal dollars more efficiently, help residents find employment and become self-sufficient, and increase housing choices for low-income families. MTW allows PHAs exemptions from many existing voucher rules and provides funding flexibility with how they use their Federal funds. AHA became MTW on March 23, 2022.

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.

NECESSARY SUPPORTIVE SERVICES. These services are those that are required to live independently. They are the generally recognized medical/social standard of “Activities of Daily Living” and include cleaning, cooking, shopping, bathing, etc.

~~**NEGATIVE RENT.** Now called Utility Reimbursement. A negative Tenant Rent results in a Utility Reimbursement Payment (URP).~~

NET FAMILY ASSETS. Value of equity in savings, checking, IRA and Keogh accounts, real property, stocks, bonds, and other forms of capital investment. The value of necessary items of personal property such as furniture and automobiles is excluded from the definition.

~~**NET FAMILY CONTRIBUTION.** Former name for Tenant Rent.~~

NON CITIZEN. A person who is neither a citizen nor a national of the United States.

OCCUPANCY STANDARDS. [Now referred to as Subsidy Standards] Standards established by a PHA to determine the appropriate number of bedrooms for families of different sizes and compositions.

OWNER. Any persons or entity having the legal right to lease or sublease a unit to a participant.

PARTICIPANT. A family that has been admitted to the PHA's 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. A person who has a disability as defined in 42 U.S.C 423 or a developmental disability as defined in 42 U.S.C. 6001. Also includes a person who is determined, under HUD regulations, to have a physical or mental impairment that is expected to be of long-continued and indefinite duration, substantially impedes the ability to live independently, and is of such a nature that the ability to live independently could be improved by more suitable housing conditions. For purposes of reasonable accommodation and program accessibility for persons with disabilities, means an "individual with handicaps" as defined in 24 CFR 8.3. Definition does not exclude persons who have the disease of acquired immunodeficiency syndrome or any conditions arising from the etiologic agent for acquired immunodeficiency syndrome~~persons who have AIDS or conditions arising from AIDS~~, but does not include a person whose disability is based solely on drug or alcohol dependence (for low-income housing eligibility purposes).

PHA PLAN. The annual plan and the 5-year plan as adopted by the PHA and approved by HUD in accordance with part 24 CFR 903 of this chapter and includes the MTW Supplement.

PORTABILITY. Renting a dwelling unit with Section 8 tenant-based assistance outside the jurisdiction of the initial PHA.

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

PROCESSING ENTITY. Entity responsible for making eligibility determinations and for income reexaminations. In the Section 8 Program, the "processing entity" is the "responsible entity."

PROGRAM. The Section 8 tenant-based assistance program under 24 CFR Part 982.

PROGRAM RECEIPTS. HUD payments to the PHA under the consolidated ACC, and any other amounts received by the PHA in connection with the program.

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). PHA includes any State, county, municipality or other governmental entity or public body which is authorized to administer the program (or an agency or instrumentality of such an entity), or any of the following:

A consortia of housing agencies, each of which meets the qualifications in paragraph (1) of this definition, that HUD determines has the capacity and capability to efficiently administer the program (in which case, HUD may enter into a consolidated ACC with any legal entity authorized to act as the legal representative of the consortia members):

Any other public or private non-profit entity that was administering a Section 8 tenant-based assistance program pursuant to a contract with the contract administrator of such program (HUD or a PHA) on October 21, 1998; or

For any area outside the jurisdiction of a PHA that is administering a tenant-based program, or where HUD determines that such PHA is not administering the program effectively, a private non-profit entity or a governmental entity or public body that would otherwise lack jurisdiction to administer the program in such area.

REASONABLE RENT. A rent to owner that is not more than rent charged for comparable units in the private unassisted market, and not more than the rent charged for comparable unassisted units in the premises.

RECEIVING PHA. In portability: A PHA that receives a family selected for participation in the tenant-based program of another PHA. The receiving PHA issues a 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~~for a set period if there are no additional changes to be reported. There are annual, triennial, and interim recertifications depending on the participant's program.

~~**REGULAR TENANCY.** In the pre-merger certificate program: A tenancy other than an over-FMR tenancy.~~

REMAINING MEMBER OF TENANT FAMILY. Person left in assisted housing after other family members have left and become unassisted.

RENT TO OWNER. The total monthly rent payable to the owner under the lease for the unit. Rent to owner covers payment for any housing services, maintenance and utilities that the owner is required to provide and pay for.

RESIDENCY PREFERENCE. A PHA preference for admission of families that reside anywhere in a specified area, including families with a member who works or has been hired to work in the area ("residency preference area"). Work means gainfully employed for at least 20 hours per week and receiving ongoing monetary compensation for such work at an amount equal to or greater than the minimum wage as established by the State of California. Temporary Agency work may be considered employment in the city of Alameda if:

- a. The person is on ongoing assignment in Alameda, regardless of where the temporary agency is headquartered; or
- b. The temporary agency is located in Alameda and the person received payroll from alameda, even if the actual assignment was elsewhere.

With the exception of temporary agency work, the actual place where work is performed, and not the location of the employer's headquarters, shall serve as the basis for residency preference determination. Occasional, sporadic, undocumented or unpaid employment (volunteer work) are not considered gainful employment.

A homeless person or family may be considered a resident if the person/family resides in a facility located in the area, which provides temporary or transitional shelter for homeless persons or if the family's last permanent address was in the area.

RESIDENCY PREFERENCE AREA. The specified area where families must reside to qualify for a residency preference.

RESPONSIBLE ENTITY. For the public housing and Section 8 tenant-based assistance, project-based certificate assistance and moderate rehabilitation program, 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 (42 U.S.C. 1437f).

SECURITY DEPOSIT. A dollar amount which can be applied to unpaid rent, damages or other amounts to the owner under the lease.

SERVICE PERSON. A person in the active military or naval service (including the active reserve) of the United States.

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.

SINGLE PERSON. A person living alone or intending to live alone.

SINGLE ROOM OCCUPANCY (SRO) HOUSING. A unit for occupancy by a single eligible individual capable of independent living which does not contain food preparation and/or sanitary facilities in accordance with 24 CFR §882.109 and is located within a multifamily structure consisting of more than 12 units.

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 24 CFR 982, which 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 husband or wife of the head of the household.

STALKING. Means engaging in a course of conduct directed at a specific person that would cause a reasonable person to: (1) Fear for the person's individual safety or the safety of others; or (2) Suffer substantial emotional distress.~~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 to (1)a~~

SUBSIDIZED PROJECT. A multi-family housing project (with the exception of a project owned by a cooperative housing mortgage corporation or association) which receives the benefit of subsidy in the form of:

Below-market interest rates pursuant to Section 221(d)(3) and (5) or interest reduction payments pursuant to Section 236 of the National Housing Act; or

Rent supplement payments under Section 101 of the Housing and Urban Development Act of 1965; or

Direct loans pursuant to Section 202 of the Housing Act of 1959; or

Payments under the Section 23 Housing Assistance Payments Program pursuant to Section 23 of the United States Housing Act of 1937 prior to amendment by the Housing and Community Development Act of 1974;

Payments under the Section 8 Housing Assistance Payments Program pursuant to Section 8 of the United States Housing Act after amendment by the Housing and Community Development Act unless the project is owned by a Public Housing Agency;

A Public Housing Project.

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.

SUBSTANDARD UNIT. Substandard housing is defined by HUD for use as a federal preference.

SUSPENSION/TOLLING. Stopping the clock on the term of a family's voucher, for such period as determined by the PHA, from the time when the family submits a request for PHA approval to lease a unit, until the time when the PHA approves or denies the request. ~~If the PHA decides to allow extensions or suspensions of the voucher term, the PHA administrative plan must describe how the PHA determines whether to grant extensions or suspensions, and how the PHA determines the length of any extension or suspension.~~

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. The amount payable monthly by the family as rent to the unit owner (Section 8 owner ~~or PHA in public housing~~). ~~For a tenancy in the pre-merger certificate program, tenant rent equals the total tenant payment minus any utility allowance.~~

TOTAL TENANT PAYMENT (TTP). The total amount the HUD rent formula requires the tenant to pay toward gross rent and utility allowance.

UNIT. Residential space for the private use of a family.

UTILITIES. Utilities means water, electricity, gas, other heating, refrigeration, cooking fuels, trash collection and sewage services. Telephone service is not included as a utility.

UTILITY ALLOWANCE. If the cost of utilities (except telephone) including range and refrigerator, and other housing services for an assisted unit is not included in the Contract

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 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 healthy living environment.

UTILITY REIMBURSEMENT. In the voucher program, the portion of the housing assistance payment which exceeds the amount of the rent to owner.

UTILITY REIMBURSEMENT PAYMENT. ~~In the pre-merger certificate program, the amount, if any, by which the Utility Allowance for the unit, if applicable, exceeds the Total Tenant Payment for the family occupying the unit.~~ Same as Utility Reimbursement.

~~**VACANCY LOSS PAYMENTS.** (For pre-merger certificate contracts effective prior to 10/2/95) When a family vacates its unit in violation of its lease, the owner is eligible for 80% of the Contract Rent for a vacancy period of up to one additional month, (beyond the month in which the vacancy occurred) if s/he notifies the PHA as soon as s/he learns of the vacancy, makes an effort to advertise the unit, and does not reject any eligible applicant except for good cause.~~

VERY LOW INCOME FAMILY. A Lower-Income Family whose Annual Income does not exceed 50% 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% 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 ~~pre-merger certificate and~~ voucher programs.

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.

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 (rental voucher). A document issued by a PHA to a family selected for admission to the voucher program. This document describes the program and the procedures for PHA approval of a unit selected by the family. The voucher also states the 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 subsidy 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.

~~**WELFARE-TO-WORK (WTW) FAMILIES.** Families assisted by a PHA with voucher funding awarded to the PHA under the HUD welfare-to-work voucher program (including any renewal of such WTW funding for the same purpose).~~

C. GLOSSARY OF TERMS USED IN THE NONCITIZENS RULE

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

CITIZEN. A citizen or national of the United States.

EVIDENCE OF CITIZENSHIP OR ELIGIBLE STATUS. The documents which must be submitted to evidence citizenship or eligible immigration status.

HEAD OF HOUSEHOLD. The adult member of the family who is the head of the household for purpose of determining income eligibility and rent.

HUD. Department of Housing and Urban Development.

INS. The U.S. Immigration and Naturalization Service.

MIXED FAMILY. A family whose members include those with citizenship or eligible immigration status and those without citizenship or eligible immigration status.

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.

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

PHA. A housing authority who operates Public Housing.

RESPONSIBLE ENTITY. The person or entity responsible for administering the restrictions on providing assistance to noncitizens with ineligible immigration status (the PHA).

SECTION 214. Section 214 restricts HUD from making financial assistance available for noncitizens unless they meet one of the categories of eligible immigration status specified in Section 214 of the Housing and Community Development Act of 1980, as amended (42 U.S.C. 1436a).

SPOUSE. Spouse refers to the marriage partner, either a husband or wife, who is someone you need to divorce in order to dissolve the relationship. It includes the partner in a common-law marriage. It does not cover boyfriends, girlfriends, significant others, or "co-heads." "Co-head" is a term recognized by some HUD programs, ~~but not by public and Indian housing programs.~~



Housing Authority
of the
City of Alameda

PHONE: (510) 747-4300
FAX: (510) 522-7848
TTY/TRS: 711

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Sylvia Martinez, Director of Housing Development

Date: June 21, 2023

Re: Approve a Predevelopment Loan NTE \$4 million from Capital Impact for The Poplar (2615 Eagle Avenue) and Authorize the Executive Director to negotiate and Execute all Loan Documents.

BACKGROUND

The Housing Authority of the City of Alameda (AHA) purchased the property at 2615 Eagle Avenue in April 2022 in order to develop the site as affordable housing. AHA anticipates that the site will serve 40-50 families, with up to 25% supportive housing units if required by funding sources.

To date, AHA has advanced funding to purchase the property and conduct necessary due diligence for the purchase, for a total of \$2,750,000. At present, AHA has no long-term financing commitment to this project beyond the option to ground lease valued at \$2.5 million to Island City Development in April 2022.

The Poplar development is moving more slowly due to the acceleration of other pipeline projects (such as North Housing and Poppy Place/hotel conversion). Additional funding applications for this project require a more established design and development scheme, planned for late 2023. Further, some of the derelict buildings on the site should be demolished to provide better security. The anticipated cost of design and demolition is at least \$750,000 over the next 12 months and currently, a source to cover these costs is not available, as the AHA Reserve Policy is at capacity. Predevelopment funding in 2023 would allow The Poplar to target its main funding applications in mid-to-late 2024.

DISCUSSION

Staff received a predevelopment loan term sheet with very favorable terms from Capital Impact Partners (attached), a Community Development Financial Institution. This loan can provide complete repayment of AHA's current and future predevelopment investments into this development, and any fees and carrying costs would be recovered by the future development. The term of the loan is up to 5 years and can be prepaid at any time. The predevelopment loan can be sized up to 150% of the appraised value of



the land and would be secured with a first trust deed on the property. The staff estimates a loan of between \$3,750,000 and \$4,000,000. The uses of this loan would be to repay all of AHA's current outlay for acquisition and due diligence, and then to fund design, entitlement, and demolition costs that can prepare the site for the new development and provide readiness for funding applications.

FISCAL IMPACT

The recommended approval of this loan allows AHA's current short-term commitments to this development to be carried by a third party, which will allow AHA to fund other short-term obligations of the North Housing Master Plan infrastructure (see related agenda item this month). Carrying costs and fees will be included in the loan and anticipated to be recovered by the future development at the 2615 Eagle Avenue site.

Because of the philanthropic source of Capital Impact's funding, the interest rate for this loan is at 2%, which is an extremely low rate for working capital funding.

CEQA

Not applicable

RECOMMENDATION

Approve a Predevelopment Loan NTE \$4 million from Capital Impact for The Poplar (2615 Eagle Avenue) and Authorize the Executive Director to negotiate and Execute all Loan Documents.

ATTACHMENTS

- 1. Att 1 The Poplar Term Sheet 05.15.23

Respectfully submitted,



Sylvia Martinez, Director of Housing Development



Proposal Letter - Not a Commitment to Lend

May 15, 2023

Silvia Martinez
Director of Housing Development
Housing Authority for the City of Alameda
701 Atlantic Avenue
Alameda, CA 94501

Re: Tilden Commons | 2615 Eagle Avenue, Alameda CA 94501

Dear Ms. Martinez:

Capital Impact Partners (“Capital Impact” or “Originating Lender”) on behalf of the Community Housing Fund (“CHF” or “Lender”) is pleased to present this term sheet to the Housing Authority for the City of Alameda for financing the acquisition and predevelopment of Tilden Commons in Alameda, CA. This 40-unit project will create much needed affordable housing in the City of Alameda.

Capital Impact is one of the largest Community Development Financial Institutions (CDFI) in the country with more than \$700 Million in assets under management. We are part of a larger family of organizations known as Momentus Capital that includes CDC Small Business Finance and Ventures Lending Technologies. For Capital Impact specifically, we finance a broad range of facilities and organizations that deliver social impact including community health centers, public charter schools, healthy food retailers, affordable housing development, cooperatives, and dignified aging service providers. Together, our organizations have delivered \$23 billion in financing, created and preserved 250,000 jobs, and served 12,000 small businesses and five million people. We believe our mission alignment and market knowledge make us an excellent financing partner.

Should you wish to request Capital Impact to proceed with underwriting, seek formal loan approval under the general terms and conditions outlined below, please sign where indicated below and send a wire payment in the amount of \$19,375 to cover the expense deposit and underwriting fee by May 26, 2023. The terms set forth herein shall expire if loan does not close by August 10, 2023.

The intent of this term sheet is an expression of interest to lend and should not be interpreted as loan approval. Approval of the Loan will be subject to satisfactory completion of the Originating Lender’s underwriting and due diligence, including review and approval of all information that Originating Lender deems pertinent in its sole discretion among other things the following:

Borrower: Housing Authority of the City of Alameda

Loan Amount: Lesser of \$3,750,000 or 150% of the “As-Is” appraised value of the Property. Loan Amount is subject to the terms below and full underwriting by Originating Lender and Originating Lender’s determination that the Borrower can support debt service payments on the loan amount.

Originating Lender’s ability to provide the loan will be subject to securing a commitment and reservation letter from the CHF.

Purpose: Replenish the funds used by the Borrower to acquire the site (\$2,500,000) and finance the predevelopment expenses (~\$1,100,000) for Tilden Commons, a 40-unit affordable multifamily housing project (the “**Project**”) located at 2615 Eagle Avenue, Alameda, CA 94501 (the “**Property**”); Originating Lender fees (approximately \$105,000), and other fees and costs incurred by the Borrower in connection with the Loan as approved by Originating Lender.

Interest Rate: Fixed at 2.0% p.a. for the term of the Loan.

Term: 4 years

Amortization: N/A

Payments: Monthly interest only payments, with principal and any unpaid interest and fees due at the earlier of: a) date of maturity, b) any refinancing of the Property, or c) abandonment of the Project.

Loan payments shall be set up on ACH.

For indicative purposes only, monthly loan payments are estimated at \$6,250.

Disbursements: Replenishment of Borrower’s acquisition expenses fully disbursed at closing with monthly disbursements of the predevelopment funds based on Originating Lender’s approval of draw packages.

Prepayments: The Loan maybe prepaid at any time, in whole or in part, without penalty or premium.

Collateral: i. 1st position deed of trust lien on the Property and any Reserves required by Originating Lender;

Recourse: Full recourse to the Borrower.

Guarantee: N/A

Reserves: The underwriting will establish if the funding of reserves, if any, is required for the Loan.

- Origination Fee: 2.0% of the Loan Amount (\$75,000).
- Underwriting Fee: An underwriting fee of 0.25% of the Loan Amount (\$9,375) is due and payable upon signing this proposal letter. This fee is non-refundable but will be credited toward the Origination Fee payable at closing if the Loan closes.
- Other Fees & Costs: Borrower shall pay all costs, expenses and fees (including, without limitation, appraisal report, appraisal review, environmental reports, title insurance, ALTA surveys, searches, recording and filing, and attorney’s fees associated with this transaction, whether or not the Loan closes.
- Expense Deposit: An expense deposit of \$10,000 is required upon signing this proposal letter. These funds will be used by Originating Lender for costs and fees associated with the Loan as listed above. Any unused portion will be refundable to the Borrower or credited toward final costs at closing. Additional funds may be required as these initial funds are depleted.
- Debt Service Coverage Ratio (DSCR) Borrower will be required to maintain a debt service coverage ratio (defined below) of minimum 1.25x, to be tested annually upon receipt of the required financial statements.

$$DSCR = \frac{\text{Operating EBITDA}}{\text{Total annual principal and interest payments on all Borrower's loans, including the Loan}}$$

- Loan to Value: Borrower will be required to maintain a loan-to-value ratio (defined below) not to exceed 150%, of the market value of the Property determined in accordance with an appraisal ordered by and acceptable to Lender.

LTV= Loan Amount / "As-Is" appraised value of Property

- Covenants: The loan documents will define financial covenants and reporting requirements, which will include among other things:
- i. Annual audited financial statements for Borrower;
 - ii. At Originating Lender’s request, quarterly management-prepared financial statements for Borrower;
 - iii. Annual operating budget for Borrower;
 - iv. Annual performance, social impact and compliance reports; and
 - v. Affordability: At least 20% of units must be dedicated to ELI (defined as 30% AMI or below) and the remainder of units cannot exceed 120% AMI.

- Specific Closing Conditions: The closing of the Loan will be subject to, among other things:
- i. Cash flow projections reviewed and approved by Originating Lender demonstrating adequate projected DSCR as defined above;
 - ii. Appraisal report ordered by Originating Lender and reviewed by Originating Lender’s external consultant, demonstrating adequate LTV as defined above;

- iii. Final project budget and timeline demonstrating adequate levels of reserves and contingencies;
- iv. Letter of interest or committed take-out financing covering the Loan Amount;
- v. A current ALTA survey of the Property; and
- vi. Executed development agreement in form and substance acceptable to Originating Lender (incl. fee payment schedule).

Additional Underwriting requirements:

Please provide the following items so that we may complete the analysis of your loan request:

- i. Copy of Borrower’s organizational documents including W-9 form;
- ii. Financial information for the Borrower to include:
 - a. Three years of audited financial statements, most recent interim financial statements, and additional documentation, as requested by Originating Lender, regarding contingent liabilities.
 - b. Authorization to perform credit and reference checks.
- iii. Detailed Project budget and timeline until Project completion and stabilization;
- iv. Detailed 5-year cash flow projections for the Project with all assumptions;
- v. Preliminary title report, and copy of existing survey and zoning letter for the Property; and
- vi. List of projects developed by Sponsor including type of projects (number of units, income level of the households that are served, funding sources, total development cost, new construction/preservation/rehabilitation); project location; dates for project start and completion (say whether project was on time and on budget relative to schedule and budget at closing); list of staff members involved in the development of projects.

Expiration:

Fees and interest rates proposed in this letter are valid for 90 days.

Communications:

Capital Impact Partners requests that Borrower coordinate with Originating Lender’s communications director on all external communications including press releases, media interviews, social media and other relevant collateral materials to ensure roles are accurately attributed and to maximize promotion of transaction and associated financial and social impacts for the community.

Please note that the terms above are not exhaustive. Any loan approval shall be subject to the completion of all Originating Lender’s underwriting process and due diligence. Capital Impact will order the following third party reports during underwriting: an MAI As-Is appraisal report, a Phase I environmental site assessment and, if required by the Originating Lender, and a Phase II environmental site assessment. Further, Originating Lender will engage a third-party consultant to review the appraisal report.

Should you wish to request Capital Impact to proceed with underwriting, seeking formal approval under the general terms and conditions outlined above, please sign where indicated below and send a wire payment in the amount of \$19,375 to cover the expense deposit and underwriting fee by May 26, 2023. The terms set forth herein shall expire if the loan does not close by August 10, 2023.

Wiring instructions:

Financial Institution: NCB, FSB
Address: 139 South High Street, Hillsboro, OH 45133
Bank Account Name: Capital Impact Loan Fee Account
Bank Account Number: 830387793
Bank Routing Number: 242272227
Reference Information: 375773800 | Housing Authority of the City of Alameda

Capital Impact Partners is excited about the opportunity to support the Housing Authority of the Island of Alameda and Tilden Commons. If Capital Impact can provide you with any additional information to supplement this letter, please contact Eric Relos by phone at (510) 712-9021, or by email at erelos@capitalimpact.org.

Very truly yours,



Shobna Dhewant
Director of National Underwriting

Housing Authority of the City of Alameda

By: _____

Name: _____

Title: _____

Date: _____



PHONE: (510) 747-4300
FAX: (510) 522-7848
TTY/TRS: 711

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Sylvia Martinez, Director of Housing Development

Date: June 21, 2023

Re: Authorize the Executive Director To Fund North Housing Master Plan Costs of \$4,000,000 with Short to Midterm Use of Reserves, Agency Funds, and MTW Funds.

BACKGROUND

The Housing Authority of the City of Alameda (AHA) is leading the development of the 12-acre North Housing parcel redevelopment at the former Alameda Naval Air Station (NAS), formerly known as Coast Guard Housing, under a homeless accommodation conveyance, alongside partners Alameda Point Collaborative (APC) and Building Futures. The North Housing parcel was successfully transferred to Housing Authority ownership on May 30, 2019. The Board approved the Agency’s Vision for the North Housing site at its August 2019 meeting. On August 17, 2020, the Planning Board approved the Development Plan, and on September 15, 2020, the City Council approved the Tentative Map.

The Housing Authority of the City of Alameda (AHA) is the master developer of North Housing, and is responsible for site preparation, demolition, and infrastructure. On behalf of all 12 acres, AHA has undertaken demolition of existing buildings and entitlement approvals, and incurred holding costs for security, fencing, and landscaping.

In addition, AHA has supported Island City Development (ICD) in its active development of approximately 3 acres (Block A), which is the first phase of North Housing, with a total of 155 apartments, to be built in three separate projects. ICD is the developer of the three projects and has received options to ground lease for the three projects: Estuary I, Estuary II, and Linnet Corner. ICD has also received Reserve Policy permanent loan commitments totaling \$12,938,000 for these three projects, and a \$7,500,000 predevelopment loan. ICD has used the predevelopment loan to pay for AHA’s demolition, site preparation, and other holding costs. Like Rosefield Village and other projects, it was anticipated that the predevelopment loan will be rolled into the permanent commitment as each project begins construction.

Please see previous Board reports for project details.



DISCUSSION

Because many of the initial costs were shared among all 12 acres, the \$7,500,000 predevelopment loan to ICD was used for all demolition and entitlement work and is nearly expended. A significant portion of the expenditures were actually undertaken on behalf of the nine acres that are still part of the AHA Master Plan, not the Block A projects that are being developed by ICD. The Block A buildings plan to start construction in early 2024, if current funding applications are successful. To avoid the wet season in early 2024, AHA plans to undertake soil stabilization work for Block A in the summer of 2023. AHA will be reimbursed for the Block A work from ICD first through its predevelopment loan, and then as part of each separate project's financial package.

At this juncture, the early site preparation, entitlement, holding, and design costs need to start to be properly allocated to each project on a fair and equitable basis. Staff has discussed the potential split alternatives with its financial, audit, and legal consultants, and has determined to use the 'unit share' of the proposed 586 units in the 12-acre site development plan. So, for instance, the Estuary I project of 45 apartments will have a pro rata share of 45/586 or 7.68% of the shared costs.

The attached chart shows the different pro rata share of currently incurred costs for the three separate Block A projects (Estuary I, Estuary II, and Linnet Corner), as well as a "Master Plan" share which is attributable to the 9 remaining acres that have incurred costs but do not have planned project activities. As can be seen from the chart, the remaining Master Plan share is the largest allocation. The Master Plan costs (9 acres) are currently AHA's responsibility, as they have not been assigned to specific projects and are planned to be developed in the future. ICD is not yet involved in those additional parcels and projects.

The remaining Master Plan share of approximately \$4,000,000 is not currently considered in the 2022 Reserve Policy or other funding plan. It was anticipated that these costs will be covered by future development, but given the current pipeline, such remaining developments may not come about for the next 5 to 15 years.

The remaining costs to be used at North Housing (9 acres) will be provided from an internal agency loan of approximately \$4,000,000. A small cushion has been added for ongoing holding costs over time to round to \$4,000,000. Staff is recommending a blend of short-term and longer-term sources to offset the \$4m of costs allocated to Blocks B-D in the master plan budget held by AHA. The sources of this loan could be a mixture of available funds, including:

Internal Loan - Sample Funding Sources:

1. Repayments of up to \$1,800,000 to Agency expenditures from the initial purchase and due diligence on Poplar/2615 Eagle Avenue (see related report on a predevelopment loan on this month's agenda).

2. Prior year (2022-23) Cash Flow of \$1,200,000. This funding has accrued but is not currently dedicated in the AHA Reserve Policy.
3. Short to midterm MTW fund use of \$1,000,000. MTW loan funds can support affordable housing development and are contemplated in the AHA General Plan.

The \$4,000,000 internal loan for AHA will partially re-pay the existing ICD predevelopment loan of \$7,500,000. ICD will then have the capacity to cover time-sensitive Block A costs. The internal AHA loan will cover the existing predevelopment costs for Blocks B-D.

AHA's Master Plan Timing:

The master plan infrastructure and soil stabilization work are best done in dry weather, as rain can cause serious delays and extra costs. Staff recommends that the work begin in August 2023, to be completed by November 2023. Staff will bring the contracts for this work to the Board for approval in July 2023. (The GC is already selected so this should not be an extensive process.)

Staff estimates that the funding plan term for the Master Plan costs of \$4,000,000 must be for a minimum of 5 years but may stretch to 15 years or more. Utilizing short-term avenues, such as the liquidity of an additional predevelopment loan is possible, but AHA would incur interest costs and would need to provide progress reports on what might be a slow-moving site.

Alternatively, an internal or MTW loan could be repaid by developer fees, additional cash flow from AHA operations, or other new sources in the next five years. No interest would need to be charged, and there would be no reporting beyond the Board review.

The long term solution is to charge the future projects on the nine acres (Blocks B-D) for these costs. This alternative has a timing issue. The future projects that will generate 431 additional units at North Housing will eventually be able to carry these costs are fairly far down the horizon at this juncture, and there is a short-term need for this capital now.

FISCAL IMPACT

Bringing forward three projects on one-fourth of the acreage at North Housing at one time, as well as the overall demolition and entitlement activities on all 12 acres, has been an ambitious proposal. Nevertheless, the combination of activities has already garnered cost savings in entitlement, design, and site preparation. Now that one or more of the projects is moving forward, the larger costs of preparing the Block A site must be covered.

The internal loan proposed in this funding plan can be repaid from future developer fees or agency cash flow that the Board approves for use via the Reserve Policy. However, in compliance with Board policy and directives in previous actions, AHA is turning its cash reserves into investments in the provision of new affordable homes in

the City of Alameda. This creates a long-term change in the available reserve balances at the agency. For instance, once Poppy Place (Webster Street Hotel Conversion) and the Block A developments have broken ground, the reserve balance will drop to about 45% of its current size.

A comparison of the current balance, 12/31/2023 projected balance, and 12/31/2024 projected balance is below:

2021-2026 Reserve Policy - June 2023 Update		
CASH BALANCES		
3/31/2023	12/31/2023*	12/31/2024*
\$ 37,500,000	\$ 22,000,000	\$ 16,600,000
*Projected: Assuming no added allocations from cash flow		

AHA anticipates investing over \$20 million dollars in North Housing Block A and Poppy Place (Webster Hotel) developments over the next 18-24 months. The 2024 estimate assumes that the cash balance at the agency is being reserved for operations/liquidity and preservation activities, as the funds initially proposed for housing production will have been invested in current developments by that time. This means that certain projects, including The Poplar (2615 Eagle) and major recapitalizations of current properties need to find outside financing to move forward. For this reason, they are shown as 'secondary' priorities in the attached presentation. The Reserve Policy investments are long-term loans from AHA, and remain on its balance books as long-term assets, in addition to creating much needed affordable homes in the community.

CEQA

Not Applicable.

RECOMMENDATION

Authorize the Executive Director To Fund North Housing Master Plan Costs of \$4,000,000 with Short to Midterm Use of Reserves, Agency Funds, and MTW Funds.

ATTACHMENTS

1. Att 1_Summary of Costs Incurred and Proposed Pro Rata Shares
2. Att 2_NH Master Plan Funding Presentation

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Sylvia Martinez', with a stylized flourish at the end.

Sylvia Martinez, Director of Housing Development

Att 1**Summary of Costs Incurred and Proposed Pro Rata Shares**

Description	Spent To Date
Demolition and 12-acre Site Development Plan Costs	\$4,200,000
Block A Predevelopment Costs - only split among Block A projects	\$1,750,000
Land Carrying Costs	\$550,000
	\$ 6,500,000
By Project	
Estuary I - pro rata share of demo and site development costs	\$325,000
Estuary I - pro rata share of Block A predevelopment costs	\$590,000
Estuary I - pro rata share of land carrying costs	\$45,000
	\$960,000
Estuary II - pro rata share of demo and site development costs	\$330,000
Estuary II - pro rata share of Block A predevelopment costs	\$590,000
Estuary II - pro rata share of land carrying costs	\$45,000
	\$965,000
Linnet Corner - pro rata share of demo and site development costs	\$460,000
Linnet Corner - pro rata share of Block A predevelopment costs	\$590,000
Linnet Corner - pro rata share of land carrying costs	\$60,000
	\$1,110,000
Demolition and 12-acre Site Development Plan Costs - remaining 9-acre/431 units' share	\$3,065,000
Land Carrying Costs - remaining 9-acre/431 units' share	\$400,000
	\$3,465,000
	\$ 6,500,000

Funding Plan for North Housing Master Plan Costs

June 21 AHA Regular Agenda

2020-2023 Readiness Activities at North Housing

1. AHA – Demo and site preparation
2. ICD Planning & Design of Block A
3. ICD Building permit ready for 3 phases
4. ICD Multiple successful financings
applications with final sources in review

Background

1. Entitlement and demolition undertaken concurrently for all 12 acres (586 units)
2. Three acres (Block A- three projects) are moving forward quickly (155 units)
3. Pro rata share for remaining nine acres needs to be allocated. Not an ICD cost (yet)

Background

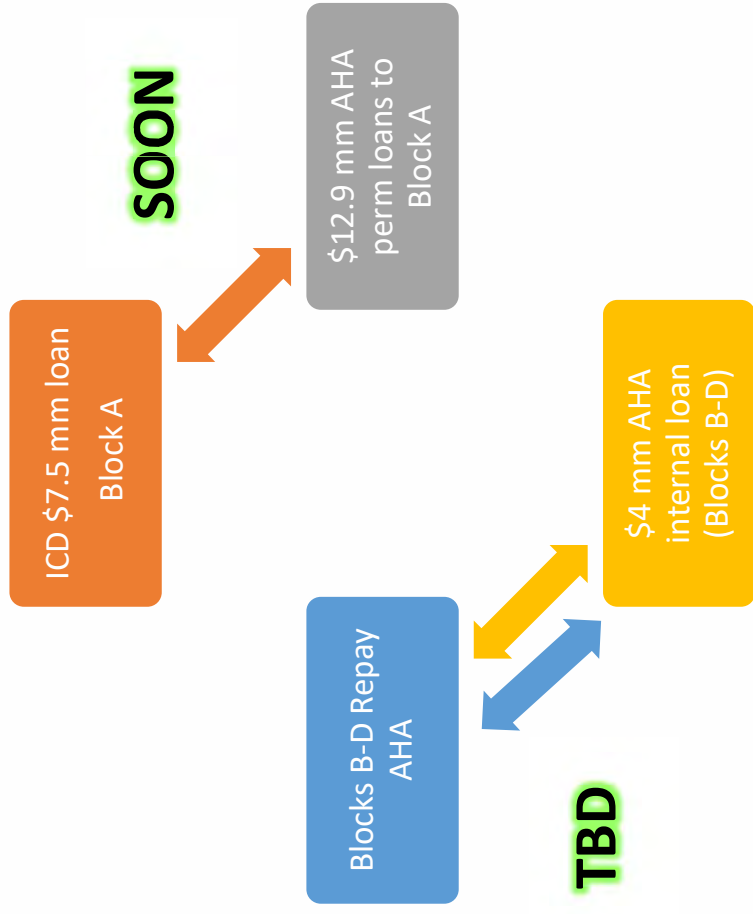
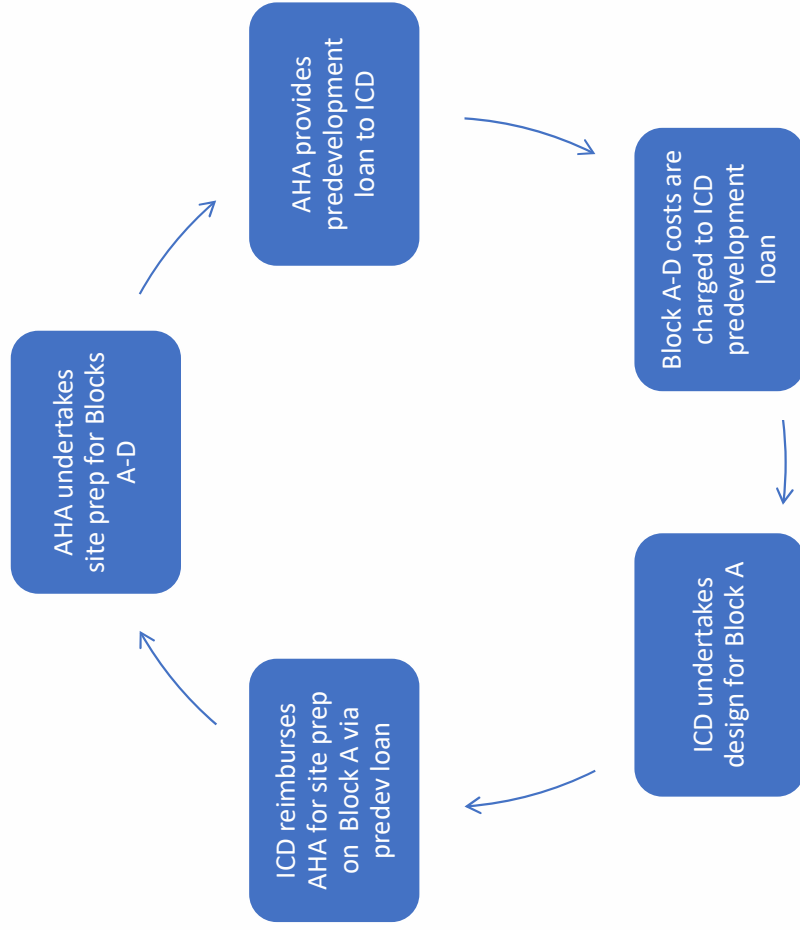


1. ICD - Block A, three acres with three projects/155 units are moving forward quickly.
2. AHA - Pro rata share for remaining Block B, C, & D, nine acres/481 units needs to be backfilled - \$4,000,000.

NH Predevelopment Funding to Date

1. \$7,500,000 predevelopment loan to ICD for activities benefitting all 12 acres.
2. AHA needs access to the full \$7,500,000 predevelopment loan for Block A soil stabilization work in the upcoming dry months. The cost of soil stabilization work is approximately \$4,500,000 for the three projects at Block A
3. **\$4,000,000 of 9-acre Master Plan and demolition costs were charged to the ICD predevelopment loan but should be backfilled to AHA as a mid-range loan.**

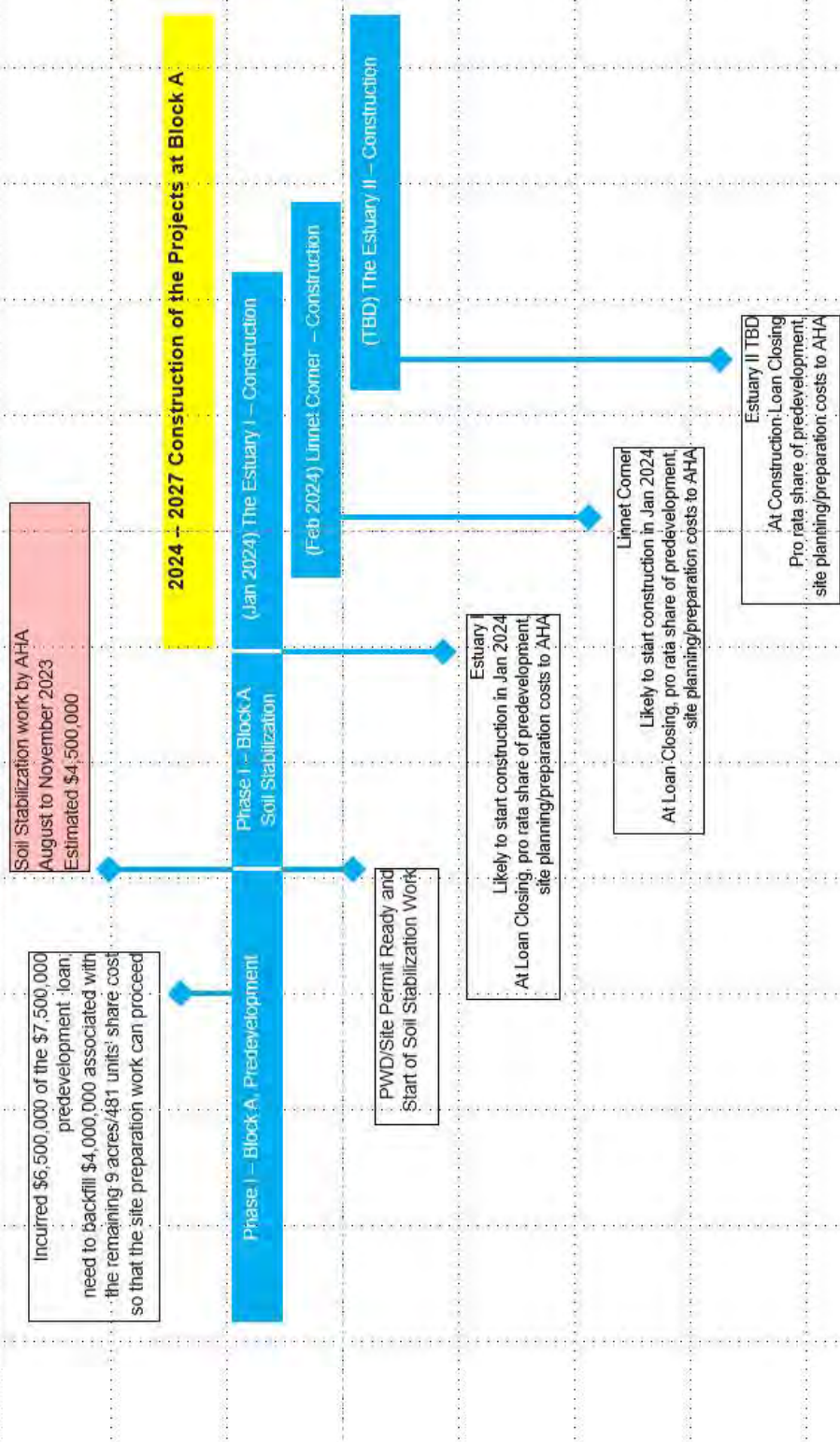
Predevelopment Funding



Summary of Costs Incurred and Pro Rata Shares

Summary of Costs Incurred and Proposed Pro Rata Shares	
Description	Spent To Date
Demolition and 12-acre Site Development Plan Costs	\$4,200,000
Block A Predevelopment Costs - only split among Block A projects	\$1,750,000
Land Carrying Costs	\$550,000
	\$6,500,000
By Project	
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Estuary I - pro rata share of land carrying costs	\$45,000
	\$960,000
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Estuary II - pro rata share of land carrying costs	\$45,000
	\$965,000
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Demolition and 12-acre Site Development Plan Costs - remaining 9-acre/431 units' share	\$3,065,000
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	\$3,465,000
	\$6,500,000

Development Timeline Look Ahead



Board Actions Proposed

1. 11B - Approve Predevelopment Loan – Capital Impact for 2615 Eagle –related agenda item to free agency liquidity
2. Approve \$4,000,000 Internal Loan for Master Plan – 9 acres
5-15 years; 0%
3. *Alternative:* Seek 3rd party predev loan
5-7 years; likely at 6%. Reporting requirements

Sample NH Backfill Funding Plan

USES

Nine Acre Share of Demo & Ent
\$ 4,000,000

SOURCES

Agency liquidity \$ 1,800,000
FY22-23 Cash flow \$ 1,200,000
MTW loan \$ 1,000,000
\$ 4,000,000

Agency Project Priorities

- Poppy Place – Webster Street Hotel Conversion (Primary) – Fall 2023
- Estuary I (Primary) – Jan 2024
- Linnet Corner (Primary) – Feb 2024
- Estuary II (Semi-Primary, ahead of The Poplar in terms of design, entitlement, and funding commitments)- TBD
- The Poplar – 2615 Eagle Ave (Secondary)
- Independence Plaza/Esperanza/CIP/Rehab projects (Secondary)

Forecast - AHA Cash Reserves

2021-2026 Reserve Policy - June 2023 Update

CASH BALANCES

	3/31/2023	12/31/2023*	12/31/2024*
\$	37,500,000	\$ 22,000,000	\$ 16,600,000

*Projected: Assuming no added allocations from cash flow

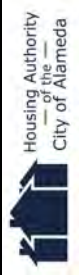
- 2023 \$15,500,000 – Planned Reserve Policy commitments in Poppy Place and Estuary I and II
- 2024 \$5,440,000 – RP commitments for Linnet Corner and Estuary II

June 2023 Recommendations:

Authorize the Executive Director To Fund North Housing Master Plan Costs of \$4,000,000 with Short to Midterm Use of Reserves, Agency Funds and MTW Funds.

Approve a Predevelopment Loan not to Exceed \$4,000,000 from Capital Impact for The Poplar (2615 Eagle Avenue) and Authorize the Executive Director to negotiate and Execute all Loan Documents.

Questions or Comments?



Housing Authority
of the
City of Alameda

www.alamedahsg.org