Cincinnati Metropolitan Housing Authority's

Housing Choice Voucher Program

Administrative Plan

July 1, 2026 - June 30, 2027

CMHA

TABLE OF CONTENTS

CHAPTER 1
Statement of Policies and Objectives

A. HOUSING AUTHORITY MISSION STATEMENT 1-1
B. LOCAL GOALS 1-3
C. PURPOSE OF THE PLAN 1-3
D. ADMINISTRATIVE FEE RESERVE 1-5
E. RULES AND REGULATIONS 1-5
F. TERMINOLOGY 1-5

CHAPTER 2
Affirmatively Furthering Fair Housing

A. FAIR HOUSING 2-1
B. TRANSLATION OF FOREIGN LANGUAGES 2-2
C. MANAGEMENT ASSESSMENT OBJECTIVES 2-3
D. RECORDS FOR MONITORING CMHA PERFORMANCE 2-4
E. PRIVACY RIGHTS 2-5
F. FAMILY OUTREACH 2-5
G. OWNER OUTREACH 2-5
H. APPLYING FOR ADMISSION 2-7
I. REASONABLE ACCOMMODATIONS 2-8

CHAPTER 3
Eligibility for Admission

A. ELIGIBILITY FACTORS 3-1
B. FAMILY COMPOSITION 3-3
C. INCOME LIMITATIONS 3-6
D. MANDATORY SOCIAL SECURITY NUMBERS 3-6
E. CITIZENSHIP/ELIGIBLE IMMIGRATION STATUS 3-7
F. OTHER CRITERIA FOR ADMISSIONS 3-8
G. TENANT SCREENING 3-9
H. CONTINUED ELIGIBILITY PRIOR TO EFFECTIVE DATE, OF THE CONTRACT 3-9
I. INELIGIBLE FAMILIES 3-9

CHAPTER 4
Establishing Preferences and Maintaining the Wait List

A. WAIT LIST POLICY 4-1
B. LOCAL PREFERENCES 4-2
C. SPECIAL ADMISSIONS 4-4

TABLE OF CONTENTS

D. INCOME TARGETING 4-5
E. PREFERENCE AND INCOME TARGETING ELIGIBILITY 4-5
F. ORDER OF SELECTION 4-6
G. FINAL VERIFICATION OF PREFERENCES 4-8
H. REMOVAL FROM WAIT LIST AND PURGING 4-9

CHAPTER 5
Applying for Admission and Briefings

A. OVERVIEW OF THE APPLICATION TAKING PROCESS 5-1
B. OPENING/CLOSING OF THE WAIT LIST 5-2
C. "INITIAL" APPLICATION PROCEDURES 5-3
D. APPLICANT STATUS WHILE ON WAIT LIST 5-4
E. PULLING FROM WAIT LIST 5-5
F. COMPLETION OF A FULL APPLICATION 5-5
G. ASSISTANCE TO FAMILIES WHO CLAIM DISCRIMINATION 5-6
H. VERIFICATION 5-6

CHAPTER 6
Verification Procedures

A. METHODS OF VERIFICATION AND TIME ALLOWED 6-1
B. RELEASE OF INFORMATION 6-6
C. ITEMS TO BE VERIFIED 6-6
D. VERIFICATION OF INCOME 6-7
E. INCOME FROM ASSETS 6-12
F. VERIFICATION OF ASSETS 6-13
G. VERIFICATION OF ALLOWABLE DEDUCTIONS FROM INCOME 6-14
H. VERIFYING NON-FINANCIAL FACTORS 6-16
I. VERIFICATION OF WAIT LIST PREFERENCES 6-22

CHAPTER 7
Briefings and Voucher Issuance

A. BRIEFING REQUIREMENTS 7-1
B. ISSUANCE OF VOUCHERS 7-3
C. TERM OF VOUCHER 7-3
D. VOUCHER ISSUANCE DETERMINATION FOR SPLIT HOUSEHOLDS 7-5
E. REMAINING MEMBER OF TENANT FAMILY - RETENTION OF VOUCHER 7-6
F. ENCOURAGING PARTICIPATION IN LOW POVERTY AREAS 7-6

TABLE OF CONTENTS

CHAPTER 8
Subsidy Standards

A. DETERMINING FAMILY UNIT (VOUCHER) SIZE 8-1
B. EXCEPTIONS TO SUBSIDY STANDARDS 8-3
C. UNIT SIZE SELECTED 8-5
D. PAYMENT STANDARDS 8-6

CHAPTER 9
Factors Related to Total Tenant Payment and Family Share Determination

A. INCOME AND ALLOWANCES 9-1
B. DISALLOWANCE OF EARNED INCOME FROM RENT DETERMINATIONS FOR PERSONS WITH DISABILITIES 9-10
C. MINIMUM RENT 9-13
D. ABSENCES FROM THE UNIT 9-15
E. ANTICIPATING/AVERAGING INCOME 9-17
F. MINIMUM INCOME 9-18
G. INCOME OF PERSON PERMANENTLY CONFINED TO NURSING HOME 9-18
H. REGULAR CONTRIBUTIONS AND GIFTS 9-18
I. ALIMONY AND CHILD SUPPORT 9-19
J. LUMP-SUM RECEIPTS 9-19
K. CONTRIBUTIONS TO RETIREMENT FUNDS - ASSETS 9-20
L. ASSETS DISPOSED OF FOR LESS THAN FAIR MARKET VALUE 9-20
M. CHILD CARE EXPENSES 9-21
N. MEDICAL EXPENSES 9-21
O. PRORATION OF ASSISTANCE FOR "MIXED" FAMILIES 9-22
P. INCOME CHANGES RESULTING FROM WELFARE PROGRAM REQUIREMENTS 9-22
Q. UTILITY ALLOWANCE AND UTILITY REIMBURSEMENT PAYMENTS 9-23
R. SEASONAL EMPLOYEES 9-24
S. INCOME FROM ASSETS 9-25

CHAPTER 10
Tenancy Approval and Contract Execution

A. REQUEST FOR TENANT APPROVAL 10-1
B. ELIGIBLE TYPES OF HOUSING 10-3
C. LEASE SUBMITTAL AND REVIEW 10-3
D. SECURITY DEPOSIT REQUIREMENTS 10-6
E. SEPARATE AGREEMENTS 10-6
F. INITIAL INSPECTIONS 10-6
G. RENT LIMITATIONS 10-7
H. DISAPPROVAL OF PROPOSED RENT 10-7

TABLE OF CONTENTS

I. INFORMATION TO OWNERS 10-7
J. OWNER DISAPPROVAL 10-8
K. CONTRACT EXECUTION PROCESS 10-8
L. PROPERTY MANAGEMENT AND LICENSEES 10-9

CHAPTER 11
Housing Quality Standards and Inspections

A. GUIDELINES/TYPES OF INSPECTIONS 11-1
B. INITIAL HQS/NSPIRE INSPECTION 11-2
C. BIENNIAL HQS/NSPIRE INSPECTIONS 11-3
D. COMPLAINT INSPECTIONS 11-5
E. EMERGENCY INSPECTIONS 11-7
F. QUALITY CONTROL INSPECTIONS 11-7
G. MOVE-OUT/VACATE INSPECTIONS 11-8
H. SPECIAL INSPECTIONS 11-9
I. ACCEPTABILITY CRITERIA AND EXCEPTIONS TO HQS/NSPIRE 11-10
J. EMERGENCY REPAIR ITEMS 11-15
K. CONSEQUENCES IF OWNER IS RESPONSIBLE (NON-EMERGENCY ITEMS) 11-16
L. DETERMINATION OF RESPONSIBILITY 11-18
M. CONSEQUENCES IF FAMILY IS RESPONSIBLE 11-19
N. INSPECTION APPEALS 11-19

CHAPTER 12
Owner Rents, Rent Reasonableness, and Payment Standards

A. RENT TO OWNER IN THE HOUSING CHOICE VOUCHER PROGRAM 12-1
B. MAKING PAYMENTS TO OWNERS 12-2
C. RENT REASONABLENESS DETERMINATIONS 12-4
D. PAYMENT STANDARDS FOR THE VOUCHER PROGRAM 12-5
E. ADJUSTMENTS TO PAYMENT STANDARDS 12-6

CHAPTER 13
Recertifications

A. ANNUAL ACTIVITIES 13-1
B. ANNUAL RECERTIFICATION/REEXAMINATION 13-2
C. REPORTING INTERIM CHANGES 13-5
D. OTHER INTERIM REPORTING ISSUES 13-8
E. INCOME CHANGES RESULTING FROM WELFARE PROGRAM REQUIREMENTS 13-9
F. NOTIFICATION OF RESULTS OF RECERTIFICATIONS 13-12
G. TIMELY REPORTING OF CHANGES IN INCOME (AND ASSETS) 13-12

H. CHANGES IN VOUCHER SIZE AS A RESULT OF FAMILY COMPOSITION CHANGES....13-13
I. CONTINUANCE OF ASSISTANCE FOR "MIXED" FAMILIES....13-14
J. MISREPRESENTATION OF FAMILY CIRCUMSTANCES....13-14

CHAPTER 14
Moves with Continued Assistance/Portability

A. ALLOWABLE MOVES....14-1
B. RESTRICTIONS ON MOVES....14-1
C. PROCEDURE FOR MOVES....14-2
D. PORTABILITY....14-3
E. OUTGOING PORTABILITY....14-4
F. INCOMING PORTABILITY....14-5

CHAPTER 15
Contract Terminations

A. CONTRACT TERMINATION....15-1
B. TERMINATION BY THE FAMILY: MOVES....15-2
C. TERMINATION OF TENANCY BY THE OWNER: EVICTIONS....15-2
D. TERMINATION OF THE CONTRACT BY CMHA....15-5
E. TERMINATION DUE TO INSUFFICIENT FUNDS....15-8

CHAPTER 16
Denial or Termination of Assistance

A. GROUNDS FOR DENIAL/TERMINATION....16-1
B. SCREENING AND TERMINATION FOR DRUG ABUSE AND OTHER CRIMINAL....16-7
C. FAMILY OBLIGATIONS....16-11
D. PROCEDURES FOR NONCITIZENS....16-15
E. ZERO ($0) ASSISTANCE TENANCIES....16-16
F. OPTION NOT TO TERMINATE FOR MISREPRESENTATION....16-16
G. MISSED APPOINTMENTS AND DEADLINES....16-17
H. TERMINATION OF PARTICIPANTS FOR INSUFFICIENT FUNDING....16-18

CHAPTER 17
Owner Disapproval and Restriction

A. DISAPPROVAL OF OWNER....17-1
B. OWNER RESTRICTIONS AND PENALTIES....17-3
C. OWNER REQUIREMENTS....17-3
D. UNIT REQUIREMENTS....17-4
E. PROGRESSIVE ENFORCEMENT PROGRAM....17-5
F. CHANGE IN OWNERSHIP....15-5

CHAPTER 18
Owner or Family Debts to CMHA

A. REPAYMENT AGREEMENT FOR FAMILIES....18-2
B. DEBTS OWED FOR CLAIMS....18-3
C. DEBTS DUE TO MISREPRESENTATIONS/NON-REPORTING OF INFORMATION....18-4
D. DEBTS DUE TO MINIMUM RENT/TEMPORARY HARDSHIP....18-4
E. GUIDELINES FOR REPAYMENT AGREEMENTS....18-4
F. OWNER DEBTS TO CMHA....18-5

CHAPTER 19
Complaints and Appeals

A. INFORMAL REVIEW PROCEDURES....19-1
B. INFORMAL HEARING PROCEDURES....19-3
C. HEARING AND APPEAL PROVISIONS FOR "RESTRICTIONS ON ASSISTANCE TO NONCITIZENS"....19-6
D. MITIGATING CIRCUMSTANCES FOR APPLICANTS/PARTICIPANTS WITH DISABILITIES....19-8

CHAPTER 20
Special Housing Types

A. MODERATE REHABILITATION UNITS....20-1
B. SINGLE ROOM OCCUPANCY (SRO)....20-2
C. CONGREGATE HOUSING....20-3
D. GROUP HOME....20-4
E. SHARED HOUSING....20-6
F. COOPERATIVE HOUSING....20-7
G. MANUFACTORED HOMES....20-8
H. HUD-VASH....20-9
I. FOSTER YOUTH INDEPENDENCE INITIATIVE....20-10

CHAPTER 21
Special Programs

A. VASH....21-1
B. FOSTERING YOUTH INITIATIVE (FYI) PROGRAM....21-2
C. EMERGENCY HOUSING VOUCHER (EHV) PROGRAM....21-5
D. NEAR ELDERLY/DISABLED (NED2)....21-6
E. MAINSTREAM....21-6

CHAPTER 22

Project Based Voucher Assistance

A. CONVERSION of HOUSING CHOICE VOUCHERS to PROJECT BASED VOUCHER ASSISTANCE.....22-3
B. TENANT BASED VS. PROJECT-BASED VOUCHER ASSISTANCE 22-4
C. RELOCATION REQUIREMENTS 22-4
D. EQUAL OPPORTUNITY REQUIREMENTS.....22-4
E. PROPOSAL AND PROJECT SELECTION CRITERIA.....22-5
F. PROHIBITION OF ASSISTANCE FOR INELIGIBLE UNITS 22-9
G. PROHIBITION OF ASSISTANCE FOR UNITS IN SUBSIDIZED HOUSING 22-11
H. CAP ON THE NUMBER OF PBV UNITS IN EACH PROJECT.....22-11
I. SITE SELECTION STANDARDS 22-13
J. ENVIRONMENTAL REVIEW 22-18
K. PHA-OWNED UNITS 22-19
L. PHA DETERMINATION PRIOR TO SELECTION 22-20
M. UNITS EXCUDED FROM PROGRAM CAP AND PROJECT CAP 22-20
N. HOUSING QUALITY STANDARDS/NSPIRE 22-22
O. HOUSING ACCESSIBILITY FOR PERSONS WITH DISABILITIES.....22-23
P. INSPECTING UNITS 22-23
Q. REQUIREMENTS FOR REHABILITATED AND NEW CONSTRUCTED UNITS 22-25
R. NATURE OF DEVELOPMENT ACTIVITY.....22-26
S. DEVELOPMENT REQUIREMENTS.....22-26
T. DEVELOPMENT AGREEMENT.....22-29
U. HOUSING ASSISTANCE CONTRACT 22-32
V. OCCUPANCY 22-51
W. RENT TO OWNER.....22-70
X. PAYMENT TO OWNER 22-70

CHAPTER 23

Rental Demonstration Program (RAD)

A. APPLICABLE REGULATIONS.....23-2
B. EQUAL OPPORTUNITY REQUIREMENTS 23-3
C. TRANSFER OF ASSISTANCE 23-3
D. RAD PBV HAP CONTRACT 23-3
E. THRESHOLD REQUIREMENT.....23-6
F. PLANNING REQUIREMENTS.....23-6
G. PHA PARTNERSHIP 23-9
H. PHA-OWNED UNITS 23-9
I. OWNERSHIP OR CONTROL 23-10
J. OWNER RESPONSIBILITIES 23-10
K. DESIGNATED HOUSING 23-13
L. DWELLING UNITS 23-14
M. LEASE REQUIREMENTS..... 23-14
N. RELOCATION REQUIREMENTS 23-15
O. MOVING WITH CONTINUED ASSISTANCE UNDER CHOICE MOBILITY (RAD).....23-17
P. TRANSFERS OF ASSISTANCE..... 23-18

CHAPTER 24
Family Self-Sufficiency

A. FSS PROGRAM OBJECTIVES 24-1
B. FAMILY OBJECTIVES 24-2
C. OUTREACH PROCEDURES 24-2
D. RECRUITMENT OF PARTICIPANTS 24-3
E. SELECTION OF PARTICIPANTS 24-3
F. ELIGIBILITY FOR FSS 24-3
G. ELIGIBILITY FACTORS 24-3
H. MOTIVATIONAL FACTORS 24-4
I. INFORMATION ASSESSMENT 24-4
J. GOAL DEVELOPMENT AND PLANNING 24-5
K. ANNUAL REVIEW 24-5
L. INCENTIVES - INCLUDING ESCROW CLARIFICATION 24-6
M. CONSEQUENCES OF NONCOMPLIANCE WITH FSS CONTRACT OF PARTICIPATION 24-7
N. PORTABILITY OF FSS CONTRACT AND ESCROW ACCOUNT 24-8
O. CONTRACT COMPLETION… 24-9
P. CONTRACT EXTENSIONS ..... ……24-9
Q. NETWORKING IN THE COMMUNITY 24-10
R. ACTIVITIES 24-10
S. PROGRAM COORDINATING COMMITTEE (PCC) 24-10
T. COORDINATION OF SERVICES 24-10
U. DATA TO BE MAINTAINED 24-10
V. FINAL GOAL FOR EACH FAMILY WHO JOINS FSS 24-11
W. TIMETABLE FOR PROGRAM IMPLEMENTATION 24-12
X. AFFIRMATIVELY FURTHERING FAIR HOUSING 24-13
Y. RECORDS FOR MONITORING CMHA PERFORMANCE 24-17

CHAPTER 25
Homeownership

A. ELIGIBILITY REQUIREMENTS 25-1
B. SEARCH AND PURCHASE 25-4
C. FAMILY OBLIGATIONS FOR CONTINUED ASSISTANCE 25-7
D. DENIAL OR TERMINATION OF HOMEOWNERSHIP ASSISTANCE 25-10

GLOSSARY

A. ACRONYMS USED IN SUBSIDIZED HOUSING..... 1
B. GLOSSARY OF TERMS IN SUBSIDIZED HOUSING 3
C. GLOSSARY OF TERMS USED IN THE NONCITIZENS RULE..... 21

PROGRAM INTEGRITY ADDENDUM

A. CRITERIA FOR INVESTIGATION OF SUSPECTED ABUSE AND FRAUD 22
B. STEPS CMHA WILL TAKE TO PREVENT PROGRAM ABUSE AND FRAUD.....23
C. STEPS CMHA WILL TAKE TO DETECT PROGRAM ABUSE AND FRAUD..... 23
D. CMHA'S HANDLING OF ALLEGATIONS OF POSSIBLE ABUSE AND FRAUD.....25
E. OVERPAYMENTS TO OWNERS 25
F. HOW CMHA WILL INVESTIGATE ALLEGATIONS OF ABUSE AND FRAUD 25
G. PLACEMENT OF DOCUMENTS, EVIDENCE AND STATEMENTS.....26
H. CONCLUSION OF CMHA'S INVESTIGATIVE REVIEW.....26
I. EVALUATION OF FINDINGS 26
J. ACTION PROCEDURES FOR VIOLATIONS THAT ARE DOCUMENTED… 26

CHAPTER 1

STATEMENT OF POLICIES AND OBJECTIVES

Introduction

The Housing Choice Voucher Program was enacted as part of the Housing and Community Development Act of 1974, which recodified the U.S. Housing Act of 1937. The Act has been amended from time to time, and its requirements, as they apply to the Housing Choice Voucher Program Tenant-Based Assistance Program, are described in and implemented throughout this Administrative Plan. The Housing Choice Voucher Program tenant-based assistance programs are federally funded and administered in Hamilton County by the Cincinnati Metropolitan Housing Authority through its Housing Choice Voucher Program office.

Administration of the Housing Choice Voucher Program and the functions and responsibilities of the Housing Authority (CMHA) staff shall be in compliance with CMHA's Personnel Policy and the Department of Housing and Urban Development's (HUD) Housing Choice Voucher Program Regulations as well as all Federal, State and local Fair Housing Laws and Regulations.

Jurisdiction

The jurisdiction of CMHA is Hamilton County.

HOUSING AUTHORITY MISSION STATEMENT

To be leader in the housing industry by providing exceptional housing opportunities while achieving high levels of customer satisfaction, promoting self- sufficiency and neighborhood stability, and being a long-term asset to the community. We will achieve this by developing public/private partnerships and creating entrepreneurial opportunities and by employees and residents holding themselves to our Gold Standards of Excellence.

LOCAL GOALS [24 CFR 982.1]

CMHA Goal: Expand the footprint supply of quality affordable housing.

Objectives:

- Leverage private or other public funds to create additional housing opportunities.
- Incorporating Project Based Vouchers as a strategy to improve the quality of rental housing for assisted housing customers.

CMHA Goal: Improve the quality of affordable housing.

Objectives:

- Maintain efficient voucher management: Maintain High- Performer SEMAP rating.
- Aggressively remove non-compliant property owners and participants from the program.
- Increase customer satisfaction by concentrating on efforts to improve specific management functions.
- Provide replacement vouchers.
- Provide training programs for participating owners.

CMHA Goal: **Expand landlord footprint into areas of opportunity to increase affordable housing choices.**

Objectives:

- Provide voucher mobility linkages.
- Conduct outreach efforts to potential voucher landlords.
- Conduct outreach efforts to enhance program image.
- Increase and enhance the voucher homeownership program.
- Revise voucher payment standards to more accurately reflect the market.

CMHA Goal: Promote self-sufficiency for all HCV program participants.

Objectives:

- Increase the number and percentage of employed participants.
- Identify supportive services and link services with FSS and other participants to improve recipients' employability.
- Provide or attract supportive services to increase independence for the elderly and families with disabilities.

CMHA Goal: Ensure equal opportunity and affirmatively further fair housing.

Objectives:

- Undertake affirmative measures to ensure access to assisted housing regardless of race, color, religion, national origin, sex, to actual or perceived sexual orientation, gender identity, familial or marital status, or disability.
- Undertake affirmative measures to provide a suitable living environment for

families living in assisted housing, regardless of race, color, religion, national origin, sex, to actual or perceived sexual orientation, gender identity, familial or marital status, or disability.

- Undertake affirmative measures to ensure accessible housing to persons with all varieties of disabilities regardless of unit size required.

CMHA also has the following goals for the program:

- Working with local neighborhood groups, law enforcement agencies, and community councils to be good neighbors in their communities.
- To encourage self-sufficiency of participant families and assist in the expansion of family opportunities which address educational, socio-economic, recreational and other human service needs.
- To create positive public awareness and expand the level of family, owner, and community support in accomplishing CMHA's mission.
- To attain and maintain a high level of standards and professionalism in our day-to- day management of all program components.
- To utilize all available methods to ensure accurate tenant and subsidy payments.
- To administer an efficient, high-performing program through continuous improvement of CMHA's support systems and commitment to our employees and their development.
- To provide affordable quality housing for very low-income families while maintaining their rent payments at an affordable level.
- To ensure that all units meet Housing Quality Standards and families pay fair and reasonable rents.
- To promote fair housing and the opportunity for very low-income families of all ethnic backgrounds to experience greater freedom of housing choice.
- To promote a housing program which maintains quality service and integrity while providing an incentive to private property owners to rent to very low- income families.
- To promote a market-driven housing program that will help qualified low-income families be successful in obtaining affordable housing and increase the supply of housing choices for such families.

- To attract quality owners/landlords to participate in the HCV program.
- To provide the highest level of customer service to all owners/landlords on the HCV program.
- To promote policies and procedures that benefit owners/landlords, participants and the community overall that will demonstrate an effective HCV program that provides neighborhood stability, fair profit sharing and reinvestments for owners/landlords while providing quality housing for participants.

- **PURPOSE OF THE PLAN [24 CFR 982.54]**

The purpose of the Administrative Plan is to establish policies for carrying out the programs in a manner consistent with HUD requirements and local goals and objectives contained in the Agency Plan.

CMHA is responsible for complying with all changes in HUD regulations pertaining to these programs. If such changes conflict with this Plan, HUD regulations will have precedence. CMHA will revise this Administrative Plan as needed to comply with changes in HUD regulations. The original Plan and any changes must be approved by the Board of Commissioners of the Agency, the pertinent sections included in the Agency Plan, and a copy provided to HUD.

This Administrative Plan is a supporting document to the CMHA Agency Plan and is available for public review as required by CFR 24 Part 903.

Applicable regulations include:

- 24 CFR Part 5: General Program Requirements
- 24 CFR Part 8: Nondiscrimination
- 24 CFR Part 982: Housing Choice Voucher Program Tenant-Based Assistance: Housing Choice Voucher Program
- 24 CFR Part 983: Project-Based Voucher (PBV) Program
- 43503 HUD Multi Family Guidebook

- **ADMINISTRATIVE FEE RESERVE [24 CFR 982.54(d)(21)]**

  Expenditures from the Administrative Reserve (Operating Reserve) for other housing purposes shall not exceed $3,590,700 in the aggregate for each fiscal year without the prior approval of CMHA Board of Commissioners.

- **RULES AND REGULATIONS [24 CFR 982.52]**

  This Administrative Plan is set forth to define CMHA's local policies for the operation of the housing programs in the context of federal laws and regulations. All issues related to the Housing Choice Voucher Program not addressed in this document are governed by such federal regulations, HUD memos, notices and guidelines, or other applicable laws. The policies in this Administrative Plan have been designed to ensure compliance with the consolidated ACC and all HUD-approved applications for program funding.

- **TERMINOLOGY**

  - The Cincinnati Metropolitan Housing Authority is referred to as "CMHA," "PHA," or "Housing Authority" throughout this document
  - "Tenant" is used to refer to participants in terms of their relation to owners. "Landlord" and "owner" are used interchangeably.
  - "Noncitizens Rule" refers to the regulation effective June 19, 1995 restricting assistance to U.S. citizens and eligible immigrants.
  - The Housing Choice Voucher Programs are also known as the Housing Choice Voucher Program, HCVP, Section 8, the Moderate Rehabilitation Program and other special housing types as detailed in Chapter 20.
  - "HQS/NSPIRE" means the Housing Quality Standards required by regulations as enhanced by CMHA.
  - "Failure to Provide" refers to all requirements in the first Family Obligation. See "Denial or Termination of Assistance" Chapter.
  - "Merger Date" refers to October 1, 1999, which is the effective date of the merging of the Housing Choice Voucher Program Certificate and Voucher programs into the Housing Choice Voucher Program.

  See Glossary for Other Terminology.

CHAPTER 2

Affirmatively Furthering Fair Housing

[24CFR §108]

Philosophy

CMHA will implement policies and procedures to recognize the importance of local decision-making to help guide public sector housing, community development and investment decisions to fulfill their obligation to affirmatively further fair housing.

POLICY

Title VIII of the Civil Rights Act of 1968 (the Fair Housing Act) requires HUD to administer its programs in a way that affirmatively furthers fair housing. The laws that establish the Community Development Block Grant (CDBG) program, the Comprehensive Housing Affordability Strategy (CHAS), and the Public Housing Authority Plan (PHA Plan) each require jurisdictions to certify in writing that they are affirmatively furthering fair housing. CMHA is committed to working with local governments, both the state and federal governments and Hamilton County Community stakeholders to affirmatively further fair housing.

CMHA will focus on improving integrated living patterns and overcoming historic patterns of segregation; reducing racial and ethnic concentrations of poverty; reducing disparities on the basis of race, color, sex, religion, creed, national or ethnic origin, age, to actual or perceived sexual orientation, gender identity, familial or marital status,, handicap or disability in access to community assets such as education, transit access, and employment, as well as exposure to environmental health hazards and other stressors that harm a person's quality of life; and responding to disproportionate housing needs by protected class.

CMHA will work with local government and organizations on an analysis to identify and address impediments to fair housing choice within its jurisdiction; take actions within its control to overcome the effects of any impediments identified through that analysis; and maintain records reflecting the analysis and actions in this regard.

A. FAIR HOUSING [24 CFR 982.54(d)(6)]

It is the policy of the Housing Authority to comply fully with all federal, state, and local nondiscrimination laws and with the rules and regulations governing fair housing and equal opportunity in housing and employment.

CMHA shall not deny any family or individual the equal opportunity to apply for or receive assistance under the Housing Choice Voucher Programs based on race, color, sex, religion, creed, national or ethnic origin, age, to actual or perceived sexual orientation, gender identity, familial or marital status, handicap or disability.

To further its commitment to full compliance with applicable civil rights laws, CMHA will provide federal/state/local information to voucher holders regarding unlawful discrimination and any recourse available to families who believe they are victims of a discriminatory act. Such information will be made available during the family briefing session, and all applicable fair housing information and discrimination complaint forms will be made as part of the voucher holder's briefing packet and available upon request at the HCV reception desk. CMHA will make available the toll-free number for the Housing Discrimination Hotline 1-800-669- 9777 and the Federal Information Relay Service at 1-800-887-8339 to facilitate filing fair housing complaints.

Housing Authority staff are kept informed of the importance of affirmatively furthering fair housing and providing equal opportunity to all families, including providing reasonable accommodation for people with disabilities, as a part of the overall commitment to quality customer service. Fair Housing posters are posted throughout the Housing Authority offices, and the equal opportunity logo is used on all outreach materials. Staff attend local fair housing training updates sponsored by HUD and other local organizations to keep current with new developments.

Except as otherwise provided in 24 CFR 8.21(c)(1), 8.24(a), 8.25, and 8.31, no individual with disabilities shall be denied the benefits of, be excluded from participation in, or otherwise be subjected to discrimination because CMHA's facilities are inaccessible to or unusable by persons with disabilities. Posters and housing information are displayed in locations throughout CMHA's office in such a manner as to be easily readable from a wheelchair.

CMHA offices are accessible to people with disabilities. Accessibility for the hearing impaired is provided by Cincinnati Bell by dialing 1-800-545-1833.

B. TRANSLATION OF FOREIGN LANGUAGES

For persons who, because of national origin, do not speak English as their primary language and who have a limited ability to speak, read, write, or understand. For purposes of Title VI and with the limited English proficiency (LEP) Guidance, persons may be entitled to language assistance with respect to a particular service, benefit, or encounter. For persons with limited English proficiency (LEP) the following will be considered:

Oral Translation

The Housing Authority, with sufficient advanced notice, will make arrangements to assist non-English speaking families and translate documents into other languages.

Translation of Documents

In determining whether it is feasible to provide translation of documents written in English into other languages, CMHA will consider the following factors:

- The number of applicants and participants in the jurisdiction who do not speak English and speak the other language.
- The estimated cost to CMHA per client of translation of English written documents into the other language.
- The availability of local organizations to provide translation services to non-English speaking families.
- The availability of bilingual staff to provide translation for non- English-speaking families.

Make buildings and communications that facilitate applications and service delivery accessible to people with disabilities:

Except as otherwise provided in 24 CFR 8.21(c)(1), 8.24(a), 8.25, and 8.31, no individual with disabilities shall be denied the benefits of, be excluded from participation in, or otherwise be subjected to discrimination because CMHA's facilities are inaccessible to or unusable by persons with disabilities. Posters and housing information are displayed in locations throughout CMHA's office in such a manner as to be easily readable from a wheelchair.

CMHA offices are accessible to people with disabilities. Accessibility for the hearing impaired is provided by Cincinnati Bell by dialing 1-800-545-1833.

Provide fair housing counseling services or referrals to fair housing agencies to families needing this service.

C. MANAGEMENT ASSESSMENT OBJECTIVES

CMHA operates its housing assistance program with efficiency and can demonstrate to HUD auditors that CMHA is using its resources in a manner that reflects its commitment to quality and service. CMHA policies and practices are consistent with the areas of measurement for the following HUD SEMAP indicators.

- Selection from the Wait List
- Reasonable Rent
- Determination of Adjusted Income
- Utility Allowance Schedule
- HQS/NSPIRE Quality Control Inspections

- HQS/NSPIRE Enforcement
- Expanding Housing Opportunities Payment Standards
- Annual Reexaminations
- Correct Tenant Rent Calculations
- Pre-Contract HQS/NSPIRE Inspections
- Annual HQS/NSPIRE Inspections
- Lease-Up
- Family Self-Sufficiency Enrollment and Escrow Account Balances
- Bonus Indicator Deconcentration

Supervisory quality control reviews will be performed by a CMHA supervisor or other qualified person other than the person who performed the work, as required by HUD, on the following SEMAP factors:

- Selection from the Wait List
- Rent Reasonableness
- Determination of Adjusted Income
- HQS/NSPIRE Enforcement
- HQS/NSPIRE Quality Control

The annual sample of files and records will be drawn in an unbiased manner, leaving a clear audit trail.

The minimum sample size to be reviewed will relate directly to each factor.

D. RECORDS FOR MONITORING CMHA'S PERFORMANCE

In order to demonstrate compliance with HUD and other pertinent regulations, CMHA will maintain records, reports and other documentation for a time that is in accordance with HUD requirements and CMHA's record retention policy; in a manner that will allow an auditor, housing professional or other interested party to follow, monitor and/or assess its operational procedures objectively, with accuracy and in accordance with SEMAP requirements.

In addition to the required SEMAP documentation, supervisory staff will perform on-going quality control audits of the following functions:

- Reexaminations
- New Admissions
- HQS/NSPIRE Inspections

E. PRIVACY RIGHTS [24 CFR 982.551 and 24 CFR 5.212]

Applicants and participants, including all adults in their households, are required to sign the HUD 9886 Authorization for Release of Information. This document incorporates the Federal Privacy Act Statement and describes the conditions under which HUD and CMHA will release family information.

CMHA's policy regarding release of information is in accordance with federal, state and local laws which may restrict the release of family information.

CMHA's practices and procedures are designed to safeguard the privacy of applicants and program participants and to comply with applicable HUD regulations. All applicant and participant files will be stored in a secure location which is only accessible by authorized staff.

F. FAMILY OUTREACH

CMHA will publicize and disseminate information to make known the availability of housing assistance and related services for families. When CMHA's wait list is open, CMHA will publicize the availability and nature of housing assistance for every family in a newspaper of general circulation, local media, and by other suitable means.

To reach people who cannot read the newspapers, CMHA will distribute fact sheets to the broadcasting media, and initiate personal contacts with members of the news media and community service personnel.

CMHA will communicate the status of housing availability to other service providers in the community and advise them of housing eligibility factors and guidelines to assist them in making referrals for housing assistance.

G. OWNER OUTREACH [24 CFR 982.54(d)(5)]

CMHA makes a concerted effort to keep private owners informed of legislative changes in the tenant-based program, which are designed to make the program more attractive to owners. This includes informing participant owners of applicable legislative changes in program requirements.

CMHA encourages owners of quality affordable housing units to lease to Housing Choice Voucher Program families.

CMHA conducts general meetings with participating owners to improve owner relations, increase program knowledge and recruit new owners.

CMHA will utilize a third-party vendor to maintain a list of interested owners and units available in all Hamilton County neighborhoods for the Housing Choice Voucher Program. CMHA will provide families with information on how to obtain this information from the vendor providing the service.

The staff of CMHA initiates personal contact with private property owners and managers by conducting formal and informal discussions and meetings.

Printed material is offered to familiarize owners and managers with the opportunities available under the program.

CMHA has active participation in a community-based organization(s) comprised of private property and apartment owners and managers.

CMHA will actively recruit and encourage the participation of property owners with property located outside areas with high poverty rates or areas with high concentrations of assisted housing. CMHA may periodically evaluate the demographic distribution of assisted families to identify areas within the jurisdiction where owner outreach should be targeted. The purpose of these activities is to provide more choices and better housing opportunities forfamilies.

Voucher holders are informed of a broad range of areas where they may lease units inside CMHA's jurisdiction. CMHA will also guide families to work with Housing Opportunities Made Equal (HOME) to assist families who desire to live outside areas with high poverty rates or areas with high concentrations of assisted housing.

CMHA may work with an outside entity to counsel families on their prospective move and services available in the areas in which the family is interested, with the goal of increasing the number of voucher holders moving into low-poverty neighborhoods and areas of opportunity.

CMHA may periodically:

- Request the HUD Field Office to furnish a list of HUD-held properties available for rent.
- Develop working relationships with owners' associations including Greater Cincinnati Northern Kentucky Apartment Association and Real Estate Investors Association.
- Establish contact with civic, charitable and neighborhood organizations which have an interest in housing for low-income families and public agencies concerned with obtaining housing for displacements.

- Explain the program, including equal opportunity requirements and nondiscrimination requirements, including Fair Housing Amendments Act of 1988 and Americans with Disabilities Act, to real estate agents, owners, and other groups that have dealings with low-income families or are interested in housing such families.

H. APPLYING FOR ADMISSION

Outreach efforts will include notification of all media and agencies listed in CMHA's Administrative Plan regarding public notices (see section on opening and closing the wait list in "Applying for Admission" chapter).

All people who wish to apply for any of CMHA's programs must submit a pre-application, as indicated in our public notice. Applications will be made available in an accessible format upon request from a person with a disability. Applicants will then be pulled from the wait list in ranking order and invited to a briefing. Upon request, CMHA will mail information to an applicant on how to obtain reasonable accommodation. If requested by the applicant, the information will be mailed in an accessible format.

A full application must be completed prior to final determination of eligibility for the HCV program. After the applicant completes the full application, they are interviewed by CMHA staff to review the information on the full application form. Full application will also include questions asking all applicants whether reasonable accommodation is necessary.

I. REASONABLE ACCOMMODATIONS [24 CFR 100.204, CFR 24 8.3]

The vision and purpose of the policy: The Cincinnati Metropolitan Housing Authority is an Ohio metropolitan housing authority and a public body. In keeping with its vision of providing innovative affordable housing solutions to low- and moderate-income individuals and families, the Cincinnati Metropolitan Housing Authority consistently strives to improve the total quality of its housing environment. CMHA must ensure that people with disabilities have full access to CMHA's programs and services.

- CMHA's reasonable accommodation policy is developed to provide all otherwise qualified applicants, residents, employees and other participants of CMHA programs or operations with equal access to all opportunities, programs and services offered by CMHA. Such access shall not be compromised by an individual's disability, unless in doing so, the nature of CMHA's programs or services would be fundamentally changed or result in undue hardship to CMHA or pose a direct threat to the health or safety of the individual or others.

- CMHA will alert all applicants and resident families at the time of the initial application, reexamination for program eligibility and on notices of adverse action by CMHA, of the opportunity to request reasonable accommodation.

POLICY

CMHA will provide reasonable accommodation in its housing programs and services for applicants, participants, or residents with disabilities. A reasonable accommodation is a change in in rules, policies, practices, or services when such accommodation may be necessary to afford a person with a disability the equal opportunity to use and enjoy a program or dwelling under the program. A person with a disability may request reasonable accommodation at any time during the application process, residency in public housing, or participation in Asset Management, Voucher Management, or Modern Rehabilitation programs of CMHA. An individual requesting reasonable accommodation, of the CMHA staff member on behalf of the individual, or any person identified by the individual should submit all requests in writing.

The decision to approve or deny request for reasonable accommodation is made on a case-by-case basis and takes into consideration the disability and the needs of the individual, as well as the nature of the program or activity in which the individual seeks to participate. Reasonable accommodation methods or actions that may be appropriate for a particular program and individual may be found to be inappropriate for another program or individual.

Requests for Reasonable Accommodations

CMHA will develop and implement procedures through which individuals may request reasonable accommodation. CMHA will make available to all people applying for residency at CMHA, or current residents, notice of the option to request reasonable accommodation.

CMHA will encourage that requests be submitted, in writing, using a reasonable accommodation request form. However, it is *not mandatory* that requests for accommodation be made in writing. However, CMHA will consider the accommodation any time the family indicates that accommodation is needed whether or not a formal written request is submitted. CMHA shall consider the need for accommodation by an applicant or resident that orally indicates that an exception, change or adjustment to a rule, policy, practice or service is needed due to a disability. If a resident requests reasonable accommodation and does not wish to put the request in writing, the site asset manager (or other CMHA staff) should reduce the request to writing and forward to the 504 Coordinator.

The family must explain what type of accommodation is needed to provide the person with the disability full access to CMHAs programs and services. If the need for the accommodation is not readily apparent or known, the family must explain the relationship between the requested accommodation and the disability.

The 504 Coordinator will obtain the necessary third-party verification from a competent professional to render the opinion and knowledgeable about the individual's situation. The individual may be identified by the family as the individual competent to make the determination and may include a doctor or other medical professional, a peer support group, a non-medical service agency, or a reliable third party who is in a position to know about the individual's disability and provide verification of a disability.

CMHA may not inquire about the nature or extent of any disability. Medical records will not be accepted or retained in the participant's file.

Requests for accommodation must be assessed on a case-by-case basis. After a request for accommodation is presented, CMHA will respond, in writing, within ten (10) business days from receipt of a completed request. Upon receipt of the request for accommodation, whether oral or in writing, CMHA shall, within ten (10) business days of the initial receipt, respond in writing as to whether or not the request for accommodation has been approved

If CMHA denies a request for accommodation, because there is no relationship, or nexus, found between the disability and the requested accommodation, the notice will inform the family of the right to appeal CMHA's decision through an informal hearing (if applicable) or the grievance process.

If CMHA denies a request for accommodation because it is not reasonable (it would impose an undue financial and administrative burden or fundamentally alter the nature of CMHA s operations), CMHA will discuss with the family whether an alternative accommodation could effectively address the family's disability-related needs without a fundamental alteration to the public housing program and without imposing an undue financial and administrative burden

It is the policy of CMHA to be service directed in the administration of our housing programs, and to exercise and demonstrate a high level of professionalism while providing housing services to families. CMHA will provide reasonable accommodation in its housing programs and services for applicants, participants, or residents with disabilities in accordance with its **Reasonable Accommodation Policy** incorporated into this Administrative Plan.

A participant with a disability must first request a specific change to a policy or practice as an accommodation of their disability before CMHA will treat a person differently than anyone else. CMHA's policies and practices will be designed to provide assurances that people with disabilities will be given reasonable accommodation, upon request, so that they may fully access and utilize the Housing Choice Voucher program and related services. The availability of requesting accommodation will be made known by including notices on CMHA forms and letters. This policy is intended to afford persons with disabilities an equal opportunity to obtain the same result, to gain the same benefit, or to reach the same level of achievement as those who do not have disabilities and is applicable to all situations described in this Administrative Plan including when a family initiates contact with CMHA, when CMHA initiates contact with a family including when a family applies, and when CMHA schedules or reschedules appointments of any kind.

To be eligible for reasonable accommodation:

First, the requester must certify or verify that they are an individual person with a disability under the following ADA definition:

- A physical, mental or emotional impairment that substantially limits one or more major life activities of an individual.

- A record of such impairment; or being regarded as having such impairment. Rehabilitated former drug users and alcoholics are covered under the ADA. However, the current drug user is not covered. In accordance with 5.403, individuals are not considered disabled for eligibility purposes solely on the basis of any drug or alcohol dependence. Individuals whose drug or alcohol addiction is a material factor to their disability are excluded from the definition. Individuals are considered disabled if disabling mental and physical limitations would persist if drug or alcohol abuse discontinued.

Once the person's status as a qualified person with a disability is confirmed, CMHA will require that a professional third party competent to make the assessment and provide written verification that the person needs the specific accommodation due to their disability and that the change is required for them to have equal access to the housing program. If CMHA finds that the requested accommodation fundamentally alters the nature of the CMHA’s operations, and/or creates an undue administrative or financial burden, CMHA will deny the request and/or present alternate accommodation that will still meet the needs of the person. An undue administrative burden is one that requires a fundamental alteration of the essential functions of CMHA (i.e., waiving a family obligation). An undue financial burden is one that when considering the available resources of the agency as a whole, the requested accommodation would pose severe financial hardship on CMHA.

Verification of Disability

CMHA will verify disabilities under definitions in the Fair Housing Amendments Act of 1988, Section 504 of the 1973 Rehabilitation Act, and the Americans with Disabilities Act (also referred to as “ADA”). If the person’s disability is obvious or already known, and if the need for the requested reasonable accommodation is readily apparent CMHA will not request additional verification.

CMHA will only request verification of the need for the requested accommodation every third year of recertification after initial approval. The verification process does not require that the disability be verified, only that the accommodation is still required and is a nexus to the disability.

CHAPTER 3

Eligibility for Admissions

[24 CFR Part 5, Subparts B, D & E; Part 982, Subpart E]

PHILOSOPHY

CMHA will strive for objectivity and consistency in applying both HUD's and CMHA's screening criteria to evaluate the eligibility of families who apply for housing assistance.

POLICY

CMHA staff will objectively review all information provided by the applicant family. This review will be conducted carefully in accordance with CMHA and HUD's admission eligibility criteria. Families will be provided with an opportunity to explain their circumstances, to furnish additional information, and to receive an explanation regarding how a decision was made by CMHA pertaining to their admission eligibility.

A. ELIGIBILITY FACTORS [982.201(b)]

CMHA accepts applications only from families whose head or spouse/co-head is at least 18 years of age or a person who has been designated as an emancipated minor through court order.

To be eligible for participation, an applicant must meet HUD's criteria, as well as any permissible additional criteria established by CMHA.

The HUD eligibility criteria are:

An applicant must be a "family." The term "*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:

(i) Is an otherwise eligible young person who has attained at least 18 years of age and not more than 24 years of age;

(ii) Has left foster care, or will leave foster care within 90 days, in accordance with a transition plan described in section 475(5)(h) of the Social Security Act (42 U.S.C. 675(5)(h)); and

(iii) is homeless or is at risk of becoming homeless at age 16 or older; or

(2) A group of people residing together, and such group include, but are not limited to:

(i) A family with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family);
(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. In addition, for categorizing family as defined above, the terms disabled family, elderly family and near-elderly family (per 24 CFR 5.403) are:

- Disabled family means a family whose head (including co- head), spouse or sole member is a person with a disability.
- Elderly family means a family whose head (including co-head), spouse or sole member is a person who is at least 62 years of age.

Near elderly family means a family whose head (including co-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

- An applicant must be within the appropriate Income limits.
- An applicant must furnish Social Security Numbers for all family members.
- An applicant must furnish declaration of citizenship or eligible immigrant status and verification where required.
- At least one member of the applicant family must either be a U.S. citizen or have eligible immigration status before CMHA may provide any financial assistance.

Other Eligibility Criteria for Admissions [24 CFR 5.618]

- Families that do not own Net Family Assets (as defined herein) worth more than $100,000
- Families that do own a home they could live in (as defined herein)

Reasons for denial of admission are addressed in the "Denial or Termination of Assistance" chapter. These reasons for denial constitute additional admissions criteria.

The family's initial eligibility for placement on the wait list will be made in accordance with the eligibility factors.

Evidence of citizenship/eligible immigrant status will not be verified until the family is selected from the wait list for final eligibility processing for issuance of a voucher.

B. FAMILY COMPOSITION [24 CFR 5.403]

The applicant must qualify as a "family". A "family" may be a single person or a group of persons.

A disabled family is a family whose head (including co-head), spouse, or sole member is a person with a disability. It may include two or more people with disabilities living together, or one or more people with disabilities living with one or more live-in aides.

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

An elderly family is a family whose head (including co-head), spouse, or sole member is a person who is at least 62 years of age. It may include two or more people who are at least 62 years of age living together, or one or more people who are at least 62 years of age living with one or more live-in aides.

- A "family" includes, but is not limited to, the following:
- A single person, who may be an elderly person, displaced person, disabled person, near-elderly person, or any other single person: or
- A group of people residing together, and such group include, but are not limited to:
- A family with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family).
- An elderly family.
- A disabled family.
- A displaced family; and
- The remaining member of a tenant family.

Head of Household

The head of household is the adult member of the household, designated by the family as head, is wholly or partly responsible for paying the rent, and has the legal capacity to enter into a contract under state/local law. Emancipated minors who qualify under state law can be recognized as head of household.

Spouse of Head

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

For proper application of the Noncitizens Rule, the definition of spouse is: the marriage partner who, to dissolve the relationship, would have to be divorced. The term "spouse" does not apply to boyfriends, girlfriends, significant others, or co-heads.

Co-Head

The co-head of the household is an individual in the household who is equally responsible for the lease as the head of household. A family may have a spouse or co-head, but not both. A co-head never qualifies as a dependent.

Live-In Aides

A family may include a Live-In Aide provided that such Live-In Aide:

- Is determined by CMHA to be essential to the care and well-being of an elderly person, a near-elderly person, or a person with disabilities and whose only purpose to be living in the unit is to provide such care.
- Is not obligated for the support of the person(s), and
- Would not be living in the unit except to provide care for the person(s).

Occasional, intermittent, multiple or rotating care givers do not meet the definition of Live-In Aide, therefore, CMHA will not grant an additional bedroom for rotating caregivers.

A Live-In Aide is treated differently than family members, including:

- Income of the Live-In Aid will not be counted for purposes of determining eligibility or level of benefits.
- Live-In Aids are not subject to Noncitizen Rule requirements.
- Live-In Aids may not be considered as a remaining member of the tenant family.

Relatives are not automatically excluded from being Live-In Aids, but they must meet all the elements in the Live-In Aide definition described above. Individuals who were listed as part of the household for the continuous 12-month period prior to the request for a live-in aid (excluding live-in aides) will not be eligible to serve as live-in aid because they are presumed to be living in the household for reasons other than serving as the live-in aid. Individuals seeking to serve as live-in aide can rebut this presumption upon the presentation of evidence that they have been living separate and apart from the household for a continuous 12-month period prior to the request for live-in aid. Such evidence may include, but is not limited to, a lease agreement.

A Live-in Aide must be identified by the family and may only reside in the unit with the approval of CMHA. Written verification will be required from a health care provider. The verification provider must certify that a Live-In Aide is needed for the care of the family member who is elderly, near-elderly (50-61) or disabled.

CMHA will approve a Live-In Aide if needed as reasonable accommodation to make the program accessible to and usable by the family members with a disability. Approval of a Live-In Aide for reasonable accommodation will be in accordance with CFR 24 Part 8 and the reasonable accommodations section in Chapter 2 of this Administrative Plan. The continued need for a Live-In Aide must be verified at every third annual recertification after initial approval.

Verification must include the number of hours that care will be provided.

[24 CFR 982.316] At any time, CMHA will refuse to approve a particular person as a Live-In Aide or may withdraw such approval if:

- The person commits fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program;
- The person does not meet CMHA's program eligibility requirements;
- The person commits drug-related criminal activity, violent criminal activity, sexual offense or any criminal activity deemed unsuitable;
- The person was evicted or terminated from a federally assisted housing program in the past 36 months; or
- The person currently owes rent or other amounts to CMHA or another assisted housing provider under the 1937 Act.

Split Households Prior to Voucher Issuance

When a family on the wait list splits into two otherwise eligible families and the new families both claim the same placement on the wait list, CMHA will ensure that both parties receive the same placement on the wait list

Joint Custody of Children

Children who are subject to a joint custody agreement but live with one parent at least 51% of the time will be considered members of the household. "51% of the time" is defined as 183 days of the year, which do not have to run consecutively.

There will be self-certification required of families who claim joint custody or temporary guardianship.

When both parents are on the wait list and both are trying to claim the child, the parent whose address is listed in the school records will be allowed to claim the school-age child as a dependent.

C. INCOME LIMITATIONS [24 CFR 982.201(b), 982.353]

To be eligible for assistance, an applicant's annual income at the time of admission must not exceed 50% of median area incomes except as provided for as follows:

- Asset Management tenants relocating from a Hope VI site;
- Families participating in the HUD VASH Program;
- Tenants living in project-based housing who receive a voucher when the owner opts out of their contract with HUD; or
- Other exceptions are consistent with HUD regulations.

To determine if the family is income-eligible, CMHA compares the annual income of the family to the applicable income limit for the family's size.

Families whose annual income exceeds the income limit will be denied admission and offered an informal review.

Portability: applicant families who exercise portability must be within the applicable income limit for the jurisdiction of the receiving PHA in which they want to live.

D. MANDATORY SOCIAL SECURITY NUMBERS [24 CFR 5.216, 5.218]

Applicants

CMHA will deny eligibility to an applicant family if any required member of the household fails to disclose their Social Security Number and/or provide the required documentation of same.

If an applicant family is otherwise eligible to participate in the HCV program, the family may maintain their position on the wait list for a period of 90 calendar days to provide the missing Social Security Number and documentation for all members of the household. If there are issues beyond the families' control that prevent the Social Security Number from being obtained, CMHA may grant the family a one-time 90-day extension to comply with the Social Security Number documentation requirement.

However, if the applicant family consists of a child under six (6) years of age, who was added to the household within a period of six (6) months prior to the date of voucher issuance, failure to disclose or provide the minors social security number at the time of the briefing will not in and of itself preclude the applicant family from being eligible from participation. The missing social security number(s) for the affected minor household members must be submitted to CMHA's HCV department within 90 calendar days of the HAP Contract effective date. If the applicant family fails to produce the requested documentation within the permissible timeframes.

At the expiration of the provided time period, if any required family member has failed to comply with the Social Security Number disclosure and documentation requirements, CMHA will deny Housing Choice Voucher assistance to the applicant family.

Participants

- Individuals exempt from disclosure and verification procedures are:
- Individuals who do not contend to have eligible immigration status.
- Tenants age 62+ as of 1/31/10.
- Tenants who have previously disclosed a valid SSN.

For participant households adding a new household member under the age of six with no assigned SSN, the new household member will be included as a household member, under a PIC generated alternate ID number, for a period not to exceed ninety (90) calendar days. During this period the family must disclose the missing social security number and required documentation to CMHA. CMHA may extend the submission deadline for an additional ninety (90) calendar days if unforeseen circumstances outside of the family's control will prevent timely disclosure and submission of required documentation.

At the expiration of the provided period, if any required family member has failed to comply with the Social Security Number disclosure and documentation requirements, CMHA will terminate the participant's housing assistance.

For participant households adding a new household member at least six years of age, or under the age of six with an assigned SSN, the family must disclose the SSN and provide documentation of the SSN to CMHA at the time of requesting the addition of the new household member. The new household member cannot be added to the family composition until the family has complied with SSN disclosure and verification requirements.

E. CITIZENSHIP/ELIGIBLE IMMIGRATION STATUS [24 CFR Part 5, Subpart E]

To receive assistance, a family member must be a U.S. citizen or eligible immigrant. Individuals who are neither may elect not to contend their status. Eligible immigrants are persons who are in one of the immigrant categories as specified by HUD.

For the citizenship/eligible immigration requirement, the status of each member of the family is considered individually before the family's status is defined.

Mixed families: A family is eligible for assistance if at least one member is a citizen or eligible immigrant. Families that include eligible and ineligible individuals are called "mixed." Such applicant families will be given notice that their assistance will be pro-rated and that they may request a hearing if they contest this determination.

All members are ineligible: Applicant families that include no eligible members are ineligible for assistance. Such families will be denied admission and offered an opportunity for a hearing.

Noncitizen students: Defined by HUD in the noncitizen regulations at 24 CFR 5.522 are not eligible for assistance.

Appeals: For this eligibility requirement only, the applicant is entitled to an informal review.

F. OTHER CRITERIA FOR ADMISSION [24 CFR 982.552(b)]

A family will not be admitted to the program if any member of the family has been evicted or terminated, within the past three years, from a federally assisted housing program, or is currently under termination or eviction from a federally assisted housing program for a serious violation of the lease.

A family will be denied admission to the program if any member of the family fails to sign and submit consent forms for obtaining information required by CMHA, including Form HUD-9886.

CMHA will apply the following criteria, in addition to the HUD eligibility criteria, as grounds for denial of admission to the program:

The family must not have violated any family obligation during a previous participation in the Housing Choice Voucher Program for three years prior to application to the wait list. CMHA may make an exception, if the family member who violated the family obligation is not a current member of the household on the application.

The family must be in good standing regarding any current repayment agreement made with CMHA or another PHA for a previous debt owed to any assisted housing provider because of prior participation in any federal housing program, before CMHA will allow participation in its Housing Choice Voucher Program.

If any member of an applicant family has a bad debt or previous balance due to CMHA or any other federally assisted housing program, they are eligible to apply for the wait list. The family will be placed on the wait list and will be notified, in writing, of the outstanding debt. The family will be removed from the wait list and given 60 days from the day they are pulled to enter into a satisfactory repayment agreement with the entity they owe. Upon signing a repayment agreement, the family will be placed back on the wait list with their same date and sequence time. If a repayment agreement is not established within 60 calendar days, the application will be withdrawn. CMHA will not pursue collection efforts for outstanding debts over 8 years where no judgement for payment has been rendered by a court in accordance with Ohio law.

CMHA will check the criminal history for all adults in the household to determine whether any member of the family has engaged in any of the prohibited behaviors as referenced in the section on screening and terminations policy in the "Denial or Termination of Assistance" chapter. Public information is accessed as part of screening processing.

CMHA will evaluate the applicant's record of previous tenancy on the Housing Choice Voucher Program and other CMHA housing programs. If the record was unsatisfactory, assistance may be denied. The family will have an opportunity for an informal review on the denial.

If any applicant deliberately misrepresents the information on which eligibility or tenant rent is established, CMHA may deny assistance and may refer the family file/record to the proper authorities for appropriate disposition. (See Program Integrity Addendum.)

G. TENANT SCREENING [24 CFR 982.307]

CMHA will take into consideration any of the criteria for admission described in the "Denial or Termination of Assistance" chapter.

CMHA will not screen family behavior or suitability for tenancy. CMHA will screen a family for program eligibility. CMHA will not be liable or responsible to the owner or other persons for the family's behavior or the family's conduct in tenancy.

The owner is responsible for screening and selecting the family to occupy the owner's unit. Before CMHA approval of the tenancy, CMHA will inform the owner that screening and selection for tenancy is the responsibility of the owner.

The owner is responsible for screening families for rental suitability based on their tenancy histories, including such factors as: [24 CFR 982.307(a)(3)]

- Previous landlord reference checks.
- 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. If requested in writing, CMHA will give the owner.
- The family's current and prior address as shown in CMHA's records; and

- The owner's contact information, if known, is for the family's current and prior address.

If requested, CMHA will offer the owner other information in CMHA's possession concerning the family, including:

- Information about the family's tenancy history; or
- Information about criminal activity by family members.

CMHA will advise families how to file a complaint if they have been discriminated against by an owner. CMHA will advise the family to make a fair housing complaint. CMHA may also report the owner to HUD (Fair Housing/Equal Opportunity) or the local fair housing organization. For families participating in the HUD-VASH Program, eligibility determination and veteran selection are done by the VA.

H. CONTINUED ELIGIBILITY PRIOR TO EFFECTIVE DATE OF THE CONTRACT

Because HUD periodically issues changes in rules and regulations and because family circumstances may have changed between the preliminary application and the full application, CMHA will make a final determination of eligibility and notify the family in writing after the full application and verification process is completed. The household is not eligible for voucher issuance until this final determination has been made.

Changes that occur during the period between issuance of a voucher and lease up may affect the family's eligibility or share of the rental payment. If any of the reasons for denial become applicable to the applicant after the initial determination of eligibility but before the effective date of the contract, the tenant would be determined ineligible.

I. INELIGIBLE FAMILIES [24 CFR 5.612]

College Students

No assistance shall be provided to a family where the head of household is enrolled (full time or part time) as a student at an institution of higher education who is:

- Under 24 years old.
- Not a U.S. veteran.
- Unmarried and does not have a dependent child, unless:
    - The student is eligible and the student's parents (individual or jointly) are income eligible for the program; or
    - The student can demonstrate absence or independence from their parents.

Assistance may be provided where the head of household is a college student and who meets one or more of the following criteria:

- At least 24 years old by December 31 of the award year for which aid is sought;
- An orphan or ward of court through age 18;
- A veteran of the U.S. Armed Forces; Married;
- Has a legal dependent(s) other than a spouse (i.e., dependent children or an elderly dependent parent); or
- Unclaimed as a dependent on another person's tax return.

Families who are determined to be ineligible will be notified in writing of the reason for denial and given an opportunity to request an informal review. See "Complaints and Appeals" chapter for additional information about reviews and hearings.

CHAPTER 4

Establishing Preferences and Maintaining the Wait List

[24 CFR Part 5, Subpart D; 982.54(d)(1), 982.204, 982.205, 982.206]

PHILOSOPHY

It is CMHA's objective to ensure that families are placed in the proper order on the wait list and selected from the wait list for admissions in accordance with the policies in this Administrative Plan. By maintaining an accurate wait list, CMHA will be able to perform the activities which ensure that an adequate pool of qualified applicants will be available so that program funds are used in a timely manner.

A. WAIT LIST POLICY [24 CFR 982.204]

CMHA uses a wait list for admission to its Housing Choice Voucher Tenant-Based Assistance Program. CMHA also maintains a wait list for each Project Based Voucher Contract. Unless indicated otherwise, the preferences listed below are for CMHA's tenant-based wait list only.

Except for Special Admissions, Ports and applicants for Project-Based Vouchers, applicants will be selected from CMHA HCV wait list in accordance with policies and preferences and income targeting requirements defined in this Administrative Plan. For Special Admissions, each agency that is authorized to refer families for the vouchers for their program will determine the preference among their pool of applicants.

CMHA will maintain information that permits proper selection from the wait list. The wait list contains the following information for each applicant listed:

- Applicant name(s);
- Date and time of pre-application;
- Qualification for any local preference;
- Racial or ethnic designation of the head of household;
- Annual (gross) family income; and
- Number of people in family.

B. LOCAL PREFERENCES [24 CFR982.207]

CMHA will offer public notice when changing its preference system and the notice will be publicized using the same guidelines as those for opening and closing the wait list. Applicants must claim eligible preference(s) at the time of application to the wait list.

Except for Special Admissions, applicants for Housing Choice Voucher Program assistance will be taken from the Housing Choice Voucher Program wait list in order of the following local preferences:

- Families that have been designated as eligible for assistance under HUD's Disaster Housing Assistance Program (DHAP).**__50 points__**
- Referrals of disabled persons referred by Living Arrangements for the Developmentally Disabled (LADD) up to 150 referrals. **__** 35 points__**
- Referrals of disabled persons referred by the Independence Alliance formerly known as Center for Independent Living Options (CILO) up to 75 referrals. **__**35 points__**
- HUD funded Family Unification Program (FUP) Voucher. **__35 points__**
- Canceled voucher preference for applicant families whose vouchers were recalled due to insufficient funding. **__**75 points__**
- Displaced preference for voucher families who have been terminated from the program because of insufficient funding. **__95 points__**
- Displaced preference for Asset Management/LIPH families in a hard to house situation, RAD conversion of AM/LIPH unit or due to demo/disposition of units. **__80 points__**
- Referral from Asset Management/LIPH or Touchstone Management Services when a family or individual cannot be housed because of extenuating circumstances. **__80 points__**
- Referrals from Touchstone Properties for Hamilton County Affordable Housing units when a family or individual cannot be housed because of extenuating circumstances. **__85 points__**
- Referrals for families who are at risk of becoming homeless due to unforeseen conditions because of residing in a condemned/unhabitable building or unanticipated rent affordability increase. Referrals can come from but not limited to property management companies, developers, or any partnering service provider, up to 100 referrals per calendar year, and would be at the discretion of CMHA. **__**70 points.__**
- Referrals for Temporary and/or Permanent Relocation assistance from Asset Management Services, RAD or Non-RAD units. **__80 points__**

- Referral from Strategies to End Homelessness up to 1,150 referrals. ****30 points**

- Referrals from Cincinnati Public Schools for homeless families up to 200 referrals. ****32 points**

- Youths aging out of foster care age 18-24: Youth referred for assistance by Lighthouse Youth Services or Hamilton County Job and Family Services who were residents of a state-run foster care system within twelve months of the onset of adulthood or emancipation up to 100 referrals. ****33 points**

- Elderly preference for the Logan Commons PBV wait list only. ****15 points**

- Near elderly preference for the Logan Commons PBV wait list only. ****10 points**
- Referral from Hamilton County Reentry Program: This preference applies to individuals or families, referred to CMHA by the Hamilton County Office of Reentry. The Hamilton County Office of Reentry works with a population of individuals returning from correctional institutions to the community up to 5 referrals. ****35 points**

- Mainstream Preference - Referrals or direct applications from families who are composed of one or more non-elderly people with disabilities (which may include additional members who are not non-elderly people with disabilities) who are:

    - Transitioning out of institutional and other segregated settings
    - At serious risk of institutionalization
    - Currently experiencing homelessness
    - Previously experienced homelessness **AND** currently a client in a 6/17/2026 permanent supportive housing or rapid rehousing projector at risk of experiencing homelessness up to referrals.

- Displaced preferences for families who were on the Emergency Housing Voucher (EHV) Program – CMHA is transitioning the Emergency Housing Voucher participants to the HCV tenant-based voucher program due to HUD sunsetting the program earlier than expected. ****90 Points)**

- Preference for families referred from Strategies to End Homelessness to the Summit Apts., Chapel, Grand, Mt. Auburn, Oak and Parkway Place Project-based wait lists. ****30 points**

- Foster Youth Independence- Initiative: The population eligible to be assisted with funding under this notice are youth certified by Ohio Jobs and Family Services as meeting the following conditions:

- Has attained at least 18 years and not more than 24 years of age;
- Left foster care, or will leave foster care within 90 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act at age 16 or older; and
- Is homeless [1] or is at risk of becoming homeless[2].**40 points**

[1] **Homeless** refers to the population included in the definition of this term at 24 CFR 578.3. [2] **At Risk of Becoming Homeless** means the population defined as "At Risk of Homelessness" at 24 CFR 576.2.

*** This preference is for the Summit Apts., Chapel, Grand, Mt. Auburn, Oak and Parkway Place PBV wait list only.

**** Referrals will be accepted from CMHA Special Admissions, Hamilton County Reentry, Mainstream, Asset Management/LIPH, Touchstone Management Service, Hamilton County Affordable Housing managed by Touchstone Properties, Asset Management Services, Relocation, DHAP, HUD funded FUP, Youths aging out of foster care FUP, Foster Youth Independence Initiative; LADD, HUD VASH, Strategies to End Homelessness, Independence Alliance formerly known as CILO, property management companies, new property owners, developers, and Cincinnati Public Schools regardless of whether a family is on the regular voucher wait list, regardless of whether the regular CMHA tenant based voucher wait list is open or closed, consistent with 24CFR 982.206 (c).

CMHA will admit families who qualify under the Extremely Low-Income limit to meet the income-targeting requirement, regardless of preference.

C. SPECIAL ADMISSIONS [24 CFR 982.54(d)(e), 982.203]

CMHA admits a limited number of families under a Special Admissions procedure. Special Admissions families will be admitted outside of the regular wait list process. They do not have to qualify for any preferences, nor are they required to be on the program wait list. CMHA maintains separate records of these admissions.

The following are examples of types of program funding that may be designated by HUD for families living in a specified unit:

- A family is displaced because of demolition or disposition of a public or housing project.
- A family residing in a multifamily rental housing project when HUD sells, forecloses or demolishes the project.
- For housing covered by the Low-Income Housing Preservation and Resident Home-ownership Act of 1990.
- A family residing in a CMHA owned property converted to RAD under Choice Mobility.
- A family residing in a project covered by a Project-Based Housing Choice Voucher Program HAP Contract at the end of the initial HAP Lease/Contract term; and

- A non-purchasing family residing in a HOPE 1 or HOPE 2 projects.

Special Admissions Programs, subject to funding availability, are:

- HUD VASH Homeless.
- Emergency Housing Vouchers.
- Mainstream Vouchers.
- Homeless VASH.
- Moderate Rehabilitation (MOD).
- Families that have been designated as eligible for assistance under HUD's Disaster Assistance Program (DHAP).
- Family Unification Program (FUP).
- Foster Youth Independence Initiative.
- If specifically funded by HUD, non-elderly disabled households.
- If specifically funded by HUD, non-elderly households with a disabled person transitioning from nursing homes or other health care institutions into the community. (NED2)

D. INCOME TARGETING

In accordance with the Quality Housing and Work Responsibility Act of 1998, each fiscal year CMHA will reserve a minimum of 75 percent of its Housing Choice Voucher Program new admissions for families whose income does not exceed 30 percent of the area median income. HUD refers to these families as "Extremely Low-Income families." CMHA will admit families who qualify under the Extremely Low-Income limit to meet the income-targeting requirement, regardless of preference.

CMHA's income targeting requirement does not apply to low-income families continuously assisted as provided for under the 1937 Housing Act.

CMHA is also exempted from this requirement where it is providing assistance to low income, or moderate-income families entitled to preservation assistance under the tenant-based program as a result of a mortgage prepayment or opt out.

E. PREFERENCE AND INCOME TARGETING ELIGIBILITY [24 CFR 982.207]

Change in Circumstances

Changes in an applicant's circumstances while on the wait list may affect the family's entitlement to a preference. Applicants are required to notify CMHA in writing when their circumstances change.

F. ORDER OF SELECTION [24 CFR 982.207(e)]

CMHA's method for selecting applicants from a preference category leaves a clear audit trail that can be used to verify that each applicant has been selected in accordance with the method specified in the Administrative Plan.

Local Preferences

Local preferences will be used to select families from the wait list. Households may qualify for more than one preference and will receive the points for each. CMHA has selected the following system to apply local preferences:

- Families that have been designated as eligible for assistance under HUD's Disaster Housing Assistance Program (DHAP). ****50 points**
- Referrals of disabled persons referred by Living Arrangements for the Developmentally Disabled (LADD) up to 150 referrals. ****35 points**
- Referrals of disabled persons referred by the Independence Alliance formerly known as Center for Independent Living Options (CILO) up to 75 referrals. **35 points
- HUD funded Family Unification Program (FUP) Voucher. ****35 points**
- Emergency Housing Voucher (EHV). *****90 points**
- Canceled voucher preference for applicant families whose vouchers were recalled due to insufficient funding. ****75 points**
- Displaced preference for voucher families who have been terminated from the program as a result of insufficient funding. ****95 points**
- Displaced preference for Asset Management/LIPH families in a hard to house situation, RAD conversion of AM/LIPH unit or due to demo/disposition of units. ****80 points**
- Referral from Asset Management/LIPH or Touchstone Management Services when a family or individual cannot be housed because of extenuating circumstances. ****80 points**
- Referral from Touchstone Properties for Hamilton County Affordable Housing units when a family or individual cannot be housed because of extenuating circumstances. ****85 points**
- Referrals for families who are at risk of becoming homeless due to unforeseen conditions because of residing in a condemned/unhabitable building or unanticipated rent affordability increase. Referrals can come from but not limited to property management companies, developers, or any partnering service provider, up to 100 referrals per calendar year, and would be at the discretion of CMHA. ****70 points.**

- Referrals for Temporary and/or Permanent Relocation assistance from Asset Management Services, RAD or Non-RAD units. ****80 points**
- Referral from Strategies to End Homelessness up to 1,150 referrals. ****30 points**
- Referrals from Cincinnati Public Schools for homeless families up to 200 referrals. ****32 points**

- Youths aging out of foster care age 18-24: Youth referred for assistance by Lighthouse Youth Services or Hamilton County Job and Family Services who were residents of a state-run foster care system within twelve months of the onset of adulthood or emancipation up to 100 referrals. ****33 points**

- Elderly preference for the Logan Commons PBV wait list only. ****15 points**

- Near elderly preference for the Logan Commons PBV wait list only. ****10 points**

- Referral from Hamilton County Reentry Program: This preference applies to individuals or families, referred to CMHA by the Hamilton County Office of Reentry. The Hamilton County Office of Reentry works with a population of individuals returning from correctional institutions to the community up to 5 referrals. ****35 points**

- Mainstream Preference - Referrals or direct applications from families who are composed of one or more non-elderly people with disabilities (which may include additional members who are not non-elderly people with disabilities) who are:

    - Transitioning out of institutional and other segregated settings
    - At serious risk of institutionalization
    - Currently experiencing homelessness
    - Previously experienced homelessness **AND** currently a client in a permanent supportive housing or rapid rehousing projector at risk of experiencing homelessness up to referrals.

CMHA will admit families who qualify under the Extremely Low- Income limit to meet the income-targeting requirement, regardless of preference.

- Preference for families referred from Strategies to End Homelessness to the Summit, Oak Street, Mt. Auburn, Walnut and Parkway Apts. Project-based Voucher wait list. ****30 points**

- Foster Youth Independence- Initiative: The population eligible to be assisted with funding under this notice are youth certified by Ohio Jobs and Family Services as meeting the following conditions:
    - Has attained at least 18 years and not more than 24 years of age;
    - Left foster care, or will leave foster care within 90 days, in accordance with a transition plan described in section

475(5)(H) of the Social Security Act at age 16 or older; **and**

- Is homeless[1] or is at risk of becoming homeless[2] ****40 points**

[1] **Homeless** refers to the population included in the definition of this term at 24 CFR 578.3. [2] **At Risk of Becoming Homeless** means the population defined as "At Risk of Homelessness" at 24 CFR 576.2.

*** This preference is for the Summit, Oak Street, Mt. Auburn, Walnut and Parkway Apts. Project-based Voucher wait list only.

**** Referrals will be accepted from CMHA Special Admissions, Hamilton County Reentry, Mainstream, Asset Management/LIPH, Touchstone Management Services, Hamilton County Affordable Housing managed by Touchstone Properties, Asset Management Services, Relocation, DHAP, HUD funded FUP, Youths aging out of foster care FUP, Foster Youth Independence Initiative; LADD, HUD VASH, Strategies to End Homelessness, Independence Alliance formerly known as CILO, property management companies, developers, and Cincinnati Public Schools regardless of whether a family is on the regular voucher wait list, regardless of whether the regular CMHA tenant based voucher wait list is open or closed, consistent with 24 CFR 982.206 (c).

CMHA will admit families who qualify under the Extremely Low-Income limit to meet the income-targeting requirement, regardless of preference.

G. FINAL VERIFICATION OF PREFERENCES [24 CFR982.207]

CMHA will verify that a family claiming an applicant preference qualifies for the preference based on the family's circumstances.

The family must also qualify for the claimed preference(s) at the time of application to the wait list.

If verification results in a change of preference status, the applicant will be notified of their failure to qualify for the preference. The preference will be removed and the family placed back on the wait list in the appropriate order.

H. SPECIAL PROGRAMS

CMHA will maintain a separate wait list for its Moderate Rehab, NED2, Mainstream each Project Based Voucher Projects, PBV Choice Mobility, and RAD Choice Mobility. Referrals will be received for these programs in accordance with program regulations. Applicants will be ranked according to date and time of referral, unless a preference is indicated above.

- Choice Mobility Wait List: If the Voucher Inventory Turnover or Project Turnover Cap is reached, CMHA will create and maintain a waiting list in the order in which the requests from eligible households were received. Families will be issued vouchers in a ratio of up to 10 requests pulled per 50 families drawn from the HCV Tenant Based wait list.

- PBV to Voucher Wait List: Requests will be maintained according to date and time of voucher request from eligible households. Families will be issued vouchers in a ratio of up to 10 requests pulled per 50 families drawn from the HCV Tenant Based wait list.

- RAD to Tenant Based Assistance: Residents under the RAD PBRA provisions electing to move with a tenant-based voucher, within the latter of:
(a) 24 months from date of execution of the HAP or (b) 24 months after the move-in date. Families will be issued vouchers in a ratio of up to 10 requests pulled per 50 families drawn from the HCV Tenant Based wait list.

I. REMOVAL FROM WAIT LIST AND PURGING [24 CFR 982.204(c)]

It is CMHA's goal to purge the HCV wait list at least every 24 months, by emailing the applicants, at the email address provided by the applicant to the HCV Program, a notice requiring the applicant to verify current information and their continued interest in the HCV program. The applicant is responsible for ensuring that CMHA's HCV Program has their most current email address on file. Families must submit changes, in writing, to ensure that they receive notices from CMHA.

Any contact which requires a response will state a deadline for such a response. Failure to respond by the deadline will result in the applicant's name being removed from the wait list.

Upon request from a person with a disability, additional time will be granted as reasonable accommodation to respond to an established deadline.

If an applicant is removed from the wait list for failure to respond or returned mail, the applicant will not be entitled to reinstatement unless HCV's Management or their designee determines there were circumstances beyond the person's control to respond timely.

CHAPTER 5

Applying for Admissions and Briefings

[24 CFR982.204]

PHILOSPHY

To ensure equal opportunity and affirmatively further fair housing, CMHA will ensure that all families who express an interest in housing assistance are given an equal opportunity to apply and are treated in a fair and consistent manner.

POLICY

The primary purpose of the intake function is to gather information about the family, but CMHA will also utilize this process to provide information to the family so that an accurate and timely decision of eligibility can be made. Applicants will be placed on the wait list in accordance with this Plan.

Upon pulling participants from the wait list, CMHA will require a mandatory briefing to ensure that families know how the program works. The briefing will provide a broad description of owner and family obligations, CMHA's procedures, and how to lease a unit. The family will also receive a briefing packet which provides more detailed information about the program, including the benefits of moving outside areas of poverty and minority concentration.

This chapter describes the policies and procedures for completing an initial application for assistance, placement and denial of placement on the wait list and limitations on who may apply.

A. OVERVIEW OF THE APPLICATION TAKING PROCESS

CMHA will only accept pre-applications for new admission when the waitlist is open (see Opening/Closing of the Wait List below) except for referrals listed in Chapter 4, Part B.

There are two phases to the application process, the "initial" or "pre- application" phase and the "final determination of eligibility" phase.

After the initial application is completed, it can take several months, if not years, to be pulled from the wait list to complete the "final determination of eligibility" phase of the application process. Applicants should refer to Chapter4 to maintain their placement on the wait list.

The second phase is the "final determination of eligibility" (referred to as the full application). The second phase takes place when the family reaches the top of the wait list. It is during this final application phase that CMHA verifies all HUD and CMHA eligibility factors to determine the family's eligibility for the issuance of a voucher.

B. OPENING/CLOSING OF THE WAIT LIST [24 CFR 982.206, 982.54(d)(1)]

Opening the Wait List

When CMHA opens the wait list, CMHA will advertise through public notice in the local media outlets including minority publications and media entities, with the location(s), and program(s) for which applications are being accepted.

The notice will contain:

- The date and time when the wait list will open.
- The process by which families may apply.
- The program(s) for which applications will be taken.
- A brief description of the program(s).
- Notice that asset management residents must submit a separate application to apply.
- Limitations, if any, on who may apply.

The notices will be made in an accessible format if requested. The notice will also provide potential applicants with information that includes the Housing Choice Voucher Program's address and telephone number, how to apply, information on eligibility requirements, and the availability of applicable local preferences.

Upon request from a person with a disability, additional time will be given as accommodation for submission of an application after the closing deadline. This accommodation is to allow people with disabilities the opportunity to submit an application in cases when a social service organization provides inaccurate or untimely information about the closing date.

Closing the Wait List

CMHA may stop accepting applications if there are enough applicants to fill anticipated openings for the next 12 months. The wait list may not be closed if it has a discriminatory effect inconsistent with applicable civil rights laws.

The open period shall be long enough to achieve a wait list adequate to cover projected turnover and new allocations over the next 12 months or longer. When the period for accepting applications is over, CMHA will add those new applicants to the wait list in accordance with the procedure detailed in the chapter of this Administrative Plan titled "Establishing Preferences and Maintaining the Wait List."

**** Referrals will be accepted from CMHA Special Admissions, Hamilton County Reentry, NED2, EHV, Mainstream, Asset Management/LIPH, Asset Management, Touchstone Services and Hamilton County Affordable Housing managed by Touchstone Properties. Relocation, DHAP, HUD funded FUP, Youths aging out of foster care FUP, Foster Youth Independence Initiative; LADD, HUD VASH, Strategies to End Homelessness, Independence Alliance formerly known as CILO, property management companies, developers, and Cincinnati Public Schools regardless of whether a family is on the regular voucher wait list, regardless of whether the regular CMHA tenant based voucher wait list is open or closed, consistent with 24 CFR 982.206 (c).

C. "INITIAL" APPLICATION PROCEDURES [24 CFR982.204(b)]

CMHA will utilize pre-application. The information is to be completed by the applicant whenever possible. To provide specific accommodation for people with disabilities, the information may be completed by an agency, family member or other person provided with permission to do so on behalf of the applicant.

The purpose of the pre-application is to determine preliminary rank on the wait list. The pre-application will contain at least the following information:

- Applicant name(s).
- Complete mailing address of the applicant family.
- Family unit size (number of bedrooms per CMHA subsidy standards).
- Date and time of application.
- Qualification for any local preference.
- Racial and ethnic designation of the head of household.
- Annual (gross) family income.
- Social Security Numbers of family members; and
- Birth dates of family members.

Pre-applications will not require an interview. The information on the pre-application will not be verified until the applicant has been selected from the wait list. Final eligibility will be determined when the full application process is completed, and all information is verified.

D. APPLICANT STATUS WHILE ON WAIT LIST [24 CFR 982.204]

If after a review of the pre-application the family is determined to be preliminarily eligible, they will be notified in writing that their pre-application has been accepted, and they have been placed on the wait list. Upon request from a person with a disability the family will be notified in an accessible format upon request, as reasonable accommodation.

The notice will contain the approximate time interval that assistance may be offered and will further explain that the estimated date is subject to factors such as turnover and available funding.

This written notification of preliminary eligibility may be sent to the applicant by first class mail or via electronic transmission. ex. email, portal access. Upon request from a person with a disability, the information will be distributed to the applicant in an accessible format.

Applicants are required to inform CMHA, in writing, of any address change. Applicants are also required to respond to requests from CMHA to update information on their application. Failure to respond by the specified deadline will result in their application being withdrawn from the waitlist.

If any member of an applicant family has a bad debt or previous balance due to CMHA or any other federally assisted housing program, they are eligible to apply for the wait list. The family will be placed on the wait list and will be notified, in writing, of the outstanding debt. The family will be removed from the wait list and given 60 days from the day they are pulled to enter into a satisfactory repayment agreement with the entity they owe. Upon signing a repayment agreement, the family will be placed back on the wait list with their same date and sequence time. If a repayment agreement is not established within 60 calendar days, the application will be withdrawn. CMHA will not pursue collection efforts for outstanding debts over 8 years where no judgement for payment has been rendered by a court in accordance with Ohio law.

If the applicant family is determined to be preliminarily ineligible or the pre-application is late and/or incomplete based on the information provided in the pre-application, CMHA will notify the family in writing (in an accessible format upon request as a reasonable accommodation), state the reason(s), and inform them of their right to an informal review. People with disabilities may request to have an advocate attend the informal review as an accommodation. See the chapter “Complaints and Appeals”.

If any member of the applicant family has been terminated from CMHA’s Asset Management, Mod Rehab, PBA, or other Special Admissions programs, within the last three (3) years, the applicant family will be withdrawn from the HCVP wait list.

Families that obtain vouchers through methods other than CMHA's traditional HCVP admissions process will be removed from the general HCV Wait List. Examples of this include families porting into the Hamilton County jurisdiction, those receiving vouchers through an Opt-Out program or by any other means not listed.

E. PULLING FROM THE WAIT LIST [24 CFR 982.204]

CMHA will utilize a lottery system to accept a limited number of applications submitted during the opening of the tenant-based wait list. CMHA will utilize a random system in ordering the names on the wait list. The random number serves as a date and time of application and is used as a tiebreaker in cases where families hold equal preference points. When funding is available, families will be selected from the wait list in the determined sequence and subject to income targeting requirements. To meet the income targeting requirement, CMHA will admit families who are Extremely Low Income regardless of preference in accordance with *Chapter 4 Section D* of this Administrative Plan.

Based on CMHA's turnover and the availability of funding, groups of families will be selected from the wait list to begin the verification process.

When there is insufficient funding available for the family at the top of the list, CMHA will not admit any other applicant until funding is available for the first applicant**. CMHA also reserves the right to place a family that may have been pulled back onto the wait list due to a shortfall in program funding. Applicants will be placed back on the list with their original date and time of the pre-application and claimed preference(s).**

- If any member of an applicant family has a bad debt or previous balance due to CMHA or any other federally assisted housing program, they are eligible to apply for the wait list. The family will be placed on the wait list and will be notified, in writing, of the outstanding debt. The family will be removed from the wait list and given 60 days from the day they are pulled to enter into a satisfactory repayment agreement with the entity they owe. Upon signing a repayment agreement, the family will be placed back on the wait list with their same date and sequence time. If a repayment agreement is not established within 60 calendar days, the application will be withdrawn. CMHA will not pursue collection efforts for outstanding debts over 8 years where no judgement for payment has been rendered by a court in accordance with Ohio law.

F. COMPLETION OF A FULL APPLICATION

Applicant families will be notified in writing that they have reached the top of the wait list. At this time, they will be asked to provide information on their income, assets and family composition to verify their eligibility for the program, along with

documentation of any claimed preference.

Applicants will be required to complete a full application and sign it, unless assistance is needed or a request for accommodation is made by a person with a disability.

G. ASSISTANCE TO FAMILIES WHO CLAIM DISCRIMINATION

CMHA will direct families to complete HUD Form 903 to file a complaint, and to contact the local fair housing agency.

H. VERIFICATION [24 CFR 982.201(e)]

Information provided by the applicant will be confirmed in accordance with the procedures detailed in the "Verification Procedures" chapter. Family composition, income, allowances and deductions, assets, full-time student status, eligibility and rent calculation factors, and other pertinent information will be verified. Guidance issued in Notice 2023-27, Section J.5.a., states that an original or authentic document generated by a third-party source dated within 120 days of the date received by the PHA, is considered acceptable third-party verification. For fixed income sources, a statement dated within the appropriate benefit year is acceptable documentation. PHAs are required to verify a family's income eligibility within 60 days prior to voucher issuance for the tenant-based voucher program and prior to admission for the PBV program. Previously, documents were required to be dated within 60 days of the date received by the PHA.

Failure to return the requested verifications by the due date provided may result in a family's application for housing being withdrawn. If the application for housing is withdrawn, the family will have to wait until the next opening to reapply.

CHAPTER 6

Verification Procedures

[24 CFR Part 5, Subparts B, D, E and F; 24 CFR 982.158, 24 CFR 5.617]

PHILOSOPHY

HUD regulations require the factors of eligibility and Total Tenant Payment/Family Share (TTP) be verified by CMHA. CMHA's verification requirements are designed to maintain program integrity.

POLICY

CMHA will obtain proper authorization from the family before requesting information from independent sources.

CMHA staff will use Enterprise Income Verification system (EIV) to streamline the verification of a family's income. This will be the first method of verifying and validating tenant reported information. EIV will not be pulled for interim certifications.

Applicants and program participants must provide true and complete information to CMHA whenever information is requested.

After the verification process is completed, CMHA will make a final determination of eligibility. This decision will be based upon information provided by the family, the verification completed by CMHA, and the current eligibility criteria in effect. If the family is determined to be eligible, CMHA will issue a voucher at the eligibility appointment.

This chapter explains CMHA's procedures and standards for verification of preferences, income, assets, allowable deductions, family status, and changes in family composition.

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

CMHA will verify information through the four methods of verification acceptable to HUD in the following order in accordance with its verification procedures:

1. Enterprise Income Verification (EIV) as mandated by 24 CFR 5.233
2. Upfront Income Verification (UIV)
3. Third-Party Written "Tenant-provided verification"
4. Third-Party Written
5. Certification/Self-Declaration

- Types of income that may be verified using Enterprise Income Verification (EIV).
- Gross Wages and Salaries (including overtime pay, commissions, fees, tips, bonuses, and other compensation for personal services)
- Unemployment Compensation
- Welfare Benefits
- Social Security Benefits (including federal and state benefits, Black Lung benefits, dual benefits)
- Social Security (SS)
- Supplemental Security Income (SSI)

CMHA may compare EIV reported information to tenant reported information. EIV may alleviate the need for independent third-party verifications when a family does not dispute the EIV information and provides acceptable supporting documentation, such as current pay stubs, letters from employer, etc.

EIV data may be used to validate family reported income and supplement family provided documents. HUD considers an income discrepancy to be an income source not reported by a tenant, or an income source reported at a substantial income difference from EIV 10% increase or decrease of annual adjusted income. If there is no discrepancy, CMHA will use current tenant provided documentation to calculate annual income.

CMHA may request written third-party verification when:

- Documents provided by the family are not acceptable to CMHA.
- Tenant reported information differs from EIV reported information.
- Family reports of loss or reduced income for an interim recertification.
- Family is unable to provide verification documents requested by CMHA; or
- Family disputes EIV and one or both of the above conditions apply.

Tenant Obligation to Supply CMHA/HUD with Information (24 CFR 960.259 & 982.551)

Third-Party Written "Tenant-Provided Verification" The family must supply any information that CMHA or HUD determines is necessary in the administration of the program.

The family must supply any information requested by CMHA or HUD for use in a regularly scheduled reexamination or interim reexamination of family income and composition in accordance with HUD requirements.

Rejection of Tenant Provided Documents

CMHA may reject tenant provided documentation when:

- Document provided is not original.
- Original document has been altered, mutilated, or is not legible; or
- Document appears to be a forged document or does not appear to be authentic.

CMHA must analyze all data (EIV data, third-party verification and other documents/information provided by the family).

CMHA will review historical income data for patterns of employment, paid benefits, and/or receipt of other income, when the CMHA cannot readily anticipate income, such as in cases of seasonal employment, unstable working hours, and suspected fraud.

CMHA will use the most current verified income data (and historical income data if appropriate) to calculate anticipated annual income.

Comments

Guidance issued in Notice 2023-27, Section J.5.a., states that an original or authentic document generated by a third-party source dated within 120 days of the date received by the PHA, is considered acceptable third-party verification. For fixed income sources, a statement dated within the appropriate benefit year is acceptable documentation. PHAs are required to verify a family's income eligibility within 60 days prior to voucher issuance for the tenant-based voucher program and prior to admission for the PBV program. Previously, documents were required to be dated within 60 days of the date received by the PHA.

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

Note that if the tenant disputes EIV Social Security (SS)/ Supplemental Security Income (SSI) benefit data, the PHA should request the tenant to provide the PHA with a current, original Social Security Administration (SSA) notice or benefit letter within 10 business days of their interview date. The tenant may contact SSA at 1-(800) 772-1213 or visit their local SSA office.

Resources for Historical Income Data:

Social Security Earnings Statement (summary of gross earnings for each year that the participant has worked in their lifetime) may be obtained from the Social Security Administration. Requests for this document may be done via mail or online at www.ssa.gov.

Two years of earnings may be obtained from the EIV System or local State Wage Information Collection Agency (SWICA). This information is only available to PHAs in states where the local SWICA has entered into an agreement with HUD to obtain wage and unemployment compensation data.

Last eight (8) amounts of Social Security benefits paid to a participant (or household member) may be obtained from the EIV system.

CMHA will allow seven (7) business days for return of third-party verifications before going to the next method. CMHA will document the file as to why third-party written verification was not received.

Third-Party Written Verification

Third-party verification is used to verify information directly with the source.

Verifications received electronically directly from the source are considered third-party written verifications.

CMHA will accept third-party verifications in the form of computerized printouts, pay stubs and letters from the employer-on-employer letterhead delivered by the family from the following:

Social Security Administration	Employers
Unemployment Compensation Board	City or County Courts
Veterans Administration	Welfare Assistance
Financial Institutions	Medical Providers/Pharmacies

Credit Reports

When CMHA conducts annual/interim reviews of zero-income families, CMHA may run a credit report with a release signed by the family.

Third-Party Oral Verification

Oral third-party verification may be used when written third-party "tenant-provided verification" is not received upon request or is not possible. When third-party oral verification is used, staff will be required to initiate contact and to complete an oral verification form, noting with whom they spoke, the date of the conversation, and the facts provided.

Third-Party Written "Tenant-Provided Verification"

CMHA will accept tenant-provided information as the primary source, unless the documentation provided is not original, appears to have been forged, has been mutilated or the documentation is not legible.

All such documents, excluding government checks, will be photocopied and retained in the applicant file.

CMHA will accept the following documents from the family provided that the document is such that tampering would be easily noted:

- Consecutive and original pay stubs.
- Social Security Administration Award Letter.
- Bank statements.
- Pension benefit statements.
- Temporary Assistance to Needy Families (TANF) Award Letter.
- Other official and authentic documents from a federal, state, or local agency.
- Computer printouts from the employer.
- Signed letters (provided that the information is confirmed by phone); and
- Other documents noted in this Chapter as acceptable verification.

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

- CMHA will accept electronic documents.
- CMHA will accept photocopies when appropriate.

Self-Certification/Self-Declaration

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

B. RELEASE OF INFORMATION [24 CFR 5.230]

Adult family members will be required to sign the HUD 9886-A Release of Information/Privacy Act form.

In addition, family members will be required to sign specific authorization forms when information is needed that is not covered by the HUD form 9886, Authorization for the Release of Information/Privacy Act Notice.

Each member requested to consent to the release of specific information will be provided with a copy of the appropriate forms for their review and signature.

Family refusal to cooperate with the HUD prescribed verification system will result in denial of admission or termination of assistance. It is a family obligation to supply any information required for admission into or continued participation in the Housing Choice Voucher Program and to sign all consent forms requested by CMHA or HUD.

C. ITEMS TO BE VERIFIED [24 CFR 982.516]

Earned income for all adult household members, 18 years of age or older.

Unearned income for all household members (including minors).

Full-time student status including high school students who are 18 years of age or older.

CMHA may accept a family's net family assets equal to or less than $50,000 (adjusted annually for inflation) and anticipated income earned from assets without taking additional steps to verify accuracy at reexamination. This is not applicable for new admissions to any voucher programs.

Childcare expense allows an adult family member to be employed, or to actively seek work, or to further their education.

Total medical expenses of all family members in households whose head or spouse/co-head is elderly or disabled.

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

Disability for determination of preferences, allowances, deductions or reasonable accommodation.

U.S. citizenship/eligible immigrant status. Social Security numbers for all family members.

Familial/Marital status when needed for head or spouse definition.

Other factors that affect the determination of adjusted income or income-based rent.

Verification of Reason for Reduction in Welfare Benefits: CMHA will use written verification from the welfare agency stating that the family's benefits have been reduced for noncompliance with the Self-Sufficiency Program when assessing the family's request for rent reduction.

D. VERIFICATION OF INCOME [24 CFR 982.516, 5.609(c) (s), 891.105]

CMHA will not utilize Safe Harbor determinations for household income. (defined in glossary)

EIV will be used to verify and validate tenant reported information. This section defines some specific methods CMHA will use to verify various types of income.

For any family member with a fixed source of income, CMHA may elect to determine that family member's income by means of a streamlined income determination. A streamlined income determination will be conducted by applying, for each fixed-income source, the verified cost of living adjustment (COLA) or current rate of interest to the previously verified or adjusted income amount.

Prior to utilizing this streamlined income determination, CMHA will verify the appropriate COLA or current rate of interest from a public source or through tenant-provided, third party–generated documentation. If no such verification is available, then CMHA will obtain third-party verification of income amounts in order to calculate the change in income for each fixed income source.

For any family member whose income is determined pursuant to a streamlined income determination, a PHA must obtain third-party verification of all income amounts every 3 years.

Employment Income

Acceptable methods of verification include:

1. Check stubs, letters from the employer or earning statements, which indicate the employee's gross pay, frequency of pay or year-to-date earnings.
2. Electronic third-party vendor sources such as the Work Number.
3. W-2 forms plus income tax return forms.
4. Self-certifications and income tax returns signed by the family may be used for verifying self-employment income, or income from tips and other gratuities.
5. Electronic printouts.

As needed, CMHA may request verification directly from the employer. The employment verification form will request the employer provide following information:

- Dates of employment.
- Amount and frequency of pay.
- Date of the last pay increase.
- Likelihood of change of employment status and effective date of any known salary increase during the next 12 months.
- Year to date earnings; and
- Estimated income from overtime, tips, and bonus pay expected during the next 12 months.

Applicants and program participants may be requested to sign an authorization for the release of information from the Internal Revenue Service for further verification of income.

In cases where there are questions about the validity of information provided by the family, CMHA will require additional information to support the information.

Where doubt regarding income exists, a referral to IRS for confirmation may be made on a case-by-case basis.

Social Security, Pensions, Supplementary Security Income (SSI), Disability Income

Acceptable methods of verification include:

1. Award or benefit notification letters prepared and signed by the providing agency.
2. Computer reports are electronically obtained or in hard copy.

Unemployment Compensation

Acceptable methods of verification include:

1. Computer report electronically obtained or in hard copy,from unemployment office stating payment dates and amounts.
2. Payment stubs.

Welfare Payments or General Assistance

Acceptable methods of verification include:

1. Written statement from payment provider indicating the amount of grant/payment, start date of payments, and anticipated changes in payment in the next 12 months.

2. Computer-generated Notice of Action.

3. Computer-generated list of recipients from the Ohio Department of Job and Family Services.

Alimony or Child Support Payments

Acceptable methods of verification include:

1. Copy of a separation or settlement agreement or a divorce decree stating amount and type of support and payment schedules.

2. A notarized letter from the person paying for the support.

3. Copy of latest check and/or payment stubs from Court Trustee. CMHA must record the date, amount, and number of the check.

4. Family's self-certification of amount received and of the likelihood of support payments being received in the future, or that support payments are not being received.

5. Printout from child support enforcement agency or other agency responsible for collection and distribution of monies.

If payments are irregular, the family must provide one of the following:

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

Net Income from a Business

To verify the net income from a business, CMHA will view IRS and financial documents from prior years and use this information to anticipate the income for the next 12 months.

Acceptable methods of verification include:

1. IRS Form 1040, including:
    - Schedule C (Small Business)
    - Schedule E (Rental Property Income)
    - Schedule F (Farm Income)

If accelerated depreciation was used on the tax return or financial statement, an accountant's calculation of depreciation expense, computed using straight-line depreciation rules.

1. Audited or unaudited financial statement(s) of the business.
2. Credit report or loan application.
3. Documents such as manifests, appointment books, cashbooks, bank statements, and receipts will be used as a guide for the prior 180 calendar days (or lesser period if not in business for 180 calendar days) to project income for the next 12 months. The family will be advised to maintain these documents in the future if they are not available.

Child Care Business

If an applicant/participant is operating a licensed day care business, income will be verified as with any other business. If an applicant/participant is a licensed day care business with Jobs and Family Service (JFS), a printout can be accepted from JFS to confirm income.

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

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

Recurring Gifts

The family must furnish a self-certification, which contains the following information:

- The person who provides the gifts.
- The value of the gifts.
- The regularity (dates) of the gifts; and
- The purpose of the gifts.

CMHA reserves the right to verify the income amount and source of the person providing the recurring gift.

Zero-Income Status

Families claiming to have no income will be required to execute income verification forms. CMHA will utilize EIV methods to verify a client's zero-income status. CMHA may also utilize credit checks to determine if there is unreported income of a household member.

Full-Time Student Status

Only the first $500 of the income earned of full-time students, other than head, co-head, or spouse, will be counted towards family income.

Financial aid, scholarships and grants are not counted towards family income. Verification of full-time student status includes:

- Written verification from the registrar's office or other school official.
- School records indicate enrollment for enough credits to be considered a full-time student by the educational institution.

Verification of Student Financial Assistance

Any reported financial assistance in excess of amounts received for tuition (including all mandatory educational fees) that a person attending an institution of higher education receives under the Higher Education Act of 1965, from private sources or from an institution of higher education must be considered income unless the student is over the age of 23 with dependent children or is residing with parents who are eligible for or receiving HCV assistance.

For students over the age of 23 with dependent children or students residing with parents who are eligible for or receiving HCV assistance, the full amount of student financial assistance is excluded from annual income. The full amount of student financial assistance is also excluded for students attending schools that do not qualify as institutions of higher education. Excluded amounts are verified only if, without verification, CMHA would not be able to determine whether or to what extent the income is to be excluded.

For a student subject to having a portion of their student financial assistance included in annual income in accordance with HUD regulations, CMHA may request third-party written verification of both the source and the amount from the educational institution attended by the student as well as from any other person or entity providing such assistance as well as all authorized tuition costs.

If CMHA is unable to obtain third-party written or oral verification of the requested information, CMHA will pursue other forms of acceptable verification with the family and student member.

E. INCOME FROM ASSETS [24 CFR 982.516]

Bank Account Interest Income and Dividends

Acceptable methods of verification include, in this order:

1. Account statements, passbooks, certificates of deposit, or CMHA verification forms completed by the financial institution.

2. Broker's statements showing value of stocks or bonds and the earnings credited to the family. Earnings can be obtained from current newspaper quotations or oral broker's verification.

3. IRS Form 1099 from the financial institution provided that CMHA must adjust the information to project earnings expected for the next 12 months.

4. Self-certification of assets that generate income of less than $50,000.00. (For established program participants)

Interest Income from Mortgages or Similar Arrangements

Acceptable methods of verification include, in this order:

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

Net Rental Income from Property Owned by Family

Acceptable methods of verification include, in this order:

1. IRS Form 1040 with Schedule E (Rental Income).

2. Copies of the latest rent receipts, leases, or other documentation of rent amounts.

3. Documentation of allowable operating expenses of the property: tax statements, insurance invoices, bills for reasonable maintenance and utilities, and bank statements or amortization schedules showing monthly interest expense.

4. Lessee's written statement verifying rent payments to the family and family's self-certification as to net income realized.

F. VERIFICATION OF ASSETS

Applicants – CMHA will obtain third-party verification of assets for all applicants to determine initial program eligibility.

Participants – During the implementation year (year one) all participants will be required to provide third party verification of all household assets. CMHA will not require participant families with net assets equal to or less than $50,000 to submit third party asset information during the following three annual certifications, during the stated two- year period, CMHA will accept a family's declaration of household assets with a net value of less than $50,000, without taking additional steps to verify the accuracy of the declaration. CMHA will accept a family's self- declaration of assets with a value of less than $50,000. The participant's self-decoration must include the current value of all household assets and the income expected to be received from those assets. CMHA's reexamination documentation, which is signed by all adult family members, may serve as the household's self – declaration of assets. Where the family has net family assets equal to or less than $50,000, CMHA will not request supporting documentation (e.g. bank statements) from the family to confirm the assets or the amount of income expected to be received from those assets.

When the participant family has net family assets more than $50,000, CMHA will obtain supporting documentation (as outlined below) from the family to confirm the net value and anticipated income from all assets.

Family Assets

When family assets exceed $50,000, CMHA will require the information necessary to determine the current cash value of the family's assets (the net amount the family would receive if the asset were converted to cash). Regardless of the value of a participant family's assets, third party verification must be obtained every three years.

Acceptable verification may include any of the following:

- Verification forms, letters, or documents from a financial institution or broker.
- Passbooks, checking account statements, certificates of deposit, bonds, or financial statements completed by a financial institution or broker.
- Quotes from a stockbroker or realty agent as to net amount family would receive if they liquidated securities or real estate.
- Real estate tax statements if the approximate current market value can be

deducted from assessment.

- Financial statements for business assets.
- Copies of closing documents showing the selling price and the distribution of the sales proceeds.
- Appraisals of personal property were held as an investment.
- Family self-certification describing assets or cash held at the family's home or in safe deposit boxes.
- Self-certification of assets that generate income ofless than $50,000.00 (For current program participants only)

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

For all certifications and recertifications, CMHA will obtain the Family's certification as to whether any family member has disposed of assets for less than fair market value during the two years preceding the effective date of the certification or recertification.

If the family certifies that they have disposed of assets for less than fair market value, verification is required that shows: (a) all assets disposed of for less than FMV, (b) the date they were disposed of, (c) the amount the family received, and (d) the market value of the assets at the time of disposition. Third-party verification will be obtained wherever possible. Income that would have been generated from the disposal of assets will be considered an asset during the annual recertification for two consecutive years. Any income that would have been calculated, had the asset been retained, will be used in calculating adjusted income.

G. VERIFICATION OF ALLOWABLE DEDUCTIONS FROM INCOME [24 CFR 982.516]

Child Care Expenses

Written verification from the person who receives the payments is required. If the childcare provider is an individual, s/he must provide a statement certifying of the amount(s) they are receiving from the family for their child-care services.

For people receiving services from a child-care center, written proof of monies **actually paid** to the childcare center must be received to be provided the deduction.

Verifications must specify the childcare provider's name, address, telephone number, the names of the children cared for, the number of hours the childcare occurs, the rate of pay, and the typical yearly amount paid, including school and vacation periods.

Family's certification as to whether any of those payments have been or will be paid or reimbursed by outside sources.

Medical Expenses

Families who claim medical expenses will be required to submit a certification as to whether or not any expense payments have been, or will be, reimbursed by an

outside source. All expense claims will be verified by one or more of the methods listed below:

- Written verification by a doctor, hospital or clinic personnel, dentist, pharmacist, of (a) the anticipated medical costs to be incurred by the family and regular payments due on medical bills; and (b) extent to which those expenses will not be reimbursed by insurance or a government agency.
- Written confirmation by the insurance company or employer of health insurance premiums to be paid by the family.
- Written confirmation from the Social Security Administration of Medicare premiums to be paid by the family over the next 12 months. A computer printout will be accepted.

For attendant care:

- A reliable, knowledgeable professional's certification that the assistance of an attendant is necessary as a medical expense and a projection of the number of hours the care is needed for calculation purposes.
- Attendant's written confirmation of the hours of care provided, and amount and frequency of payments received from the family or agency (or copies of canceled checks the family used to make those payments) or stubs from the agency providing the services.
- Receipts, canceled checks, or pay stubs that verify medical costs and insurance expenses are likely to be incurred in the next 12 months.
- Copies of payment agreements or the most recent invoice that verify payments made on outstanding medical bills that will continue over all or part of the next 12 months.
- Receipts or other records of medical expenses incurred during the past 12 months can be used to anticipate future medical expenses. CMHA may use this approach for "general medical expenses" such as non-prescription drugs and regular visits to doctors or dentists, but not for one- t i m e, nonrecurring expenses from the previous year.
- CMHA will use mileage at the IRS rate, cab fare, bus fare, or other public transportation cost for verification of the cost of transportation directly related to medical treatment.

Disability Expense [24 CFR 5.611(c)]

In All Cases:

Written certification from a reliable, knowledgeable professional that the person with disabilities requires the services of an attendant and/or the use of auxiliary apparatus to permit him/her to be employed or to function sufficiently independently to enable another family member to be employed.

Family's certification as to whether they receive reimbursement for any of the expenses of disability assistance and the amount of any reimbursement received.

Attendant Care:

Attendant's written certification of amount received from the family, frequency of receipt, and hours of care provided.

Certification of family and attendant and/or copies of canceled checks family used to make payments.

Auxiliary Apparatus:

Receipts for purchases or proof of monthly payments and maintenance expenses for auxiliary apparatus.

In the case where the person with disabilities is employed, a statement from the employer that the auxiliary apparatus is necessary for employment.

H. VERIFYING NON-FINANCIAL FACTORS [24 CFR5.617(b)(2)]

Verification of Legal Identity

To prevent program abuse, CMHA will require applicants to furnish verification of legal identity for all family members.

The documents listed below will be considered acceptable verification of legal identity for adults. If a document submitted by a family is illegible or otherwise questionable, more than one of these documents may be required.

- Certificate of birth or naturalization papers.
- Church issued baptismal certificate.
- Current, valid driver's license.
- U.S. military discharge (DD 214).
- U.S. Passport; Voter's registration.
- Company/Agency identification card.
- Department of Motor Vehicles identification card/state identification card; or
- Hospital records.

Documents considered acceptable for the verification of legal identity for minors may be one or more of the following:

- Certificate of Birth.
- Adoption papers.
- Custody agreement.
- Health and Human Services ID; or
- School records.

If none of these documents can be provided, a third party who knows the person may, at CMHA's discretion, provide verification.

Verification of Marital Status

Verification of divorce status will be a certified copy of the divorce decree signed by a Court Officer.

Verification of a separation may be a copy of court-ordered maintenance or other records.

Verification of marriage status is a marriage certificate.

Familial Relationships

The following verifications will always be required if applicable:

Verification of Relationship

Official identification showing names;

Birth certificates; or

Baptismal certificates.

Verification of Guardianship

Court-ordered assignment.

Affidavit of parent.

Verification from social services agency; or school records.

Verification of Permanent Absence of Family Member

If an adult or child member who was formerly a member of the household is reported permanently absent by the family, CMHA will consider any of the following as verification:

- Husband or wife institutes divorce action. Husband or wife institutes legal separation.
- Order of protection/restraining order currently active with the courts, obtained by one family member against another. Proof of another home address, such as utility bills, canceled checks for rent, current driver's license, or current verifiable lease or rental agreement.
- Statements from other agencies such as social services or a written statement from the owner or manager that the adult family member is no longer living at that location.
- If the adult or child family member is incarcerated, a document from the court or correctional facility should be obtained stating how long they will be incarcerated. If the incarceration is due to criminal or drug related activity while a member of the household, assistance may be terminated.
- If no other proof can be provided, CMHA will accept self-certification from the head of household. If the head of household is an absent member, proof

can be provided by the spouse or co-head.

Verification of Change in Family Composition

CMHA may verify changes in family composition (either reported or unreported) through letters, telephone calls, utility records, inspections, owners, neighbors, credit data, school or DMV records, and other sources.

Verification of Disability

Verification of disability may be receipt of SSI or SSA disability payments under Section 223 of the Social Security Act or 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001(7) or verified by an appropriate diagnostician such as physician, psychiatrist, psychologist, rehab specialist, or licensed social worker.

Verification of Citizenship/Eligible Immigrant Status [24 CFR 5.508, 5.510, 5.512, 5.514]

To be eligible for assistance, individuals must be U.S. citizens or eligible immigrants. Individuals who are neither may elect not to contend their status. Eligible immigrants must fall into one of the categories specified by the regulations and must have their status verified by Immigration and Naturalization Service (INS). Each family member must declare his or her status once. Assistance cannot be delayed, denied, or terminated while verification of status is pending except that assistance to applicants may be delayed while CMHA hearing is pending.

Citizens or Nationals of the United States are required to sign a declaration under penalty of perjury.

CMHA will require citizens to provide documentation of citizenship.

Acceptable documentation will include the following original documents:

- United States birth certificate.
- United States passport.
- Resident lien/registration card.
- Social security card; or
- Other appropriate documentation as determined by CMHA.

Eligible Immigrants age 62 or over are required to sign a declaration of eligible immigration status and provide proof of age.

Noncitizens with eligible immigration status must sign a declaration of status and verification consent form and provide their original immigration documents which are copied front and back and returned to the family. CMHA verifies the status through the INS SAVE system. If this primary verification fails to verify status, CMHA must request within ten days that the INS conduct a manual search.

Ineligible family members who do not claim to be citizens or eligible immigrants must be listed on a statement of ineligible family members signed by the head of household or spouse/co-head.

Noncitizen students on student visas are ineligible members even though they are in the country lawfully. They must provide their student visa, but their status will not be verified, and they do not sign a declaration but are listed on the statement of ineligible members.

Failure to Provide

If an applicant or participant family member fails to sign required declarations and consent forms or provide documents, as required, they must be listed as an ineligible member. If the entire family fails to provide and sign as required, the family may be denied or terminated for failure to provide the required information.

Time of Verification

For applicants, verification of U.S. citizenship/eligible immigrant status occurs at the same time as verification of other factors of eligibility for final eligibility determination.

CMHA will not provide assistance to any family prior to the affirmative establishment and verification of the eligibility of the individual or at least one member of the family.

For family members, added after other members have been verified, the verification occurs at the first recertification after the new member moves in.

Extensions of Time to Provide Documents

CMHA will grant an extension not to exceed 30 calendar days for families to submit evidence of eligible immigrant status.

Acceptable Documents of Eligible Immigration

The regulations stipulate that only the following documents are acceptable unless changes are published in the Federal Register.

- Resident Alien Card (1-551).
- Alien Registration Receipt Card (1-151).
- Arrival-Departure Record (1-94).
- Temporary Resident Card (1-688).
- Employment Authorization Card (I-688B).
- Receipt issued by the INS for issuance of replacement of any of the above documents that shows individual's entitlement has been verified.

- A birth certificate is not acceptable verification of status. All documents in connection with U.S. citizenship/eligible immigrant status must be kept five years.

If CMHA determines that a family member has knowingly permitted another individual who is not eligible for assistance to reside permanently in the family's unit, the family's assistance will be terminated for three years, unless the ineligible individual has already been considered in prorating the family's assistance.

Verification of Social Security Numbers [24 CFR 5.216]

Applicants

CMHA will deny eligibility to an applicant if any member of the family that is required to disclose their Social Security Number does not disclose it or provide documentation of such Social Security Number. However, if the family is otherwise eligible to participate in the program, the family may maintain their position on the wait list for a period of 90 days in order to provide the missing Social Security Number for each member of the household. If there are issues beyond the family's control that prevent the Social Security Number from being obtained, CMHA may grant the family a one-time 90-day extension to comply with the Social Security Number documentation requirement.

Once the Social Security Number is obtained, the family will be placed back on the wait list based on the date and time of their original application.

HUD recognizes that homeless applicants face additional challenges in obtaining appropriate documentation of their Social Security Number. Therefore, HUD has created an exception for applicants receiving assistance under the Section 8 Moderate Rehabilitation Single Room Occupancy Program for Homeless Individuals. Such applicants have 90 days after admission into the program to provide appropriate documentation.

At the expiration of the provided period, if any required family member has failed to comply with the Social Security Number disclosure and documentation requirements, CMHA will withdraw the family for failure to provide documentation.

Participants

- Individuals exempt from disclosure and verification

  procedures are Individuals who do not claim to have eligible

  immigration status; Tenants age 62+ as of 1/31/10; and

- Tenants who have previously disclosed a valid SSN.
- For participant households adding a new household member under the age of six with no assigned SSN, the new household member will be included as a household member, under a PIC generated alternate ID number. These families will be provided for 90 days to provide documentation of SSN. CMHA may extend an additional 90 days if unforeseen circumstances outside of the

family's control will prevent timely disclosure of required documentation.

For participant households adding a new household member at least six years of age, or under the age of six with an assigned SSN, the family must disclose the SSN and provide documentation of the SSN to CMHA at the time of requesting the addition of the new household member. The new household member cannot be added to the family composition until the family has complied with SSN disclosure and verification requirements.

Acceptable Sources of Social Security Numbers

Verification of social security numbers will be done through a social security card issued by the Social Security Administration. If a family member cannot produce a social security card, only the documents listed below showing his or her social security number may be used for verification. The family is also required to certify in writing that the document(s) submitted in lieu of the social security card information provided are complete and accurate:

- A driver's license.
- Identification cards are issued by a federal, state or local agency.
- Identification cards are issued by a medical insurance company or provider (including Medicare and Medicaid).
- An identification card issued by an employer or trade union; Earnings statements or payroll stubs.
- Bank statements; IRS Form 1099;
- Benefit award letters from government agencies.
- Retirement benefit letter.
- Life insurance policies;
- Court records such as real estate, tax notices, marriage and divorce, judgment or bankruptcy records; or
- Verification of benefits or social security number from Social Security Administration.

Verification for Medical Need for Larger Unit

A written certification that a larger unit is necessary must be obtained from a reliable, knowledgeable medical professional and provided to CMHA. Although CMHA may approve an additional bedroom for medical equipment if the need is documented by a health care provider, the actual equipment in the extra bedroom will be verified by CMHA during the annual inspection of the unit. If the extra bedroom is being used for its intended purpose and the individual remains at the residence where the accommodation was initially granted, reasonable accommodation will need to be re-verified every three years. If the individual

moves, then the accommodation will be reassessed in accordance with Reasonable Accommodation policy. If the extra bedroom is not being used for the intended purpose, CMHA must reduce the subsidy standard and corresponding payment standard at the family's next annual recertification. CMHA may take further action, if it believes any family obligations under 24 CFR Section 982.551 were violated.

I. VERIFICATION OF WAIT LIST PREFERENCES [24 CFR 982.207]

Local Preferences

Referrals of elderly or non-elderly disabled persons referred by Living Arrangements for the Developmentally Disabled (LADD): This preference is available for elderly or nonelderly disabled persons referred to CMHA's HCV Wait list through LADD. CMHA will require documented referrals from LADD.

Referrals of Homeless Veterans by the Cincinnati Department of Veteran Affairs (VA) Medical Center: This preference is for homeless veterans referred to CMHA's HCV Wait list by the Cincinnati VA Medical Center. CMHA will require documented referral from the Cincinnati VA Medical Center.

Referrals of elderly or non-elderly disabled persons referred by the Independence Alliance formerly known as **Center for Independent Living Options (CILO)**: This preference is available for elderly or nonelderly disabled persons referred to CMHA's HCV Wait list through **Independence Alliance** formerly known as CILO. CMHA will require a documented referral from the **Independence Alliance** formerly known as CILO.

FUP Voucher Youth maximizing out of FUP: This preference is for HUD FUP eligible youths issued a HUD FUP voucher that has reached the 18-month maximum period of housing assistance under program rules.

Families that have been designated as eligible for assistance under HUD's Disaster Housing Assistance Program (DHAP): FEMA-HUD initiative administered by HUD's network of public housing agencies (PHAs) to provide monthly rental assistance, case management services, security and utility deposit assistance for certain families displaced from their homes by a disaster. HUD verification will be required to qualify for this preference.

Canceled voucher preference for applicant families whose vouchers were recalled due to insufficient funding: This preference applies to voucher issued by CMHA and recalled by CMHA due to insufficient funding for the HCV Program.

Displaced preference for voucher families who have been terminated from the program as a result of insufficient funding: This preference applies to families that were leased in a unit under a HAP Contract with CMHA and the HAP Contract was terminated by CMHA due to insufficient funding for the HCV Program.

Displaced preference for Asset Management/LIPH families in a hard to house situation due to demo/disposition of units: This preference applies to families residing Asset Management/LIPH units that are in need of a 4 or more-bedroom unit. This preference requires a documented referral from CMHA's Asset Management program.

Referrals for Temporary and/or Permanent Relocation Assistance from Asset Management Services RAD or Non-RAD unit. This preference is for temporary or permanent relocation assistance. This preference requires a documented referral from CMHA's Asset Management Services or CMHA's Relocation Department.

Referral from Asset Management/LIPH or Touchstone Management Services when a family or individual cannot be housed because of extenuating circumstances: This preference applies to families residing in or applying for Asset Management/LIPH or Touchstone units that cannot be housed by the program because of extenuating circumstances as determined by CMHA. Extenuating circumstances can be but or not limited to the threat of health, safety or structure; witness to or victim of a crime; etc. This preference requires a documented referral from CMHA's Asset Management program.

Referral from Touchstone Management Services for Hamilton County Affordable Housing when a family or individual cannot be housed because of extenuating circumstances: This preference applies to families residing in Hamilton County Affordable Housing Units managed by Touchstone Properties that cannot be housed by the program because of extenuating circumstances as determined by CMHA. Extenuating circumstances can be but are not limited to the threat of health, safety or structure; witness to or victim of a crime; etc. This preference requires a documented referral from Touchstone Properties for Hamilton County Affordable Housing units.

Referrals for families who are at risk of becoming homeless due to unforeseen conditions because of residing in a condemned/unhabitable building or unanticipated rent affordability increase. Referrals can come from but not limited to property management companies, developers, or any partnering service provider, up to 100 referrals per calendar year, and would be at the discretion of CMHA. ****70 points.**

Displaced preference for families who are on the Emergency Housing Voucher (EHV) program – CMHA is transitioning the Emergency Housing Voucher participants to the HCV tenant-based voucher program due to HUD sunsetting the program earlier than expected

Referral from the Local Homeless Coalition: This preference applies to an individual or family, referred to CMHA by the local Homeless Coalition, who lacks a fixed, regular, and adequate night-time residence, or need assistance for homelessness prevention. Meaning but not limited to:

(i) Sleeping in a place not designed for or ordinarily used as a regular

sleeping accommodation

(ii) Or Living in a shelter (designated to provide temporary living arrangements

(iii) Or exiting an institution with no subsequent residence identified where they resided for 90 days or less AND were residing in emergency shelter or place not meat for human habitation immediately before entering institution.

**This preference requires documented referral from the Strategies to End Homelessness.

Youths aging out of foster care age 18-24: This preference applies to youth aging out of foster care who can verify that they were residents of a state-run foster care system within twelve months of the onset of adulthood or emancipation. This preference will require documented referral from Lighthouse Youth Services and Hamilton County Job and Family Services.

Senior Preference: Families where the head is age 62 or older.

Near Elderly Preference: Families where the head is age 52 or older.

Referral for Mainstream Voucher: This preference applies to a family composed of one or more non-elderly people with disabilities, which may include additional members who are not non-elderly people with disabilities. A family where the sole member is an emancipated minor is not an eligible family.

Institutional or other segregated settings include, but are not limited to: (1) congregate settings populated exclusively or primarily with individuals with disabilities; (2) congregate settings characterized by regimentation in daily activities, lack of privacy or autonomy, policies limiting visitors, or limits on individuals' ability to engage freely in community activities and to manage their own activities of daily living; or (3) settings that provide for daytime activities primarily with other individuals with disabilities.

At serious risk of institutionalization: Includes an individual with a disability who as a result of a public entity's failure to provide community services or its cut to such services will likely cause a decline in health, safety, or welfare that would lead to the individual's eventual placement in an institution. This includes individuals experiencing lack of access to supportive services for independent living, long waiting lists for or lack of access to housing combined with community-based services, individuals currently living under poor housing conditions or homeless with barriers to geographic mobility, and/or currently living alone but requiring supportive services for independent living. A person cannot be considered at serious risk of institutionalization unless the person has a disability. An individual may be designated as at serious risk of institutionalization either by a health and human services agency, by a community-based organization, or by self-identification.

People currently experiencing homelessness means:

(1) An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:

- An individual or family with a primary night-time residence that is a public or private place not designed for or ordinarily used as regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground.
- An individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, State, or local government programs for low-income individuals); or
- An individual who is exiting an institution where he or she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution.

(2) An individual or family who will imminently lose their primary nighttime residence, provided that:

- The primary night-time residence will be lost within 14 days of the date of application for homeless assistance.
- No subsequent residence has been identified; and
- The individual or family lacks the resources or support networks, e.g., family, friends, faith-based or other social networks, needed to obtain other permanent housing.

(3) Unaccompanied youth under 25 years of age, or families with children and youth, who do not otherwise qualify as homeless under this definition, but who:

- Are defined as homeless under section 387 of the Runaway and Homeless Youth Act (42 U.S.C. 5732a), section 637 of the Head Start Act (42 U.S.C. 9832), section 41403 of the Violence Against Women Act of 1994 (42 U.S.C. 14043e-2), section 330(h) of the Public Health Service Act (42 U.S.C. 254b(h)), section 3 of the Food and Nutrition Act of 2008 (7 U.S.C. 2012), section 17(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)), or section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a);
- Have not had a lease, ownership interest, or occupancy agreement in permanent housing at any time during the 60 days immediately preceding the date of application for homeless assistance.
- Have experienced persistent instability as measured by two moves or more during the 60-day period immediately preceding the date of applying for homeless assistance; and
- Can be expected to continue in such status for an extended period of time because of chronic disabilities; chronic physical health or mental health conditions; substance addiction; histories of domestic violence or childhood abuse (including neglect); the presence of a child or youth with a disability; or two or more barriers to employment, which include the lack of a high

school degree or General Education Development (GED), illiteracy, low English proficiency, a history of incarceration or detention for criminal activity, and a history of unstable employment; or

(4) Any individual or family who:

- Is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence;
- Has no other residence; and
- Lacks the resources or support networks, e.g., family, friends, and faith-based or other social networks, to obtain other permanent housing.

At risk of experiencing homelessness: An individual or family who:

(i) Does not have sufficient resources or support networks, e.g., family, friends, faith-based or other social networks, immediately available to prevent them from moving to an emergency shelter or another place described in paragraph (1) of the "Homeless" definition in this section; and

(ii) Meets one of the following conditions:

- Has moved because of economic reasons two or more times during the 60 days immediately preceding the application for homelessness prevention assistance.
- Is living in the home of another because of economic hardship.
- Has been notified in writing that their right to occupy their current housing or living situation will be terminated within 21 days of the date of application for assistance.
- Lives in a hotel or motel and the cost of the hotel or motel stay is not paid by charitable organizations or by federal, State, or local government programs for low-income individuals.
- Lives in a single-room occupancy or efficiency apartment unit in which there reside more than two persons, or lives in a larger housing unit in which there reside more than 1.5 people per room, as defined by the U.S. Census Bureau.
- Is exiting a publicly funded institution, or system of care (such as a health-care facility, a mental health facility, foster care or other youth facility, or correction program or institution); or
- Otherwise lives in housing that have characteristics associated with instability and an increased risk of homelessness.

Permanent supportive housing means permanent housing in which voluntary supportive services are provided to assist homeless people with a disability to live independently.

Foster Youth Independence Initiative: The population eligible to be assisted with funding under this notice are youth certified by Ohio Jobs and Family Services as meeting the following conditions:

- Has attained at least 18 years and not more than 24 years of age.
- Left foster care, or will leave foster care within 90 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act at age 16 or older; **and**
- Is homeless[1] or is at risk of becoming homeless[2].** **40 points**

[1] **Homeless** refers to the population included in the definition of this term at 24 CFR 578.3. [2] **At Risk of Becoming Homeless** means the population defined as "At Risk of Homelessness" at 24 CFR 576.2.

Referral from Cincinnati Public Schools: This preference applies to individuals or families, referred to CMHA by Cincinnati Public Schools, who lack a fixed, regular, and adequate residence, or needing assistance for homelessness.

Referral from Hamilton County Reentry Program: This preference applies to individuals or families, referred to CMHA by the Hamilton County Office of Reentry. The Hamilton County Office of Reentry works with a population of individuals returning from correctional institutions to the community up to 5 referrals for voucher assistance.

CHAPTER 7
Briefing and Voucher Issuance
[24 CFR 982.301, 982.302]

PHILOSOPHY

CMHA's goals and objectives are designed to ensure that families selected to participate in a housing program are equipped with the tools necessary to locate an acceptable housing unit.

POLICY

A full HUD-required briefing will be conducted for applicant families that have been pulled from wait list and determined to be eligible. Families are provided with sufficient knowledge and information regarding the program and how to achieve maximum benefit while complying with program requirements. They are also informed of the policies for how changes in the family composition will be handled.

A. BRIEFING REQUIREMENTS [24 CFR 982.301] Initial Applicant Briefing

A full HUD-required briefing will be conducted for eligible applicant families who have reached the top of the wait list. The briefings may be conducted in groups or via another oral format. Families who attend group briefings or view the briefing via an alternative oral format and still have the need for individual assistance will be referred to a housing specialist. The purpose of the briefing is to explain how the program works and the documents in the voucher holder's packet to families so that they are fully informed about the program. This will enable them to utilize the program to their advantage, and it will prepare them to discuss it with potential owners and property managers.

CMHA will not issue a voucher to a family unless the head of household, co-head, spouse or adult family representative has had a briefing. It is the family's responsibility to complete a required session before a voucher is issued. If the family does not complete the required briefing within 10 calendar days of the scheduled due date, CMHA will withdraw the application and remove the family from the wait list. Upon request, as a reasonable accommodation, CMHA will conduct individual briefings for families with disabilities.

Initial Briefing Packet [24 CFR 982.301(b)]

The documents and information provided in the briefing for the voucher program will comply with all HUD requirements. CMHA also includes other information and/or materials, which are not required by HUD.

The family is provided with the following information: The Housing Choice Voucher Program Tenant Handbook.

- The HUD brochure "A Good Place to Live," on how to select a unit that complies with HQS/NSPIRE.
- The HUD brochure "Fair Housing: It's Your Right," and other information about fair housing laws and guidelines and the phone numbers of the local fair housing agency and the HUD enforcement office.
- The HUD pamphlet on lead-based paint “Protect Your Family from Lead in Your Home,” and information about where blood level testing is available.
- The HUD Tenancy Addendum for Housing Choice Voucher Program Tenant- Based Assistance Housing Choice Voucher Program.
- The HUD form "Housing Discrimination Complaint."

Additional information includes: "Tenant Obligations," "Reasons for Denial or Termination of Assistance," "Your Rights for an Informal Review," "Housing Quality Standards" and information concerning program fraud.

CMHA will provide the family with information on how to obtain a listing of available units. CMHA may also provide family information on agencies that offers housing search assistance.

The information will include an explanation of how portability works.

A map showing areas representing various income levels of the jurisdiction and surrounding areas for the purpose of expanding housing opportunities for families.

Information regarding CMHA's outreach efforts, which assist families who are interested in or having trouble in obtaining available housing in low- poverty areas.

Information describing the Housing Choice Voucher Program, including the term of the voucher and CMHA’s policy for requesting extensions or suspensions of the voucher (referred to as tolling).

A description of the method used to calculate the housing assistance payment for a family, including how CMHA determines total tenant payment for a family and information on the payment standard and utility allowance schedule; and how CMHA determines the maximum allowable rent for an assisted unit, including the rent reasonableness standard.

The form the family must use to request approval of tenancy and a description

of the procedure for requesting approval for tenancy.

The CMHA Subsidy Standards include when and how exceptions are made and how the voucher size relates to the unit size selected.

If the family includes a person with disabilities, CMHA will ensure compliance with CFR 8.6 to ensure effective communication.

B. ISSUANCE OF VOUCHERS [24 CFR 982.204(d), 982.54(d) (2)]

When funding is available, CMHA will issue vouchers to applicants whose eligibility has been determined. CMHA performs a monthly calculation to determine whether applications can be processed, the number of vouchers that can be issued, and to what extent CMHA can over-issue (issue more vouchers than the budget allows to achieve lease-up). The number of vouchers issued must ensure that CMHA stays as close as possible to 100% lease up.

CMHA may over-issue vouchers only to the extent necessary to meet leasing goals. If CMHA finds it is over-leased, it must adjust future issuances of vouchers in order not to exceed the ACC budget limitations over the fiscal year.

C. TERM OF VOUCHER [24 CFR 982.303, 982.54(d) (11)]

After being deemed eligible through completion of the verification process, an applicant family will be issued a voucher. The voucher is a contractual agreement between CMHA and the family specifying the rights and responsibilities of each party. It does not constitute admission to the program. Admission into the HCV program occurs when the lease and contract become effective.

Expirations

The voucher is valid for an initial period of 90 calendar days from the date of issuance. EHV, Mainstream and VASH, Special Programs receive an initial voucher term of 120 days. The family must submit a completed Request for Tenancy Approval within the 90-day period, unless an extension has been granted by CMHA.

If the voucher has expired and has not been extended by CMHA or expires after an extension, the family may be denied assistance. The family will not be entitled to a review or hearing regarding the expiration of a voucher. The family can make applications to the program during the next opening of CMHA's wait list.

PLEASE NOTE: If the family is currently assisted, they may remain as a participant in their unit if, at the time the voucher expires, there is an assisted lease/contract in effect. If a voucher issued to a family because of a unit going under abatement, the family must submit a complete Request for Tenancy Approval before expiration of the voucher or they will lose program assistance.

Suspensions/Voucher Toll

When a Request for Tenancy Approval is received, CMHA will stop the clock (toll) the time of the voucher by the number of days required to process the RTA. The clock for the term of the voucher will resume upon cancellation of the RTA.

Extensions

It is CMHA's practice not to extend the initial voucher term, except, as a reasonable accommodation for a disabled family. CMHA will extend the voucher term up to a term reasonably required, if the family needs and requests an extension of the initial voucher term as reasonable accommodation to make the housing choice voucher program accessible to a family member who is a person with a disability. Extensions should be requested prior to voucher expiration. Extension requests received after a voucher expires will be reviewed and a case-by-case basis to see if the extension is warranted.

All extensions are permissible, at the discretion of CMHA, primarily for but not limited to these reasons:

- Extenuating circumstances such as hospitalization or a family emergency for an extended period of time that has affected the family's ability to find a unit within the initial 90-day period. Verification is required.
- The family was prevented from finding a unit due to disability accessibility requirements.
- The family was prevented from finding housing due to requiring a size (4) bedroom or larger unit. A search record may be part of the required verification.
- The family may have a hard time finding housing because of availability.

An informal review or hearing will not be provided for an expiration of a voucher term.

EXTENSION – Mainstream

Each extension must be a minimum of 90 days. The PHA must approve the first extension request, regardless of how it is made (verbal, written) or when it is made, as long as the request is made on or before the term of the expiration date and is consistent with applicable requirements; Subsequent requests should be processed in accordance with the PHA Administrative Plan and the PHA must, on at least one occasion after voucher issuance, notify the family prior to the initial term expiration to remind them of the term expiration date, the process for requesting an extension, and to acquire if the family is in need of assistance with their housing search.

CMHA offers housing search assistance all voucher holders through Rental Connection which is an open forum for voucher holders to meet with landlords who accept vouchers.

Assistance to Voucher Holders

Families who require additional assistance during their search may call CMHA. CMHA will provide the family with information on resources available to assist them in their housing search. CMHA will also provide the family with information on agencies that may be able to help families find units outside of areas of poverty or minority concentrations. CMHA does not maintain a property listing or provide housing search assistance directly to families.

D. VOUCHER ISSUANCE DETERMINATION FOR SPLIT HOUSEHOLDS [24CFR 982.315]

CMHA will not "split" a voucher or issue a second voucher to a family due to a split of the household. In those instances, when a family assisted under the Housing Choice Voucher Program becomes divided into two otherwise eligible families due to divorce, legal separation, or the division of the family, and the new families cannot agree as to which new family unit should continue to receive the assistance, and there is no determination by a court, the HCV Director or designee shall consider the following factors to determine which of the families will continue to be assisted:

- Which of the two new family units has custody of dependent children.
- The family composition at the time of application to the wait list.
- The composition of the new family units, and which unit contains elderly or disabled members.
- Whether domestic violence was involved in the breakup; or Recommendations of social service professionals.

Documentation of these factors will be the responsibility of the requesting parties.

If documentation is not provided, CMHA will terminate assistance on the basis of failure to provide information necessary for a recertification.

If the family break-up results from an occurrence of domestic violence, dating violence, or sexual assault, or stalking as provided in 24 CFR part 5, subpart L, CMHA must ensure that the victim retains assistance.

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

E. REMAINING MEMBER OF TENANT FAMILY - RETENTION OF VOUCHER [24CFR 982.315]

To be considered the remaining member of the tenant family, the person must have been previously approved by CMHA to be living in the unit and has resided in the unit 180 consecutive days prior to requesting to retain voucher.

A live-in Aide, by definition, is not a member of the family and will not be considered a remaining member of the family.

For a minor child to continue to receive assistance as a remaining family member:

The court must have awarded emancipated minor status to the minor; or CMHA has to have verified that social services and/or the Juvenile Court has arranged for another adult to be brought into the assisted unit to care for the child(ren) for an indefinite period.

A reduction in family size may require a reduction in the voucher family unit size.

F. ENCOURAGING PARTICIPATION IN LOW POVERTY AREAS

CMHA will encourage the use of tenant- based vouchers for families to locate housing in neighborhoods that will improve opportunities for all household members, by promoting the objectives of deconcentration.

The assistance provided to such families includes working directly with staff that will assist interested families in finding housing in low-poverty neighborhoods. Their assistance may include, but is not limited, to:

- Direct contact with owner
- Meeting with neighborhood groups to promote understanding.
- Formal or informal discussions with owner groups.
- Formal or informal discussions with social service agencies.
- Meeting with rental referral companies or agencies.
- Meeting with fair housing groups or agencies.
- Implementing a Good Neighbor Program.

CHAPTER 8
Subsidy Standards
[24 CFR 982.54(d)(9)]

PHILOSPHY

HUD guidelines require that CMHA establish subsidy standards for the determination of family unit size, and that such standards provide for a minimum commitment of subsidy while avoiding overcrowding.

POLICY

CMHA's subsidy standards are used for the unit size selected by the family and must be within the minimum unit size requirements of HUD's Housing Quality Standards. This Chapter explains the subsidy standards, which will be used to determine the voucher size (family unit size) for various sized families when they are selected from the wait list, as well as CMHA's procedures when a family's size changes, or a family selects a unit size that is different from the voucher.

A. DETERMINING FAMILY UNIT (VOUCHER) SIZE [24 CFR 982.402]

CMHA does not determine who shares a bedroom/sleeping room, but there must be at least one person per bedroom on the voucher, with the exception of a bedroom granted as reasonable accommodation. CMHA's subsidy standards for determining voucher size shall be applied in a manner consistent with fair housing guidelines.

For subsidy standards, an adult is a person 18 years old or older.

Children who are subject to joint custody agreement but live with one parent at least 51% of the time will be considered members of the household "51% of the time" defined as 183 days of the year, which do not have to run consecutively.

Self-certification can be submitted by families who claim joint custody or temporary guardianship. However, further validation may be requested by CMHA. Some items that can be used for verification are:

- State or local government printouts.
- School verification; or
- Guardianship or adoption documents.

The parent whose address is listed in the school records will be allowed to claim the school-age child as a dependent.

All standards in this section relate to the number of bedrooms on the voucher, not the family's actual living arrangements.

One bedroom will generally be assigned for each two family members. CMHA may consider factors such as family characteristics including sex, age, or relationship.

Consideration will also be given for medical reasons and the presence of an approved Live-In Aide.

Generally, CMHA assigns one bedroom to two people within the following guidelines:

Persons of different generations (siblings five years difference in age), adult persons of the opposite sex (other than partners), and unrelated adults should be allocated a separate bedroom.

Foster children will be included in determining unit size only if they will be in the unit for more than 180 consecutive calendar days.

Live-in Aide will generally be provided with a separate bedroom. Per PIH 2014-25, a PHA may only approve one additional bedroom for a live-in aide. Although a live-in aide may have PHA-approved family member/s live with him/her in the assisted unit, no additional bedrooms will be provided for the family members of the live-in aid. If the approval of additional family members of a live-in aide would result in violation of 24 CFR 982.401 (d)(2) (ii), the additional family members of the live-in aid may not be approved.

Space may be provided for a child who is away at school, but who lives with the family during school recesses.

Space will not be provided for a member who is away in the military.

A single pregnant woman with no other family members must be treated as a two-person family.

Single person family shall be allocated one bedroom.

GUIDELINES FOR DETERMINING VOUCHER SIZE

	Persons in the Household	
Voucher Size	**Minimum Number**	**Maximum Number**
0 Bedroom	1	1
1 Bedroom	1	2
2 Bedrooms	2	4
3 Bedrooms	3	6
4 Bedrooms	4	8
5 Bedrooms	5	10

B. EXCEPTIONS TO SUBSIDY STANDARDS [24 CFR 982.403(a) & (b)]

CMHA shall grant exceptions from the subsidy standards if the family requests and CMHA determines the exceptions are justified by the relationship, age, sex, health or disability of family members, or other individual circumstances.

CMHA will grant an exception upon request as accommodation for persons with disabilities. Circumstances may dictate a larger size unit than the subsidy standards permit when people cannot share a bedroom because of a need, such as:

- The benefit of a larger unit size for a verified medical or health reason; or Elderly persons or persons with disabilities who may require a live-in attendant.
- CMHA will verify the continued need for the additional room as part of the recertification process every three years, if granted as reasonable accommodation.

Request for Exceptions to Subsidy Standards

The family may request a larger sized voucher than indicated by CMHA's subsidy standards as reasonable accommodation. Such request must be made in writing within 10 calendar days of CMHA's determination of bedroom size. The request must explain the need or justification for a larger number of bedrooms. Documentation verifying the need or justification will be required as appropriate.

Requests based on health-related reasons must be verified and is subject to CMHA approval.

CMHA Error

If CMHA errors in the bedroom size designation, the family will be issued a voucher of the appropriate size. If the family has leased a unit, the adjustment will be made at the family's next annual recertification.

Changes for Applicants

The voucher size is determined prior to the eligibility appointment by comparing the family composition to CMHA subsidy standards. If an applicant requires a change in the voucher size, based on the requirements of CMHA subsidy standards, the previously referenced guidelines will apply.

Changes for Participants

The members of the family residing in the unit must be approved by CMHA. The family must obtain approval of any additional family member before the new member occupies the unit except for additions by birth, adoption, or court- awarded custody, in which case the family must inform CMHA within 30 calendar days. CMHA will not adjust a family's voucher size between recertification exams unless the family is a FUP Special Admission or transferring after the initial term of the lease agreement. CMHA may deny household additions that will result in the family being overcrowded. The above referenced guidelines will apply.

Household Changes for FUP Special Admission

A FUP eligible family that has been provided with a larger voucher size with the anticipation of a child/children being returned to the home, will have the voucher size reduced to match current household composition, if the child/children are not returned to the home within 60 days of the stated anticipated return date by HCJFS. After the family's voucher size has been reduced for this circumstance, the voucher size will not be changed until the family's next annual recertification date.

Underhoused Families

If a unit does not meet HQS/NSPIRE space standards due to an increase in family size (unit too small), CMHA may issue a new voucher, at the discretion of the Director of the HCV Program or designee, of the appropriate size and assist the family in locating a suitable unit.

CMHA will also notify the family of the circumstances under which an exception will be granted, such as:

- If a family with a disability is underhoused in an accessible unit.
- If a family requires an additional bedroom because of a health problem which has been verified by CMHA.
- The family has been unable to locate a unit within 90 days.

Over Housed Families

If a family size decreases and the unit size is too large for the family, CMHA will issue a new voucher to the family for an appropriate size unit at the next annual recertification. Although families are not required to move from an assisted unit when the number of bedrooms in the unit exceeds the number of bedrooms for which the family is eligible, the payment standard must conform to CMHA's subsidy standards at the family's next annual recertification or upon transfer.

CMHA will also notify the family of the circumstances under which an exception will be granted, such as:

- If a family with a disability is over housed in an accessible unit.
- If a family requires an additional bedroom because of a health problem which has been verified by CMHA.
- The family has been unable to locate a unit within 90 days.

C. UNIT SIZE SELECTED [24 CFR 982.402(c)]

The family may select a different size dwelling unit, other than that listed on the voucher. There are three criteria to consider:

1.) Subsidy Limitation: The family unit size as determined for a family under CMHA subsidy standard for a family assisted in the voucher program is based on CMHA's adopted payment standards. The payment standard for a family shall be the lower of

   - The payment standard amount for the family unit size; or
   - The payment standard amount for the unit size rented by the family.

2.) Utility Allowance: The utility allowance used to calculate the gross rent is determined is the lower of: (1) The utility allowance amount for the unit size for which the voucher was issued; or (2) the utility allowance amount for the unit size rented by the family. However, upon the request of a family that includes a person with disabilities, CMHA will approve a utility allowance higher than the applicable amount, if such a higher utility allowance is needed as a reasonable accommodation in accordance with HUD's regulations in 24 CFR part 8, to make the program accessible to and usable by the family member with a disability.

Housing Quality Standards: Units shall be occupied by families of the appropriate size. This policy maintains the usefulness of the units, while preserving them both from excessive wear and tear and under-utilization. It is also fully compliant with HUD rules related to occupancy standards.

D. PAYMENT STANDARDS

CMHA utilizes Small Area Fair Market Rents (SAFMRs) to establish its payment standards between 90-120% of the published amounts. If needed as reasonable accommodation for a person with a disability, a family may request and may receive a payment standard above the established amount to occupy a unit.

For families participating in the HUD-VASH Program, CMHA may approve a payment standard up to 140% as a reasonable accommodation.

CHAPTER 9

Factors Related to Total Tenant Payment and Family Share Determination

[24 CFR Part 5, Subparts E and F; 982.153, 982.551]

PHILOSOPHY

The accurate calculation of annual income and adjusted income will ensure that families are not paying more or less money for rent than their obligation under the regulations.

POLICY

CMHA will use the methods, as set forth in this Administrative Plan, to verify and correctly determine family income at admission and subsequent reexaminations (annual/interim).

This Chapter defines the allowable expenses and deductions to be subtracted from Annual Income and how the presence or absence of household members may affect the Total Tenant Payment (TTP). Income and TTP are calculated in accordance with 24 CFR Part 5, Subparts E and F, and further instructions set forth in HUD Notices and Memoranda. The formula for the calculation of TTP is specific and not subject to interpretation.

CMHA's policy in this Chapter addresses those areas which allow CMHA discretion to define terms and to develop standards to assure consistent application of the various factors that relate to the determination of TTP.

A. INCOME AND ALLOWANCES [24 CFR 5.609]

Income includes all amounts, monetary or not, which are received on behalf of the family. For purposes of calculating the Total Tenant Payment, HUD defines what is to be counted and what is to be excluded in the federal regulations. In accordance with this definition, all income which is not specifically excluded in the regulations is counted. CMHA will exclude from calculations of an individual income any financial assistance received for mandatory fees and charges (in addition to tuition).

Annual income includes all amounts received from all sources by each member of the family who is 18 years of age or older, the head of household, or spouse of the head of household, in addition to unearned income received by or on behalf of each dependent who is under 18 years of age:

1. All amounts not specifically excluded in the list of excluded income below, received from all sources by each member of the family who is 18 years of age or older or is the head of household or spouse of the head of household, plus unearned income by or on behalf of each dependent who is under 18 years of age, and

2. When the value of net family assets exceeds $50,000 (which amount HUD will adjust in accordance with the Consumer Price Index) and the actual returns from a given asset cannot be calculated, imputed returns on the asset based on the current passbook savings rate, as determined by HUD

EXCLUDED INCOME

Annual Income does not include the following:

1. Any imputed return on an asset when net family assets total $50,000 or less (which amount HUD will adjust annually in accordance with the Consumer Price Index) and no actual income from the net family assets can be determined. Actual income from assets will be included.

2. The following types of trust distributions:

    a. For an irrevocable trust or a revocable trust outside the control of the family or household excluded from the definition of net family assets

        1) Distributions of the principal or corpus of the trust; and

        2) Distributions of income from the trust when the distributions are used to pay the costs of health and medical care expenses for a minor.

    b. For a revocable trust under the control of the family or household, any distribution from the trust; except that any actual income earned by the trust, regardless of whether it is distributed, shall be considered income to the family at the time it is received by the trust.

3. Earned income of children under the age of 18 years.

4. Payments received for the care of foster children or foster adults, or State or tribal kinship or guardianship care payments.

5. Insurance payments and settlements for personal or property losses, including but not limited to payments through health insurance, motor vehicle insurance and worker's compensation.

6. Amounts received by the family that are specifically for or in reimbursement of, the cost of health and medical care expenses for any family member,

7. Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence or other breach of duty owed to a family member arising out of law, that resulted in a member of the family becoming disabled.

8. Income of a live-in aide, foster child or foster adult.

9. Certain student financial assistance to students as provided below:

10. Excluded Student Financial assistance covers assistance for tuition, books, and supplies (including supplies and equipment to support students with learning disabilities or other disabilities), room and board, and other fees required and charged to a student by an institution of higher education, and, for a student who is not the head of household or spouse, the reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted unit.

11. With respect to student financial assistance the following is excluded:

    a. Any assistance that section 479B of the Higher Education Act of 1965 requires to be excluded from a family's income,

    b. Plus, any of the following up to the total amount of Excluded Student Financial assistance as defined above received from:

        1) The Federal government.

        2) A State, Tribal or local government.

        3) A private foundation registered as a nonprofit under 502(c)(3).

        4) A business entity (such as a corporation, general partnership, limited liability company, limited partnership, joint venture, business trust, public benefit corporation or nonprofit entity; or

        5) An institution of higher education.

    Student financial assistance that is included in Annual Income includes:

    1) Financial support provided to the student in the form of a fee for services performed (e.g., a. work study or teaching fellowship that is not excluded)

    2) Gifts including gifts from family or friends

    3) Any amount of scholarship or grant that, either by itself or in combination with assistance excluded in 9.a above, exceeds the excluded Student Financial Assistance defined in 9 above.

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

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

14. Additionally excluded are:

    a. Amounts received by a person with disabilities that are disregarded for a limited time for purposes of Supplemental Security Income and benefits that are set aside for use under a Plan to Attain Self-Sufficiency (PASS).

    b. Amounts received by a participant in other publicly assisted programs that are specifically for, or in reimbursement of, out-of-pocket expenses incurred (special equipment, clothing, transportation, childcare, etc.) to allow participation in a specific program.

    c. Amounts received under a resident service stipend not to exceed $200 per month. A resident service stipend is a modest amount received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development.

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

15. Reparation payments paid by foreign governments pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era.

16. Earned income of dependent full-time students more than the amount of the deduction for a dependent.

17. Adoption assistance payments more than the amount of deduction for a dependent.

18. Deferred periodic payments of supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts, or any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts. But the periodic payments from these sources are income.

19. Payments related to aid and attendance under 38 USC 1521 to veterans in need of regular aid and attendance.

20. Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit.

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

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

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

24. Amounts specifically excluded by any other Federal Statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under the United States Housing Act of 1937. (A notice will be published by HUD in the Federal Register identifying the benefits that qualify for this exclusion. Updates will be published and distributed when necessary.)

The following is a list of benefits excluded by other Federal Statute:

a. The value of the allotment provided to an eligible household for coupons under the Food Stamp Act of 1977; 7 USC 2017 (h)

b. Payments to volunteers under the Domestic Volunteer Service Act of 1973; 42 USC 5044 (g), 5088

Examples of programs under this Act include but are not limited to:

- The Retired Senior Volunteer Program (RSVP), Foster

Grandparent Program (FGP), Senior Companion Program (SCP), and the Older American Committee Service Program.

- National Volunteer Antipoverty Programs such as VISTA, Peace Corps, Service-Learning Program, and Special Volunteer Programs.

- Small Business Administration Programs such as the National Volunteer Program to Assist Small Business and Promote Volunteer Service to Persons with Business Experience, Service Corps of Retired Executives (SCORE), and Active Corps of Executives (ACE).

c. Payments received under the Alaska Native Claims Settlement Act; 43 USC.1626 (a)

d. Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes; 25 USC. 459e

e. Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program; 42 USC 8624 (f)

f. Income derived from the disposition of funds of the Grand River Band of Ottawa Indians; P. L. 94-540, 90 State 2503-04

g. The first $2000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the Court of Claims 25 USC 1407-08, or from funds held in trust for an Indian Tribe by the Secretary of Interior; and 25 USC 117b, 1407

h. Payments received from programs funded under Title V of the Older Americans Act of 1965: 42 USC 3056 (f)

— Examples of programs under this act include but are not limited to: Senior Community Services Employment Program (CSEP), National Caucus Center on the Black Aged, National Urban League, Association National Pro Personas Mayores, National Council on Aging, American Association of Retired Persons, National Council on Senior Citizens, and Green Thumb.

i. Payments received after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established in the In Re Agent Orange product liability litigation.

j. Payments received under Maine Indian Claims Settlement Act of 1980; P.L. 96-420,94 Stat. 1785

k. The value of any childcare provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990; 42 USC 9858q

l. Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation.

m. Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990.

n. Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act.

o. Allowances, earnings, and payments to individuals participating in programs under the Workforce Investment Act of 1998.

p. Kinship Guardian assistance payments and other guardianship care payments.

q. Any amount received under the School Lunch Act and the Child Nutrition Act of 1966, including reduced price lunches and food under WIC.

r. Payments, funds or distributions authorized, established or directed by the Seneca Nation Settlement Act of 1990.

s. Compensation received by or on behalf of a veteran for service-connected disability, death, dependency or indemnity compensation as provided by the Indian Veterans Housing Opportunity Act of 2010.

t. A lump sum or a periodic payment received by an individual Indian pursuant to the Class Action Settlement Agreement in the case Elouise Cobell et al v Ken Salazar.

u. Any amounts in an ‘‘individual development account’’ as provided by the Assets for Independence Act, as amended in 2002 (Pub. L. 107–110, 42 U.S.C. 604(h)(4)).

v. Per capita payments made from the proceeds of Indian Tribal Trust Cases as described in PIH Notice 2013–30 ‘‘Exclusion from Income of Payments under Recent Tribal Trust Settlements’’ (25 U.S.C. 117b(a)); and

w. Major disaster and emergency assistance received by individuals and families under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Pub. L. 93–288, as amended) and comparable disaster assistance provided by States, local governments, and disaster assistance organizations (42 U.S.C. 5155(d)).

25. Replacement housing “gap” payments that offset increased out of pocket costs

of displaced persons that move from one federally subsidized housing unit to another. Such payments are not excluded from annual income if the increased cost of rent and utilities is subsequently reduced or eliminated, and the displaced person retains or continues to receive the replacement housing "gap" payments.

26. Nonrecurring income, which is income that will not be repeated in the coming year based on information provided by the family. Income received as an independent contractor, day laborer, or seasonal worker is not excluded from income under this paragraph, even if the source, date, or amount of the income varies.

Nonrecurring income includes:

a. Payments from the US. Census Bureau for employment (relating to decennial census or the American community Survey) lasting no longer than 180 days and not culminating in permanent employment.

b. Direct Federal or State payments intended for economic stimulus or recovery.

c. Amounts directly received by the family because of State refundable tax credits or State tax refunds at the time they are received.

d. Amount directly received by the family because of Federal refundable tax credits and Federal tax received the time they are received.

e. Gifts for holidays, birthdays or other significant life events or milestones (e.g., wedding gifts, baby showers, anniversaries).

f. Non-monetary, in-kind donations, such as food, clothing or toiletries received from a food bank or similar organization.

g. Lump-sum additions to net family assets, including but not limited to lottery or other contest winnings.

27. Civil rights settlements or judgments, including settlements of judgments for back pay.

28. Income received from any account under a retirement plan recognized as such by the IRS, including individual retirement arrangements (IRAs), employer retirement plans, and retirements plans for self-employed individuals; except that any distribution of periodic payments from such accounts shall be income at the time they are received by the family.

29. Income earned on amounts placed in a family's Family Self Sufficiency Account.

30. Gross income a family member receives through self-employment or

operation of a business except that the following shall be considered income to a family member:

a. Net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in IRS regs, and

b. Any withdrawal of cash or assets from the operation of a business or profession will be included in income except to the extent that the withdrawal is reimbursement of case or assets.

Anticipated Annual Income, at the time of admission or interim recertification is based on the following:

Actual income being received (projected forward for a 12-month period), or

Past actual income received or earned within the last 12 months of the determination date, as HUD may prescribe in applicable administrative instructions when:

The family reports little or no income; and

The processing entity is unable to determine annual income due to fluctuations in income (e.g., seasonal or cyclical income).

Historical Amounts. If CMHA is unable to determine annual income using current information because the family reports little to no income or because income fluctuates, we may average past actual income received or earned within the last 12 months before the determination date to calculate annual income. We may also request the family to provide documentation of current income. If the family can provide acceptable documentation dated either within the 60-day period preceding the determination date or the 60-day period following the request date, we may use this documentation to determine annual income.

Rejection of documentation. CMHA may reject any income documentation for such reasons as HUD may prescribe in applicable administrative instructions.

Adjusted Income - means annual income as determined above of the members of the family residing or intending to reside in the dwelling unit, after making the following deductions:

$500 for each dependent.
$550 for any elderly family or disabled family.

1. The sum of the following, to the extent the sum exceeds three (3%) percent of annual income:

a. Unreimbursed health and medical care expenses of any elderly family or disabled family; and

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

2. Any reasonable childcare expenses necessary to enable a member of the family to be employed or to further his or her education.

B. DISALLOWANCE OF EARNED INCOME FROM RENT DETERMINATIONS FOR PERSONS WITH DISABILITIES [24 CFR 5.617, 982.201(b)(3)]

The earned income disallowance will be eliminated effective 1/1/2024, however, residual earned income disallowances will continue to receive for the full 24-month benefit and will not exist thereafter.

Inapplicability to Admission

The earned income disallowance is only applied to determine the annual income of families who are participants in the Housing Choice Voucher Program and therefore does not apply for purposes of admission to the program (including the determination of income eligibility or any income targeting that may be applicable).

Applicability for Participants

The annual income for a participant family may not be increased as a result of increases in earned income of a family member who is a person with disabilities beginning on the date on which the increase in earned income begins and continues for a cumulative 24-month period. After the disabled family receives 12 cumulative months of the full exclusion, the next 12-month period will include a 50% phase-in period. During the 50% phase-in period, annual income will include a phase-in of half the income earned excluding from annual income.

A family qualified for the earned income exclusion is a family that is receiving tenant-based rental assistance under the Housing Choice Voucher Program; and:

- Whose annual income increases because of employment of a family member who is a person with disabilities and who was previously unemployed for one or more years prior to employment;
- Whose annual income increases because of increased earnings by a family member who is a person with disabilities during participation in any economic self-sufficiency or other job training program; or
- Whose annual income increases, because of new employment or increased earnings of a family member during or within 180 calendar days after receiving assistance, benefits or services under any State program for TANF provided that the total amount over a six-month period is at least $500. The qualifying OWF assistance may consist of any amount of monthly

income maintenance, and/or at least $500 in such OWF benefits and services as one-time payments, wage subsidies and transportation assistance.

The HUD definition of "previously unemployed" includes a person with disabilities who has earned in the previous 12 months no more than the equivalent earnings for working 10 hours per week for 50 weeks at the minimum wage. Minimum wage is the prevailing minimum wage in the state or locality.

The HUD definition of economic self-sufficiency program is: any program designed to encourage, assist, train or facilitate economic independence of assisted families or to provide work for such families. Such programs may 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 substance abuse or mental health treatment).

Qualifying increases are any earned income increases of a family member who is a person with disabilities during participation in an economic self-sufficiency or job-training program and not increases that occur after participation, unless the training provides assistance, training or mentoring after employment?

The amount that is subject to the disallowance is the amount of incremental increase in income of a family member who is a person with disabilities. The incremental increase in income is calculated by comparing the amount of the disabled family member's income before the beginning of qualifying employment or increase in earned income to the amount of such income after the beginning.

Initial Twelve-Month Exclusion

During the initial twelve (12) month period beginning on the date a member who is a person with disabilities of a qualified family is first employed or the family first experiences an increase in annual income attributable to employment, CMHA will exclude from the qualifying household member's annual income of a qualified family any increase in income of the family member who is a person with disabilities as a result of employment over the prior income of that family member.

Second Twelve-Month Exclusion and Phase-in

Upon the expiration of the initial twelve (12) month period, and for a subsequent twelve (12) month period CMHA will exclude from the income of a qualifying household member's annual income 50% of any increase in income of a family member who is a person with disabilities as a result of employment over income of that family member prior to the beginning of such employment.

Maximum Twenty-Four (24) Month Disallowance

The earned income disallowance is limited to a lifetime of 24 straight months the period during which a qualifying family member is eligible to receive the benefit of the earned income disregard (EID for each family member who is a person with disabilities. For each family member who is a person with disabilities, the

disallowance only applies for a maximum of 12 months of full exclusion of incremental increase, and a maximum of 12 months of phase-in exclusion during the 24 straight month period starting from the date of the initial exclusion.

No earned income disallowance will be applied after the 24-month period following the initial date the exclusion was applied.

Participants who established eligibility for Earned Income Disallowance prior to April 7, 2016, will continue to be governed by prior policy.

Applicability to Child Care Expense Deductions

The amount deducted for childcare necessary to permit employment shall not exceed the amount of employment income that is included in annual income. Therefore, for families entitled to the earned income disallowance, the amounts of the full and phase-in exclusions from income shall not be used in determining the cap for childcare deductions.

Tracking the Earned Income Exclusion

The earned income exclusion will be reported on the HUD 50058 form. Documentation will be included in the family file to show the reason for the reduced increase in rent.

Such documentation will include:

- Date the increase in earned income was reported by the family;

  Name of the family member whose earned income increased.

- Reason (new employment, participation in job training program, within 180 calendar days after receiving OWF) for the increase in earned income.

- Amount of the increase in earned income (amount to be excluded);

  - Date the increase in income is first excluded from annual income.
  - Date the family member has received a total of 12 months of the initial exclusion; Date the 12-month phase-in period began.

- Date the family member has received a total of 12 months of the phase-in exclusion; and

- Ending date of the maximum 24-month (two year) disallowance period (24 months from the date of the initial determination of earned income disallowance eligibility).

CMHA will maintain a tracking system to ensure correct application of the earned income disallowance.

C. MINIMUM RENT [24 CFR 5.616]

Minimum Rent

"Minimum rent" is $50. Minimum rent refers to the minimum TTP and includes the combined amount a family pays towards rent and/or utilities when it is applied.

Hardship Requests for an Exception to the Minimum Rent

CMHA recognizes that in some circumstances even the minimum rent may create a financial hardship for families. CMHA will review all relevant circumstances brought to CMHA's attention regarding financial hardship as it applies to the minimum rent. The following section states CMHA's procedures and policies in regard to minimum rent financial hardship as set forth by the Quality Housing and Work Responsibility Act of 1998. HUD has defined circumstances under which a hardship could be claimed. (24 CFR 5.630)

A hardship exemption shall be granted to residents who can document that they are unable to pay the minimum rent because of a long-term hardship (over 120 days). Examples under which residents would qualify for the hardship exemption from the minimum rent include, but are not necessarily limited to, the following:

- The family has lost eligibility for or is applying for an eligibility determination for a federal, state, or local assistance program.
- The family would be evicted because of the imposition of the minimum rent requirements.
- The income of the family has decreased because of changed circumstances, including loss of employment; or
- A death in the family has occurred.

If it is determined that the hardship period was temporary, the tenant shall be required to repay any rent abated under this hardship provision.

CMHA Notification to Families of Right to Hardship Exception

CMHA will notify all families subject to minimum rents of their right to request a minimum rent hardship exception. "Subject to minimum rent" means the minimum rent was the greatest figure in the calculation of the greatest of 30% of monthly-adjusted income, 10% of monthly income, minimum rent or welfare rent.

CMHA notification will advise families that hardship exception determinations are subject to CMHA review and hearing procedures.

CMHA will review all family requests for exception from the minimum rent due to financial hardships.

All requests for minimum rent hardship exceptions are required to be in writing.

- CMHA will request documentation as proof of financial hardship.

- CMHA will use its standard verification procedures to verify circumstances which have resulted in financial hardship.

Requests for minimum rent exception must include a statement of family hardship that qualifies the family as an exception.

Suspension of Minimum Rent

CMHA will grant the minimum rent exception to all families who request it, effective the first of the following month.

The minimum rent will be suspended until CMHA determines whether the hardship is:

- Covered by statute
- Temporary or long-term

"Suspension" means that CMHA must not use the minimum rent calculation until CMHA has made this decision. “Temporary” means verified to last less than 90 days. “Permanent” means lasting 90 or more days.

During the minimum rent suspension period, the family will not be required to pay a minimum rent, and the housing assistance payment will be increased accordingly.

If CMHA determines that the minimum rent is not covered by statute, CMHA will impose a minimum rent including payment for minimum rent from the time of suspension.

Temporary Hardship (Lasting less than 90 days)

If CMHA determines that the hardship is temporary, a minimum rent will not be imposed for a period of up to 90 days from the date of the family's request. At the end of the temporary suspension period, a minimum rent will be imposed retroactively to the time of suspension.

CMHA will offer a repayment agreement to the family for any such rent not paid during the temporary hardship period. (See "Owner and Family Debts to CMHA" chapter for repayment agreement policy).

Long-Term Hardships (Lasting 90 or more days) [24 CFR 5.616(c)(3)]

If CMHA determines that there is a qualifying long-term financial hardship, 90 or more days, CMHA must exempt the family from the minimum rent requirements for as long as the hardship continues. The exemption from minimum rent shall apply from the first day of the month following the family's request for exemption.

Retroactive Determination

CMHA will reimburse the family for any minimum rent charges which took effect after July 11, 2003, that qualified for one of the mandatory exceptions.

If the family is owed a retroactive payment, CMHA will provide reimbursement in the form of a cash refund to the family.

CMHA's definition of a cash refund is a check made out to the family.

CMHA will not provide a cash refund for amounts owed to the family which are less than $5 and will offset the amount against future HAP payments.

D. ABSENCES FROM THE UNIT [24 CFR 982.54(d)(10), 982.551]

Families must notify CMHA before they move out of a unit and must inform CMHA about any member of the household who will be absent from the unit for more than 30 consecutive days.

If the entire family is absent from the unit for more than 30 consecutive days, the unit will be considered vacated and the HAP Contract and voucher will be terminated. To determine if the family is absent from the unit, CMHA may conduct a home visit, write letters to the family at the unit, telephone the family at the unit, interview neighbors, check with the U.S. Postal Service, and verify if utilities are in service.

If a family member leaves the unit to enter a medical facility, CMHA will seek advice from a reliable qualified source about the likelihood and timing of the family member's return. If the member will be permanently confined to a nursing home, the member will be considered permanently absent. If the family member returns in 90 days or less, the member will not be considered permanently absent.

If any family member is out of the home for 90 or more consecutive days, he/she will be considered permanently absent.

If the family includes children that are temporarily absent due to placement in foster care, CMHA will determine when they will be returned home. If the children are absent for 90 days or more, they will be removed from the certification, and the unit size may be reduced.

Whenever an adult member leaves the household, the family is required to notify CMHA within 30 calendar days, whether the absence is temporary or permanent. Permanent moves from the household will trigger an interim reexamination.

Caretaker for Children

If neither parent remains in the household and the appropriate agency has determined that another adult is to be brought into the assisted unit to care for the children for an indefinite period, CMHA will treat that adult as a visitor for the first 30 days.

If by the end of that period, court-awarded custody or legal guardianship has been awarded to the caretaker, the voucher may be transferred to the caretaker subject to CMHA’s screening criteria and approval.

If the appropriate agency cannot confirm the guardianship status of the caretaker, CMHA will review the status at 30-day intervals.

If custody or legal guardianship has not been awarded by the court, but the action is in process, CMHA will secure verification from social services staff or the attorney as to the status. If custody is awarded for a limited time in excess of stated period, CMHA will state in writing that the transfer of the voucher is for that limited time or if they have custody of the children. CMHA will use discretion as deemed appropriate in determining any further assignation of the voucher on behalf of the children.

The caretaker will be allowed to remain in the unit, as a visitor, until a determination of custody is made.

CMHA may, at its discretion, transfer the voucher to the caretaker, in the absence of a court order, if the caretaker has been in the unit for more than 60 days and it is reasonable to expect that custody will be granted.

When CMHA approves a person to reside in the unit as caretaker for the child (ren), the income will be counted pending a final disposition. CMHA will work with the appropriate service agencies and the owner to provide a smooth transition in these cases.

When the court awards custody or legal guardianship and the caretaker fails to meet CMHA's screening criteria, the HCV Director or designee can approve the transfer of the voucher to the caretaker based on screening criteria and the impact on the minor children in addition to the screening criteria to keep the family unified.

Visitors

Any person, adult or child, not included on the HUD 50058 who has been in the unit more than 14 consecutive days without CMHA approval, or a total of 30 days in a 12-month period, will be living in the unit as an unauthorized household member.

Absence of verifiable evidence of any other permanent address will be considered verification that the visitor is a member of the household.

Statements from neighbors and/or the owner will be considered in making the determination.

Use of the unit address as the visitor's current residence for any purpose may be construed as permanent residence. Any official court documentation, license and/or vehicle registration, employer documentation, utilities, cable/satellite service, and phone service will serve as proof of permanent residency.

The burden of proof that the individual is a visitor rests on the family. In the absence of such proof, the individual will be considered an unauthorized member of the household and CMHA will terminate assistance since prior approval was not requested for the addition.

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

In a joint custody arrangement, if the minor is in the household less than 180 days per year, the minor will be considered to be an eligible visitor and not a family member.

Reporting Additions to Owner and CMHA

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

Family obligations require the family to request CMHA approval to add any other family member as an occupant of the unit and to inform CMHA of the birth, adoption or court-awarded custody of a child, marriage or death of a family member. CMHA will deny the addition of a family member, except for an addition by birth, adoption, court-awarded custody of a child, or marriage, if the addition will result in overcrowding.

Families are required to report any additions to the household (with the exception of newborns) in writing to CMHA 30 calendar days prior to the proposed move-in date for CMHA approval. If the family does not obtain prior written approval from CMHA, any person the family has permitted to move in will be considered an unauthorized household member, and the move in will be considered a violation of family obligations. If any new family member is added, the additional member's income will be included in the family income as applicable under HUD regulations.

If the family member being added to the household is 18 years old or older, mandatory background checks must be completed before CMHA will add members to the household.

An interim reexamination will be conducted for additions to the household. In addition, the lease may require the family to obtain prior written approval from the owner when there are changes in family composition other than birth, adoption or court awarded custody.

Reporting Absences to CMHA

Reporting changes in household composition is both a HUD and CMHA requirement. If a family member leaves the household, the family must report this change to CMHA, in writing, within 30 calendar days of the change and certify as to whether the member is temporarily absent or permanently absent. CMHA will conduct an interim evaluation for changes that affect TTP in accordance with the interim policy. CMHA will not reduce the family's voucher size until its next annual recertification.

E. ANTICIPATING/AVERAGING ANNUAL INCOME [24 CFR § 913.106 (d)]

If it is not feasible to anticipate income for a 12-month period, CMHA may use the annualized income anticipated for a shorter period, subject to an interim adjustment at the end of the shorter period. (This method would be used for

seasonal employees who are only paid for 9 months, or for tenants receiving unemployment compensation). Examples include teachers, school bus drivers, etc.

Alternatively, CMHA may average known sources of income that vary to compute an annual income. If there are bonuses or overtime that the employer cannot anticipate for the next 12 months, bonuses and overtime received the previous year will be used.

If, by averaging, an estimate can be made for those families whose income fluctuates from month to month; this estimate will be used so as to reduce the number of interim adjustments. The method used depends on the regularity, source and type of income.

F. MINIMUM INCOME

There is no minimum income requirement. Families who report zero-income may be required to undergo an interim recertification at periods determined by CMHA.

Families that report zero-income will be required to provide information regarding their means of basic subsistence, such as food, utilities, transportation, etc.

G. INCOME OF PERSON PERMANENTLY CONFINED TO NURSING HOME [24 CFR 982.54(d)(10)]

If a family member is permanently confined to a hospital or nursing home and there is a family member left in the household, CMHA will calculate the income by using the following methodology and use the income figure which would result in a lower payment by the family:

- Exclude the income and deductions of the member if their income goes directly to the facility; or
- Include the income and deductions of the member if their income goes to a family member.

REGULAR CONTRIBUTIONS AND GIFTS [24 CFR 5.609]

Regular contributions and gifts received from people outside the household are counted as income for calculation of the TTP.

Any contributions or gifts received by a family member on a regular basis will be considered a "regular" contribution or gift and will be counted as family income and subject to verification in accordance with CMHA's verification procedures. This includes rent and utility payments made on behalf of the family and other cash or non-cash contributions provided on a regular basis. It does not include casual contributions or sporadic gifts. (See "Verification Procedures" chapter for further definition.)

If the family's expenses exceed its known income, CMHA will inquire of the family regarding contributions and gifts. CMHA may require the contributor to prove their ability to provide the household with a regular contribution by requesting income verification.

H. ALIMONY AND CHILD SUPPORT [24 CFR 5.609]

Regular alimony and child support payments are counted as income for calculation of TTP.

If the amount of child support or alimony received is less than the amount awarded by the court, CMHA will use the amount awarded by the court unless the family can verify that they are not receiving the full amount and verification of item(s) below are provided.

CMHA will accept verification that the family is receiving an amount less than the award if:

CMHA receives verification from the agency responsible for enforcement or collection.

The family furnishes documentation of child support or alimony collection action filed through a child support enforcement/collection agency or has filed an enforcement or collection action through an attorney.

It is the family's responsibility to supply a certified copy of the divorce decree.

I. LUMP-SUM RECEIPTS [24 CFR 5.609]

Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains, and settlement for personal or property losses, are not included in income but may be included in assets.

Lump-sum payments caused by delays in processing periodic payments such as Social Security, SSI, unemployment or welfare assistance are counted as income. Deferred lump sum payments from Social Security or SSI are excluded from income, but any amount remaining will be considered an asset. Deferred periodic payments which have accumulated due to a dispute will be treated the same as periodic payments which are deferred due to delays in processing.

In order to determine amount of retroactive tenant rent that the family owes as a result of the lump sum receipt:

CMHA uses a calculation method which calculates retroactively or prospectively depending on the circumstances.

CMHA will calculate prospectively if the family reported the payment within 30 calendar days and retroactively to date of receipt if the receipt was not reported within that time frame.

Prospective Calculation Methodology

If the payment is reported on a timely basis, the calculation will be done prospectively and will result in an interim adjustment calculated as follows: The payment will be added to the annual income at the time of the interim.

If amortizing the payment over one year will cause the family to pay more than 40% of the family's adjusted income (before the lump sum was added) for TTP, CMHA and family may enter into a repayment agreement, with the approval of the Senior Program Manager or their designee, for the balance of the amount over the 40% calculation. The beginning date for this repayment agreement will start as soon as the one-year is over.

Retroactive Calculation Methodology

CMHA will go back to the date the lump-sum payment was received, or to the date of admission, whichever is closer.

At CMHA's option, CMHA may enter into a repayment agreement with the family.

The amount owed by the family is a collectible debt even if the family becomes unassisted.

Attorney Fees

The family's attorney fees may be deducted from lump-sum payments when computing annual income if the attorney's efforts have recovered a lump-sum compensation and the recovery paid to the family does not include an additional amount in full satisfaction of the attorney fees.

J. CONTRIBUTIONS TO RETIREMENT FUNDS - ASSETS [24 CFR 5.603(d)]

Contributions to company retirement/pension funds are handled as follows:

- While an individual is employed, count as assets only amounts the family can withdraw without retiring or terminating employment.
- After retirement or termination of employment, count any amount the employee elects to receive as a lump sum.

K. ASSETS DISPOSED OF FOR LESS THAN FAIR MARKET VALUE [24 CFR 5.603(d)(3)]

CMHA must count assets disposed of for less than fair market value during the two years preceding certification or reexamination. CMHA will count the difference between the market value and the actual payment received in calculating total assets.

Assets disposed of because of foreclosure or bankruptcy are not considered to be assets disposed of for less than fair market value. Assets disposed of as a result of a divorce or separation are not considered to be assets disposed of for less than fair market value. CMHA's minimum threshold for counting assets disposed of for less

than fair market value is $50,000. If the total value of assets disposed of within a one-year period is less than $100, they will not be considered an asset.

L. CHILDCARE EXPENSES [24 CFR5.603]

Childcare expenses for children under 13 may be deducted from annual income if they enable an adult to work or attend school, or to actively seek employment.

In the case of a child attending private school, only after-hours care can be counted as childcare expenses.

Allowance of deductions for childcare expenses is based on the following guidelines:

Childcare to work: The maximum childcare expense allowed cannot exceed the amount earned by the person enabled to work which is included in the family's annual income. The "person enabled to work" will be the adult member of the household who earns the least amount of income from working.

Childcare for school: The number of hours claimed for childcare may not exceed the number of hours the family member is attending school, including reasonable travel time to and from school.

Care for actively seeking employment: Verification of actively seeking work can be verified if he/she is participant in a program for Welfare to Work, continued collection of unemployment compensation, or other state program. Typically, adequate verification of a family member actively seeking work may consist of written or oral third-party verification from a local or state government agency that governs work-related activities. The number of hours claimed for childcare may not exceed the number of hours the family member is actively seeking employment.

Amount of Expense: CMHA will provide credit for actual amount(s) verified to be paid to care provider by the family.

Childcare payments made to another on behalf of a minor who is not living in the household are not a deductible childcare expense.

Childcare expenses for a disabled family member, who is 13 years of age or older, are not deductible childcare expenses. However, the childcare expenses may be an allowable disability expense deduction.

M. MEDICAL EXPENSES [24 CFR 5.609(a)(2), 5.603]

When it is unclear in the HUD rules as to whether or not to allow an item as a medical expense, IRS Publication 502 will be used as a guide. Nonprescription medicines must be doctor-recommended to be considered a medical expense.

Nonprescription medicines will be counted toward medical expenses for families who qualify if the family furnishes legible receipts.

N. PRORATION OF ASSISTANCE FOR "MIXED" FAMILIES [24 CFR 5.520]

Applicability

Proration of assistance must be offered to any "mixed" applicant or participant family. A "mixed" family is one that includes at least one U.S. citizen or eligible immigrant and any number of ineligible members.

Prorated Assistance Calculation

Prorated assistance is calculated by determining the amount of assistance payable if all family members were eligible and multiplying by the percentage of the family members who are eligible. Calculations for each housing program are performed on the HUD 50058 form.

Prorated housing assistance does not affect contract rent to the owner. The family must pay as rent the portion of the contract rent not covered by the prorated housing assistance payment.

O. INCOME CHANGES RESULTING FROM WELFARE PROGRAM REQUIREMENTS

CMHA will not reduce the rental contribution for participant families whose welfare assistance is reduced specifically because of:

Fraud by a family member in connection with the welfare program; or

Failure to participate in an economic self-sufficiency program; or

Noncompliance with a work activities requirement.

However, CMHA will reduce the rental contribution if the welfare assistance reduction is a result of:

The expiration of a lifetime time limit on receiving benefits; or

A situation where a family member has not complied with other welfare agency requirements; or

A situation where a family member has complied with welfare agency economic self-sufficiency or work activities requirements but cannot or has not obtained employment, such as the family member has complied with welfare program requirements, but the durational time limit, such as a cap on the length of time a family can receive benefits, causes the family to lose their welfare benefits. Imputed welfare income is the amount of annual income not actually received by a family because of a specified welfare benefit reduction that is included in the family's income for rental contribution.

Imputed welfare income is not included in annual income if the family was not an assisted resident at the time of sanction.

The amount of imputed welfare income is offset by the amount of additional income a family receives that begins after the sanction was imposed.

- When additional income is at least equal to the imputed welfare income, the imputed welfare income is reduced to zero.

Verification before Denying a Request to Reduce Rent

CMHA will obtain written verification from the welfare agency stating that the family's benefits have been reduced for fraud or noncompliance with economic self-sufficiency or work activities requirements before denying the family's request for rent reduction.

The welfare agency, at the request of CMHA, will inform CMHA of:

- Amount and term of specified welfare benefit reduction for the family;
- Reason for the reduction; and
- Subsequent changes in term or amount of reduction.

Cooperation Agreements

CMHA has a written cooperation agreement in place of the Hamilton County Department of Jobs and Family Services, the local welfare agency, which assists CMHA in obtaining the necessary information regarding welfare sanctions.

P. UTILITY ALLOWANCE AND UTILITY REIMBURSEMENT PAYMENTS [24 CFR 982.153, 982.517]

The same utility allowance schedule is used for all tenant-based programs. The utility allowance is intended to cover the conservative cost of utilities not included in the rent. The allowance is based on the typical conservative cost of utilities and services paid by energy-conservative households that occupy housing of similar size and type in the same locality. Allowances are not based on an individual family's actual energy consumption.

CMHA will use the appropriate utility allowance for the lesser of the size of dwelling unit leased by the family or the voucher size issued, as determined under the PHA subsidy standards.

In cases where reasonable accommodation has been provided to a family that includes a person with disabilities, CMHA will use the appropriate utility allowance for the size of the dwelling unit actually leased by the family.

CMHA's utility allowance schedule, and the utility allowance for an individual family, must include the utilities and services that are necessary in the locality to provide housing that complies with the housing quality standards.

CMHA may not provide any allowance for non-essential utility costs, such as costs of cable or satellite television.

CMHA must classify utilities in the utility allowance schedule according to the following general categories: space heating, cooking, water heating, water heating, water, sewer, trash collection, other electric, refrigerator (for tenant supplied refrigerator), range (cost of tenant-supplied range), and other specified services.

On request from a family that includes a person with disabilities, and with proper medical documentation, CMHA will approve a utility allowance which is higher than the applicable amount on the utility allowance schedule. If a higher utility allowance is needed as reasonable accommodation to make a unit usable by the family member with a disability, then the higher allowance will be permitted.

CMHA will review the utility allowance schedule annually. If the review finds a utility rate has changed by 10 percent or more since the last revision of the utility allowance schedule, the schedule will be revised to reflect the new rate. Revised utility allowances will be applied in a participant family's rent calculation at their next reexamination.

The approved utility allowance schedule is given to families along with their voucher. The utility allowance is based on the actual unit size selected.

Where families provide their own range and refrigerator, CMHA will establish an allowance adequate for the family to purchase or rent a range or refrigerator, even if the family already owns either appliance. Allowances for ranges and refrigerators will be based on the lesser of the cost of leasing or purchasing the appropriate appliance over a 12-month period.

Where the calculation on the HUD 50058 results in a utility reimbursement payment due to the family [24 CFR 982.514(b)], CMHA will provide a utility reimbursement payment for the family each month.

CMHA will not allow for any changes in lease requirements governing tenant or owner responsibilities for utilities or appliances during the initial lease term. After the initial lease term, any change governing tenant or owner responsibilities for utilities must be approved by CMHA. Failure to comply could result in contract cancellation and possible termination from the HCV Program.

Q. SEASONAL EMPLOYEES

CMHA will annualize current income and then conduct an interim reexamination when income changes. For seasonal employees such as school employees, CMHA will complete the interim decrease upon receipt of report of change from the family. CMHA will also complete the interim increase with an effective date the employee expects to return to employment. CMHA will ensure the family is provided proper 30-day notice of rent increase.

R. INCOME FROM ASSETS

CMHA will count the current balances of savings and checking accounts towards assets.

CHAPTER 10

Tenancy Approval and Contract Execution

[24 CFR 982.302]

PHILOSOPHY

CMHA's program operations are designed to utilize available resources in a manner that is efficient and provides eligible families timely assistance based on the number of units that have been budgeted. CMHA's objectives include maximizing HUD funds by providing assistance to as many eligible families and for as many eligible units as the budget will allow.

POLICY

After families are issued a voucher, they may search for a unit anywhere within the jurisdiction of CMHA, or outside of CMHA's jurisdiction if they qualify for portability. The family must find an eligible unit under the program rules, with an owner/landlord who is willing to enter a Housing Assistance Payments (HAP) Contract with CMHA. The family must submit a *Request for Tenancy Approval* (RTA) executed by both the landlord and the family to CMHA for units to be considered for participation in the HCV Program using the online RFTA Portal.

This chapter defines the types of eligible housing, CMHA's policies which pertain to initial inspections, lease requirements, owner disapproval, and the processing of RTA.

A. REQUEST FOR TENANCY APPROVAL [24 CFR 982.302, 982.305(b)]

CMHA will complete a criminal background check on all adult family members age 18 years old and over at annual recertification or when any new family members over 18 is added to the household. When conducting the criminal background check, CMHA will not consider a period more than three years for the following:

- Other criminal activity which may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents or people residing in the immediate vicinity;
- Other criminal activity which may threaten the health or safety of the owner, property management staff, or persons performing a contract administration function or responsibility on behalf of CMHA, including CMHA employee or contractor, subcontractor or agent.

CMHA may deny assistance to move or terminate program assistance, if any family member is engaged in criminal or drug related activity or has engaged in other related program violations. Please refer to Chapter 16 “Denial of Termination of Assistance.”

The Request for Tenancy Approval (RTA)

The Request for Tenancy Approval (RTA) and a copy of the proposed lease, including the HUD prescribed tenancy addendum, must be submitted by the family during the term of the voucher. The family must submit the RTA in the form and manner required by CMHA.

The RTA must be signed by both the owner and voucher holder. CMHA may accept more than one RTA from a family but will only process and approve one RTA at a time for a family.

CMHA will not permit the family to submit more than one RTA at a time per household. CMHA will not permit the landlord to submit more than one RTA at a time per unit.

Families currently assisted by the HCV program will not be allowed to submit an RTA prior to being issued and submitting the signed voucher. If the family submits an RTA prior to being issued and submitting a signed voucher, the RTA may be canceled. CMHA will notify the prospective landlord and family of the cancellation in writing.

CMHA moved to online processes which allow families to submit RTA anytime through their online portal. CMHA will review the RTA for affordability and owner approval. Once the RTA is approved, the unit will be listed for the initial inspection. If the RTA is not approved, a cancellation notice will be sent to both the family and owner listing the reason for cancellation and notification will be uploaded to portal.

CMHA will review the RTA documents to determine whether or not they are acceptable. The unit must meet the following:

- The unit is an eligible type of housing.
- The unit is not currently in foreclosure or delinquent on real estate taxes without an approved repayment agreement with the Hamilton County Auditor.
- The unit meets HUD's Housing Quality Standards (and any additional criteria as identified in this Administrative Plan).
- The rent is reasonable and affordable.
- The security deposit is approvable in accordance with any limitations in this plan.
- The proposed lease complies with HUD and CMHA requirements (See "Lease Review").
- The owner is approvable, and there are no conflicts of interest (See "Owner Disapproval").
- The owner has provided required documentation of a current paid water bill if the tenant is responsible for paying for the utility.

Cancellation of RTA

CMHA may cancel an RTA that is not completed in its entirety or that is missing appropriate signatures and/or requested information.

If CMHA determines that the request cannot be approved for any reason, the owner and the family will be notified in writing.

In addition to the above, at the time a family initially receives assistance in a unit (new admissions and transfer/moves), if the gross rent for the unit exceeds the applicable payment standard for the family, the family share of rent may not exceed 40 percent of the family's monthly adjusted income (See "Owner Rents, Rent Reasonableness and Payment Standards" chapter of this Administrative Plan). CMHA will inform the owner of the "affordable" rent amount. If the owner does not agree to this amount, the RTA will be canceled and the tolling time restored to the voucher.

CMHA may also cancel an RTA due to budgetary constraints or funding deficits that may arise to cause the agency to fall into a *"shortfall*" status.

B. ELIGIBLE TYPES OF HOUSING [24 CFR 982.353]

CMHA approval of a housing type is subject to the following conditions:

- A family can own a rental unit but cannot reside in it while being assisted, except in the case when the tenant owns the mobile home and leases the pad or where the family is a participant in the Home Ownership Program. A family may lease in and have an interest in cooperative housing development.
- CMHA may not permit a voucher holder to lease a unit which is receiving project-based Housing Choice Voucher Program assistance or any duplicative rental subsidies.

C. LEASE SUBMITTAL AND REVIEW [24CFR 982.308]

The family and owner must submit a standard form of lease used in the locality by the owner that is generally used for other unassisted tenants on the premises. The terms and conditions of the lease must be consistent with state and local law. CMHA shall always require a copy of the current lease for each assisted unit.

CMHA will review the lease, particularly noting the approvability of optional charges and compliance with regulations and state and local law. The tenant also must have legal capacity to enter a lease under state and local law. Responsibility for utilities, appliances and optional services must correspond to those provided on the RTA.

The lease must specify all of the following:

- The names of the owner and tenant;
- The address of the rented unit (including apartment number, if any);
- The amount of the monthly rent to owner;

- The effective date of the lease must match the effective date of the HAP Contract;
- The utilities services and appliances that are to be supplied by the owner; and
- The utilities services and appliances to be supplied by or paid by the family.

- An owner cannot charge a family a utility payment for utilities not actually paid by or billed to the owner and specified in the lease and on the RTA as “family responsible”. Ex. Trash services included by the city additionally, if the owner is billing the tenant for a utility directly, it must be the practice for all units on the property not only the units assisted by CMHA and included in the lease agreement and listed on the RTA. Documentation may be requested on non-assisted units, by CMHA, to support the practice.

- Utilities billed by the owner must be reasonable. The allowance provided will not be greater than the established utility allowance amount by CMHA.

The HUD prescribed tenancy addendum must be included or incorporated in the lease word-for-word before the lease is executed.

The owner's lease must include the Lead Warning Statement and disclosure information required by 24 CFR 35.92(b).

The lease must provide that drug-related criminal activity engaged in by the tenant, any household member, or any guest on or near the premises, or any person under the tenant's control on the premises is grounds to terminate tenancy.

The lease must also provide that the owner may evict the family when the owner determines that:

- Any household member is illegally using a drug; or
- A pattern of illegal drug use by any household member interferes with the health, safety or right to peaceful enjoyment of the premises by other residents.

The lease must provide that the following types of criminal activity by a "covered person" are grounds to terminate tenancy:

- Any criminal activity that threatens health, safety or 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, safety or right to peaceful enjoyment of their residences by people residing in the immediate vicinity of the premises; or
- Any violent criminal activity on or near the premises by a tenant, household member, or guest; or

- Any violent criminal activity on the premises by any other person under the tenant's control.

The lease must provide that the owner may terminate tenancy if a tenant is:

- Fleeing to avoid prosecution or custody or confinement after conviction for a crime, or attempt to commit a crime, that is a felony under the laws of the place from which the individual flees.

Actions Required Before HAP Contract Begins

All of the following must always be completed before the beginning of the initial term of the HAP Contract for a unit:

- CMHA has verified the property taxes are not delinquent on the unit;
- CMHA has verified that the owner or agent of the owner of record is the one completing all forms.

If there is a property management company or agent of the owner in place, CMHA has verified and received proper documentation;

- CMHA has verified that there are no open work orders or requests from any governmental agency on the unit or structure;
- CMHA has determined that the unit is “affordable” to the family in accordance with program rules,
- CMHA has inspected the unit and has determined that the unit satisfies HQS/NSPIRE;
- CMHA has determined that the rent charged by the owner is reasonable;
- The owner and the tenant have executed the lease, including the HUD prescribed tenancy addendum;
- CMHA has approved leasing of the unit in accordance with program requirements;
- When the gross rent exceeds the applicable payment standard for the family, CMHA must determine that the family share (total family contribution) will not be more than 40% of the family's monthly adjusted income.
- The total monthly rental amount to owner cannot exceed the contract rent amount approved by CMHA.
- CMHA has obtained a copy of the Lead Disclosure form signed by the tenant and the owner/agent (if the unit to be assisted was built prior to 1978).

D. SECURITY DEPOSIT REQUIREMENTS [24 CFR 982.313]

The owner is not required to but may collect a security deposit from the tenant.

Security deposits charged to families may be any amount the owner wishes to charge, subject to the limits of state and local law. In no case may the security deposit charged to an assisted tenant exceed that charged to an unassisted tenant.

For lease-in-place families, responsibility for first and last month's rent is not considered a security deposit issue. In these cases, the owner should settle the issue with the tenant prior to the beginning of assistance.

E. SEPARATE AGREEMENTS

Separate agreements are not necessarily illegal side agreements. Families and owners will be advised of the prohibition of illegal side payments for additional rent, or for items normally included in the rent of unassisted families, or for items not shown on the approved lease. The family is not liable under the lease for unpaid charges for items covered by separate agreements and nonpayment of these agreements cannot be cause for eviction.

Owners and families may execute separate agreements for services, appliances (other than range and refrigerator) and other items that are not included in the lease if the agreement is in writing and approved by CMHA.

Any appliances, services or other items which are routinely provided to unassisted families as part of the lease (such as air conditioning, dishwasher or garage) or are permanently installed in the unit, cannot be put under separate agreement and must be included in the lease. For there to be a separate agreement, the family must have the option of not utilizing the service, appliance or other item.

If the family and owner have come to a written agreement on the amount of allowable charges for a specific item, so long as those charges are reasonable, customary for the local rental market, do not violate Ohio landlord/tenant law, and are not a substitute for higher rent, they will be allowed.

All agreements for special items or services must be attached to the lease approved by CMHA. If agreements are entered into at a later date, they must be approved by CMHA and attached to the lease.

CMHA will not approve separate agreements for modifications to the unit for persons with disabilities because the modifications are critical to the use of the dwelling.

F. INITIAL INSPECTIONS [24 CFR 982.305(a) & (b)]

See "Housing Quality Standards and Inspections" chapter of this Administrative Plan.

G. RENT LIMITATIONS [24 CFR 982.507]

CMHA will decide as to the reasonableness of the proposed rent in relation to comparable units available for lease on the private unassisted market.

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

At all times during the tenancy, the rent to owner may not be more than the most current reasonable rent as determined by CMHA.

H. DISAPPROVAL OF PROPOSED RENT [24 CFR 982.502]

In any of the programs, if the proposed gross rent is not reasonable or affordable to the family (family's portion exceeds 40% of the family's gross income), CMHA will notify the owner of the affordable or reasonable rent amount and give the owner an opportunity to reduce their requested rent amount accordingly. At the family's request, CMHA will negotiate with the owner to reduce the rent amount or include some or all of the utilities in the rent to owner. If the rent amount can be approved after negotiations with the owner, CMHA will continue processing the RTA.

If the owner does not agree on the rent after CMHA has tried and failed to negotiate a revised rent amount, CMHA will inform the family and owner that the unit is disapproved and will cancel the RTA.

I. INFORMATION TO OWNERS [24 CFR 982.307(b), 982.54(d)(7)]

In accordance with HUD requirements and upon written request, CMHA will furnish prospective owners with the family's current address as shown in CMHA's records and, if known to CMHA, the name and address of the owner at the family's current and prior residence.

CMHA will make an exception to this requirement if the family's whereabouts must be protected due to domestic abuse or witness protection.

CMHA will inform owners that it is the responsibility of the owner to determine the suitability of prospective tenants. Owners will be encouraged to screen applicants for rent payment history, payment of utility bills, eviction history, respecting the rights of other residents, damage to units, 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. CMHA's policy on the release of information to prospective owners allows information to be provided orally or in writing.

Only the assigned housing specialist or a manager may provide this information. CMHA's policy on providing information to owners is included in the briefing packet and will apply uniformly to all families and owners included in the briefing packet which is provided to the family.

CMHA will provide documented information regarding tenancy history for up to the past three years to prospective owners upon written request from the owner.

CMHA will provide the following information, based on documentation in its possession:

- Eviction history;
- Damage to rental units; and
- Other aspects of tenancy history, including criminal history for adult members of the household.

J. OWNER DISAPPROVAL [24 CFR 982.306]

See chapter on "Owner Disapproval and Restriction."

K. CONTRACT EXECUTION PROCESS [24 CFR 982.305(c)]

CMHA prepares the HAP Contract, Property Owner Certification Form and Tenancy Addendum for the owner or designated agent to execute. The family and the owner will execute the lease agreement and Tenancy Addendum, and the owner or designated agent and CMHA will execute the HAP Contract and Property Owner Certification Form. The owner or designated agent must execute the documents no later than 60 calendar days from the beginning of the lease term and provided to CMHA or the contract will be voided in accordance with HCV program rules. CMHA will advise all parties on the method of submission of these documents. If the documents submitted are unacceptable, communication will be sent to the owner or designated agent with a specific reason for rejection.

Copies of the documents will be furnished to the parties who signed the respective documents. CMHA will retain a copy of all signed documents.

CMHA makes every effort to execute the HAP Contract before the commencement of the lease term.

The following CMHA representative(s) is/are authorized to execute a contract on behalf of CMHA: the Senior Program Manager or designee.

Owners must provide either an Employer Identification Number or a Social Security Number.

The owner must provide an email address, a home telephone number, address and/or business number if applicable.

Unless their lease was effective prior to June 17, 1998, a family may not lease properties owned by a parent, child, grandparent, grandchild, sister or brother of any family member. CMHA may grant waivers of this restriction, in writing, as reasonable accommodation for a family member who is a person with a disability, subject to verification that such accommodation is needed. The request must be received and approved by CMHA prior to the start of the HAP Contract.

L. PROPERTY MANAGEMENT AND LICENSEES

As a Public Housing Agency, CMHA must comply with Ohio state laws. Ohio Revised Code 4735.01 regulates who is permitted, for a fee, to operate, manage or rent any building or portion of a building to the public as tenants.

For all new contracts effective 7/1/09 and thereafter, CMHA may review property management information to ensure that all management companies are properly licensed by the State of Ohio Department of Commerce's Division of Real Estate.

A regular employee of a property owner may engage in property management without a real estate license. A regular employee is defined under the following conditions:

- The employee's income is reported on a W-2, not on a Form

  1099; The employer pays all payroll taxes;

- The employer pays unemployment and workers' compensation insurance; and

- The employer schedules the hours of work for the employee.

The above conditions allow an individual to engage in property management for a property owner without a real estate license. Otherwise, the individual will be in violation of license law and the State of Ohio Department of Commerce Division of Real Estate may initiate disciplinary action under O.R.C. 4735.052.

CHAPTER 11

Housing Quality Standards/NSPIRE V Inspections
[24 FR 982.401]

PHILOSOPHY

Housing Quality Standards/National Standards for the Physical Inspection of Real Estate. (HQS/NSPIRE V) are the HUD minimum quality standards for tenant- based programs. The objective of the HCV Program is to assist low-income families in leasing decent, safe and sanitary housing at an affordable cost and in accordance with HUD, CMHA guidelines that include the HQS/NSPIRE V book and Standard Operating Procedures. Efforts will be made at all times to encourage owners to provide housing that exceeds HQS/NSPIRE minimum standards. CMHA is responsible for assuring that each unit occupied by an HCV Program participant meets the HQS/NSPIREV and CMHA guidelines.

POLICY

CMHA will inspect each unit under contract and proposed for participation with the program. CMHA will also have an inspection supervisor perform quality control inspections on the number of files required for file sampling by SEMAP annually to maintain CMHA's required standards and to assure consistency in CMHA's program.

HQS/NSPIRE V standards are required both at initial occupancy and during the term of the lease. HQS/NSPIRE standards apply to the building and premises, as well as the unit. Newly leased units must pass the HQS/NSPIRE V inspection before the beginning date of the assisted lease and HAP Contract.

This chapter describes CMHA's procedures for performing HQS/NSPIRE V and other types of inspections, and CMHA standards for the timeliness of repairs. It also explains the responsibilities of the owner and family, and the consequences of non-compliance with HQS/NSPIRE V requirements for both families and owners. The use of the term "HQS/NSPIRE V" in this Administrative Plan refers to the combination of both HUD and CMHA requirements. (See additions to HQS/NSPIRE V).

CMHA will switch completely to the NSPIRE V standards no later than October 1, 2025 unless delayed by HUD. CMHA may verify an HQS deficiency and repair through verification methods other than an onsite inspection;

A. GUIDELINES/TYPES OF INSPECTIONS [24 CFR 982.401(a), 982.405]

All units must comply with all orders issued by any local governing body to enforce such local governing body's local building codes. In cases where the local governing body has issued any order preventing occupancy of the unit, the unit shall be deemed not to meet the HQS/NSPIRE V, and the unit shall be terminated from CMHA's program.

Efforts will be made at all times to encourage owners to provide housing that exceeds HQS/NSPIRE V minimum standards and CMHA unit standards. For purposes of inspections, the term "HQS/NSPIRE V" refers to the Housing Quality

Standards inspection. The family and owner are notified of the date and time of the inspection appointment by either mail, the landlord portal or email.

All utilities must be in service prior to the inspection. If the utilities are not in service at the time of inspection, the inspector will notify the owner to have the utilities turned on. After the owner notifies CMHA that the utilities have been turned on, the inspector will schedule an inspection.

If the tenant is responsible for supplying any utilities, the utilities should be in the name of an adult member of the household. If the tenant is responsible for supplying the stove and/or the refrigerator, CMHA will allow the stove and refrigerator to be placed in the unit after the unit has passed all other HQS/NSPIRE V criteria. CMHA will conduct a re-inspection.

There are seven types of inspections CMHA may perform and of the following:

1. Initial/Move-in Inspection
2. Biennial Inspection
3. Complaint/Interim Inspection
4. Emergency Inspection
5. Quality Control Inspection
6. Move-out/Vacancy Inspection
7. Special Inspection

B. INITIAL HQS/NSPIRE INSPECTION [24 CFR 982.401(a), 982.305(b)(2)]

Timely Initial HQS/NSPIRE Inspection

CMHA will inspect the unit to determine whether the unit satisfies HQS/NSPIRE V. To the greatest extent feasible, the inspection and determination will be made within fifteen days after the family and the owner submits a fully completed request for approval of the tenancy.

Utilities must be on at the time of the Initial Inspection. CMHA will make every reasonable effort to conduct initial HQS/NSPIRE V. Inspections as expeditiously as possible. The Initial Inspection will be conducted to:

- Determine if the unit and property meet HQS/NSPIRE V.
- Document the information used for determination of rent-reasonableness.

The initial inspection shall not be used by the owner to create a checklist or work order to prepare the unit for an inspection. The unit must be HQS/NSPIRE V compliant at the time the RTA is submitted for processing. If the unit fails the initial HQS/NSPIRE V inspection, the owner will be advised to notify CMHA once repairs are completed. CMHA will not schedule a reinspection until notified by the owner/agent that the deficiencies have been corrected.

On an initial inspection, the owner will be given 15 days to correct the items noted as a Fail and to contact CMHA to schedule a reinspection. Depending on the amount and complexity of work to be done, additional time may be granted, if requested by the owner. If the repairs are not completed or cannot be completed within 15 days, the request for tenancy approval will be canceled and the tenant will need to submit a new Request for Tenancy Approval to CMHA.

CMHA schedules the initial inspection directly with the owner/representative. It is the expectation that the owner or designated representative will be present for the inspection. CMHA will make two attempts to inspect the unit before the RTA is canceled.

CMHA reserves the right to decide during an initial inspection on rather or not the unit is “ready” for an inspection. If more than 12 deficiencies are found on an initial inspection, the inspection will be discontinued and the unit deemed “not ready”. The owner will be responsible for utilizing the checklist and any additional resources available to ensure that the unit is made completely ready for an inspection. The owner should then contact CMHA to schedule another inspection. Since the unit was marked as not ready for the inspection, the owner shall be advised that a complete inspection was not performed and as such additional items can be cited on the reinspection of the unit.

CMHA’s HQS/NSPIRE V determinations on initial inspections are not subject to appeal. CMHA may review discrepancies and inconsistencies regarding a failed item. Owners may contact the Manager of Owner Compliance with any issues. The Manager of Owner Compliance will review the matter and take appropriate action to address the issue.

C. BIENNIAL HQS/NSPIRE INSPECTIONS [24 CFR 982.405(a)]

CMHA conducts an inspection in accordance with Housing Quality Standards/ NSPIRE V at least once every 24 months, as required by program rules. CMHA will conduct complaints, quality control or special inspections. Special inspections may be scheduled more frequently. Family determined responsible failed items will not be held against the owner and HAP will not be abated for unit failing with no owner responsible items.

HQS/NSPIRE V deficiencies, which cause a unit to fail, must be corrected by the owner unless it is a fail item for which the tenant is responsible for correcting.

The owner and the family must allow CMHA to inspect the unit at reasonable times with reasonable notice. It is the tenant’s responsibility to ensure that the unit can be

accessed for the inspection. The owner may be present for the inspection; CMHA will notify the family and owner, in writing or verbally, of the date and time of the inspection.

Inspection: The family and owner are notified of the date and time of the inspection appointment by either US mail, the landlord portal or via email. As of January 1, 2026, CMHA will cease the use of US mail for inspection appointments and to send inspection results. It is the responsibility of each party to ensure that CMHA has the correct email address for inspection notifications and to access the electronic portal for inspection results.

If the tenant misses three inspection appointments for the same inspection occurrence, CMHA may move to terminate assistance to the family.

Re-inspection: The family and owner are notified of the re-inspection of appointment date and time by CMHA. CMHA will make every attempt to schedule the re-inspection on or within 5 days of the due date for repairs. If the re- inspection date is scheduled by CMHA after the due date, CMHA will assume repairs were made timely if the unit passes the re-inspection and documentation can be provided that the repairs are made prior to the due date.

Regardless of the date of the reinspection, with supporting date-stamped documentation from the owner, showing when the repairs were made. Acceptable documentation will include date stamped photos of the repair, receipts for the material used to make the repair, work orders, invoices from contractors that made the repairs, etc. Under this situation the abatement will be canceled or ended in accordance with the documentation and payments issued to owner. If the owner is unable to provide supporting documentation to document the date of repairs, the abatement will end the day before the unit passes the reinspection.

If neither the owner nor the family is present for the re-inspection appointment, a notification of the missed inspection will be left at the unit and HAP abatement will occur once the “due date” for repairs expires. Once a unit goes into abatement because the owner’s failure to make repairs, the family will be issued a voucher and allowed to submit a RTA to CMHA for another unit, if there are no outstanding family responsible items. If the RTA is submitted prior to CMHA verifying the repairs, the family will be allowed to move regardless of the lease end date. If the owner makes the repairs and corrects the deficiencies prior to the family submitting a RTA, the family will be allowed to move, with proper notification to the owner of their intent to vacate, if they are in a month-to-month tenancy. If the family is not in a month- to month-tenancy, they will be required to remain in the unit until the completion of the lease term.

Upon request, CMHA will schedule another re-inspection of the unit, if no RTA has been submitted by the family.

A pattern of repeated non-compliance with the inspection process may result in suspension or termination of an owner and/or tenant. Non-compliance includes failure to make the unit accessible for a scheduled inspection, failure to make

timely repairs, and failure to comply with applicable HUD regulations and requirements of this Plan.

If new deficiencies are found (items not noted on the original biennial during the reinspection, CMHA will open a new emergency or complaint (whichever is appropriate for the deficiency) inspection and notify the owner and tenant of the new items and provide a due date for the repair of those failed items.

If the family is responsible for a breach of HQS/NSPIRE V, as defined in the "Denial or Termination of Assistance" chapter of this Administrative Plan, they will be advised by CMHA of their responsibility to correct the deficiency and given a timeframe for completion of repairs.

Time Standards for Repairs

Emergency items which endanger the family's life, health or safety must be corrected by the owner or tenant (whoever is responsible) within 24 hours of notification. (See "Emergency Repair Items")

No extensions will be granted on a life-threatening deficiency.

For non-emergency items, repairs must be made within 30 days.

CMHA may approve an extension beyond the original 30 days, if requested by the party responsible in accordance with CMHA's Procedures. Extensions are granted at the discretion of CMHA. Extensions will not be considered without proper documentation to support the request.

Verification methods.
When CMHA must verify correction of a deficiency, it may use verification methods other than another on-site inspection. CMHA may accept photographic evidence or other reliable evidence from the owner to verify that a deficiency has been corrected but will complete an on-site inspection of the deficiency correction. If the deficiency is due to a building code violation that equates to a HQS deficiency, an on-site inspection may not be needed if the posting agency has cleared the orders for the deficiency.

D. COMPLAINT INSPECTIONS [24 CFR 982.405(c)]

If at any time, the family or owner notifies CMHA that the unit does not meet Housing Quality Standards, CMHA will conduct an inspection within 15 days of notification of the situation for non-emergency items.

CMHA may also conduct an investigative inspection based on complaints from neighbors, public officials, or others, provided such complaints include credible allegations that an HQS/NSPIRE V violation may exist.

CMHA will inspect only the items which were reported, but if the inspector notices additional deficiencies that would cause the unit to fail HQS/NSPIRE V, those items will be listed, and the responsible party will be required to make the necessary repairs by the provided "due date".

Re-inspection: The family and owner are notified of the re-inspection of failed items, appointment date and time by CMHA. CMHA will make every attempt to schedule the re-inspection on or before the due date for repairs. If the re-inspection date is scheduled by CMHA after the due date, CMHA will assume repairs were made timely as long as the unit passes the re- inspection CMHA will assume repairs were made timely as long as the unit passes the re- inspection, regardless of the date of the reinspection, with supporting date- stamped documentation from the owner showing when the repairs were made. Acceptable documentation will include date stamped photos of the repair, receipts for the material used to make the repair, work orders, invoices from contractors that made the repairs, etc. Under this situation the abatement will be canceled or ended in accordance with the documentation and payments issued to owner. If the owner is unable to provide supporting documentation to document the date of repairs, the abatement will end the day before the unit passes the reinspection.

If neither the owner nor the family is present for the re-inspection appointment, a notification of the missed inspection will be left at the unit, and HAP abatement may occur once the "due date" for repairs expires.

Once a unit goes into abatement, the family will be allowed to submit a RTA to CMHA for another unit, if there are no outstanding family responsible items. If the RTA is submitted prior to CMHA verifying the repairs, the family will be allowed to move. If the owner makes the repairs and corrects the deficiencies prior to the family submitting a RTA, the family will be allowed to move, with proper notification to the owner, if they are in a month-to-month tenancy. If the family is not in a month-to month-tenancy, they will be required to remain in the unit until the completion of the lease term.

Upon request, CMHA will schedule another re-inspection of the unit, if no RTA has been submitted by the family.

Time Standards for Repairs

Repairs resulting from a Complaint Inspection are due within 30 days, for nonemergency items, of the notification of the deficiency to responsible party(s). CMHA may approve an extension beyond the original 30 days, if requested by the party responsible in accordance with CMHA's Procedures. Extensions are granted at the discretion of CMHA. Extensions will not be considered without proper documentation to support the request.

Verification methods.

When CMHA must verify correction of a deficiency, it may use verification methods other than another on-site inspection. CMHA may accept photographic evidence or other reliable evidence from the owner to verify that a deficiency has been corrected but will complete an on-site inspection of the deficiency correction. If the deficiency is due to a building code violation that equates to a HQS deficiency, an on-site inspection may not be needed if the posting agency has cleared the orders for the deficiency.

E. EMERGENCY INSPECTIONS

Emergency inspections are complaint inspections conducted when the complaint involves an exigent situation that endangers the family's health or safety (see "Emergency Repair Items"). CMHA may inspect the unit within 24 hours upon receipt of notification of the emergency. If the condition is life-threatening, CMHA will require the owner or family to make the repair or correct the deficiency within 24 hours. CMHA will accept self-certification of the repair and physically confirm the repairs were completed through a reinspection of the unit.

F. QUALITY CONTROL INSPECTIONS [24 CFR 982.405(b)]

Quality Control inspections will be performed by the Owner Compliance Manager or their designee on the number of files required by SEMAP. The purpose of Quality Control inspections is to ascertain that each inspector is conducting accurate and complete inspections, and to ensure that there is consistency among inspectors in application of the HQS/NSPIRE V.

The sampling of files will include recently completed inspections (within the prior 3 months), a cross-section of neighborhoods, and a cross-section of inspectors.

The family and owner are notified of the date and time of the inspection appointment. If neither the family nor the owner can be present, the tenant is responsible for rescheduling the appointment at least 48 hours prior to the scheduled inspection time.

If the tenant does not contact CMHA to reschedule the inspection, or if the tenant misses two inspection appointments, CMHA may terminate assistance to the family.

Re-inspection: The family and/or owner are notified of the re-inspection of failed items appointment date and time by CMHA. CMHA will make every attempt to schedule the re-inspection on or before the due date for repairs. If the re- inspection date is scheduled by CMHA after the due date, CMHA will assume repairs were made timely as long as the unit passes the re- inspection.

If neither the owner nor the family is present for the re-inspection appointment, a notification of the missed inspection will be left at the unit, and HAP abatement may occur once the "due date" for repairs expires.

Once a unit goes into abatement, the family will be allowed to submit a RTA to CMHA for another unit, if there are no outstanding family responsible items If the RTA is submitted prior to CMHA verifying the repairs, the family will be allowed to move. If the owner makes the repairs and corrects the deficiencies prior to the family submitting a RTA, the family will be allowed to move, with proper notification to the owner, if they are in a month-to-month tenancy. If the family is not in a month-to month-tenancy, they will be required to remain in the unit until the completion of the lease term.

Upon request, CMHA will schedule another re-inspection of the unit, if no RTA has been submitted by the family.

Re-inspection: The family and owner are notified of the re-inspection of failed items, appointment date and time by CMHA. CMHA will make every attempt to schedule the re-inspection on or before the due date for repairs. If the re- inspection date is scheduled by CMHA after the due date, CMHA will assume repairs were made timely as long as the unit passes the re- inspection CMHA will assume repairs were made timely as long as the unit passes the re- inspection, regardless of the date of the reinspection, with supporting date- stamped documentation from the owner showing when the repairs were made. Acceptable documentation will include date stamped photos of the repair, receipts for the material used to make the repair, work orders, invoices from contractors that made the repairs, etc. Under this situation the abatement will be canceled or ended in accordance with the documentation and payments issued to owner. If the owner is unable to provide supporting documentation to document the date of repairs, the abatement will be ended the day before the unit passes the reinspection.

Time Standards for Repairs

Non-emergency repairs resulting from a Quality Control Inspection are due within 30 days of the notification to owner or family. CMHA may approve an extension beyond, the original 30 days, if requested by the party responsible in accordance with CMHA's Procedures. Extensions are granted at the discretion of CMHA. Extensions will not be considered without proper documentation to support the request.

Verification methods.

When CMHA must verify correction of a deficiency, it may use verification methods other than another on-site inspection. CMHA may accept photographic evidence or other reliable evidence from the owner to verify that a deficiency has been corrected but may complete an on-site inspection of the deficiency correction. If the deficiency is due to a building code violation that equates to a HQS deficiency, an on-site inspection may not be needed if the posting agency has cleared the orders for the deficiency.

G. MOVE-OUT/VACATE INSPECTIONS

This inspection type is performed participating in the program through an Emergency Housing Voucher with a contract effective date 9/1/2022 – 9/1/2023 to validate damage claims.

CMHA has developed a new Pilot Program in connection with the award of Emergency Housing Vouchers (EHV) from HUD. These EHVs are to assist individuals and families who are experiencing homelessness; at risk of experiencing homelessness; fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking; or were recently homeless and for whom providing rental assistance will prevent the family's homelessness or having high risk of housing instability.

EHVs are tenant-based vouchers, which operate as others in the Housing Choice

Voucher (HCV) Program, with the exception that the funding is separate, and apart from the regular HCV program. CMHA works with the local Continuum of Care, Strategies to End Homelessness, on the administration and referral of families for EHV assistance.

While not all families that participate with an assisted housing program causes damages to a unit, the Mitigation Incentive Program allows property owners to make a claim **if** damages do occur, beyond normal wear and tear of a unit upon an EHV family vacating. These funds are for use where damages beyond normal wear and tears exceed the security deposit amount for the unit. Property owners will have to request a "Move-out" inspection of the unit within 10 days of the family vacating the unit. CMHA will inspect the unit to assess the damage and determine if the damage is beyond normal wear and tear of the tenancy. After the assessment of the damages, CMHA will confirm with the owner if they are eligible to submit a claim for reimbursement of the costs of the repairs after the application of the security deposit towards the damages.

Property owners must submit the Damage Claim Request to CMHA. Property owners must have all work completed by a **licensed professional** and must submit receipts for the amounts paid. CMHA has the sole discretion in determining eligibility and approval for payment of these funds. Payments will not be made for normal wear and tear of a unit or for routine unit "make ready" costs, tools needed to repair damages, items allegedly stolen, or damages not represented in the move-in/out condition report.

If payment is approved, the property owner agrees to not pursue any other damages against the family. The request for these damages are capped at a maximum amount of $2,500.00 per assisted family. CMHA may consider multiple claims from owners as a lack of lease enforcement and could influence the owner's future participation with the program. Property Managing agents make request a claim on behalf of an owner, but funds will only be paid to the owner of the unit. This program is only for families with an Emergency Housing Voucher leased between 9/1/2022 – 9/1/2023 or until EHV special funding were expended.

H. SPECIAL INSPECTIONS

This inspection type is performed to follow up on any previously passed inconclusive inspection items, to verify completion of weather-related repair extensions, to verify the need for a reasonable accommodation request, to verify the occupancy of the unit by the assisted family and as needed to ensure program rules are being adhered to

Weather related extensions are usually provided during November 15 – March 31st on exterior deficiencies that are not "life threatening or emergency related" where the repair cannot be made due the cooler weather. These items may include exterior paint, concrete repairs, roof-related work that does not impose an imminent threat to the safety of the family. CMHA will notify the owner of the

"weather related" extension. The repairs for these items must be completed by May 15th following the inspection date. CMHA will schedule a "special" inspection to verify the repairs of these items. Since the work is exterior and CMHA will not need to access the interior, the work will be verified by an inspector without additional notice to the parties. No additional extensions will be granted for weather-related repairs. All other cited deficiencies not indicated as a "weather extension" must be corrected by the due date listed on the failed inspection notice to avoid abatement of HAP.

CMHA may also conduct a special inspection to verify unit information such as bedroom sized, utility meters, amenities, unit type and size, etc.

I. ACCEPTABILITY CRITERIA AND EXCEPTIONS TO HQS/NSPIRE V [24 CFR 982.401(a)]

CMHA adheres to the acceptability criteria in the program regulations and CMHA's HQS/NSPIRE V Guidebook and Checklist. A partial list of general criteria is described below. The HCV HQS/NSPIRE Guidebook and Checklist provides further acceptable criteria.

For inspections that occur on or after January 1, 2025, the presence of an unvented, fuel-burning space heater will be considered a failed item under HQS/NSPIRE/NSPIRE that the owner must correct in accordance with regulatory requirements and CMHA-established timeframes. If the owner doesn't correct the deficiency within the required timeframes, CMHA must abate HAP and enforce the owner obligations in accordance with program requirements in 24 CFR 982.404.

Additions

Smoke Detectors: Owners are responsible for providing working smoke detectors. Tenants are responsible for replacing old batteries for battery powered units. Effective January 1, 2025, smoke detectors must be hard wired or have a 10-year sealed battery.

Windows: All windows shall be fully supplied with window glass that is glazed. Windows shall have sashes in good condition that fit reasonably well within frames and are capable of being easily opened and held in position by hardware, including window locks, on all floors of the unit. Windows will be maintained to prevent inclement weather from entering the structure. Windows must be free from cracks, missing/broken panes, with no more than 10% moisture between panes that impedes the view. Windows must open and close properly. If window security bars or security screens are present on emergency exit windows, they must be equipped with a quick release system. The owner is responsible for ensuring that the family is instructed on the use of the quick release system.

Basement or cellar hatchways shall be so constructed and maintained as to prevent the entrance of rodents, rain and surface drainage into the dwelling. Basement or cellar hatchways must be secured with latch or lock.

Interior ceilings, walls, and floors shall be maintained in good condition free of holes, large cracks, lose or deteriorated materials, or any other condition that constitutes a hazard to the occupants or is a harborage for insects or vermin, or admits water or dampness to the interior of the building. Peeling and cracked or loose plaster, decayed wood, and other defective surface conditions shall be eliminated.

Carpet can't be ripped or damaged to the point of being deemed a safety hazard. Floors cannot have missing or damaged floor tile that would create a safety hazard for the family.

All interior stairs and railings and other exit facilities of every structure shall be maintained in sound condition and good repair by replacing treads and risers that have evidence of excessive wear, are broken, warped and/or loose. Every inside stair shall be constructed and maintained to be safe to use and capable of supporting anticipated loads. Interior steps of four or more risers require a handrail.

All stair risers and tread widths should be relatively uniform in height and width throughout the entire flight of stairs to eliminate trip hazards.

Every dwelling, cellars, basements and crawl spaces shall be maintained reasonably free from dampness to prevent conditions conducive to decay, mold/mildew growth or deterioration of the structure. Walls must be free of deteriorating cement, paint or material that is flaking and blistering. Scraping is required, and resealing may be necessary.

All structures shall be kept free from pests, insects, rodent and/or vermin infestation, and where pests, insects, rodents and/or vermin are found, they shall be properly identified and treated accordingly by acceptable processes that will not be injurious to human health. After treatment, proper precautions shall be taken to prevent reinfestation which may include an ongoing treatment plan.

Garage Conversions/Room Additions/Structural Modifications Any garage conversion/room additions/structural modifications converted to living space must meet local permit and code requirements. Verification regarding local code requirements may be requested.

Structural modifications to the unit such as subdividing the unit into two separate units must meet local code requirements. The owner may be required to provide a copy of the applicable permits from the local code enforcement agency.

Garbage and refuse shall not be allowed to accumulate or be stored in public halls, stairways or elevators.

Every public hall, stairway and exit way in every multiple dwelling shall be adequately lit at all times.

Elevators must be certified by the appropriate public agency to be safe and in operating condition and have current proper certification on file.

The water supply systems shall be installed and maintained to always provide a supply of water to plumbing fixtures in sufficient volume and at pressures adequate to enable them to function satisfactorily.

Fireplaces and other construction and devices intended for use similar to a fireplace, shall be stable and structurally safe and connected to approved chimneys. If usable, the owner must provide certification by a licensed technician documenting that the fireplace was recently cleaned (within the last 12 months) and is fully operational. If the fireplace is non-usable, the owner and tenant must provide CMHA with documentation stating that the tenant will not use the fireplace.

All smoke pipes, vent connectors, vents, flues and chimneys shall be properly supported and securely joined, reasonably clean and maintained in such a condition that there will be no leaking or backing up of noxious gases. Duct work can only be sealed with aluminized HVAC tape.

Deadbolts cannot be double key locks (interior side of deadbolt lock must have thumb/turn latch). **Walls** In areas where plaster or drywall is sagging, severely cracked, or otherwise damaged, it must be repaired or replaced.

Windows Window sashes must be in good condition, solid and intact, and properly fitted to the window frame. Damaged or deteriorated sashes must be replaced. Windows must be weather-stripped as needed to ensure a weather-tight seal. Window screens must be in good condition (applies only if screens are present).

Doors All exterior doors must be weather-tight to avoid any air or water infiltration, be lockable, have no holes, have all trim intact, and have a threshold. All interior doors must have no holes, have all trim intact, and be openable without the use of a key.

Floors All wood floors must be sanded to a smooth surface and sealed. Any loose or warped boards must be secured and made level. If they cannot be leveled, they must be replaced. All floors must be in a finished state. Raw wood or unsealed concrete is not permitted. All floors should have some type of base shoe, trim, or sealing for a "finished look." Vinyl base shoe is permitted.

Sinks All sinks and commode water lines must have shut off valves, unless faucets are wall mounted. All sinks must have functioning stoppers.

Toilets Units must have at least one operating toilet in a unit. All worn or cracked toilet seats and tank lids must be replaced, and toilet tank lids must fit properly. Toilets cannot leak and must be bolted correctly to the floor to not move. Seats must be present and in good repair.

Utility Service

- Each unit must have individual meters to measure the family's consumption if they are to be responsible for certain utilities. There cannot be multiple meters for the same utility if the tenant is responsible for paying for the utility.
- The owner will be responsible for paying for utilities for units with centralized meters.

- Complexes that have centralized meters and have a third-party calculate actual consumption for each resident and bill the residents individually are viewed as individual meters.
- All utilities must be in service at the time of the inspection.
- Utilities must be legally connected.

Certifications: In instances of all inspections or inspector uncertainty, certification or documentation from a professional, licensed service technician may be required to verify the proper operating condition and soundness of such items as furnaces, water tanks, electrical and plumbing systems. This is to ensure that the facility is functioning adequately and safely.

Pest Control: Pest, insect, rodent or vermin infestation that requires professional treatment to eliminate or control may need proper certification. Units with bedbug infestations must be treated by a licensed exterminator.

CMHA must see a copy of the treatment plan that will eradicate the infestation within 60 days. If CMHA does not receive a copy of the treatment plan by a licensed professional exterminator, the unit will be placed under abatement.

The tenant must comply with the treatment plan, or they will be proposed for termination. The owner's HAP will be abated if this is not adhered to.

- Owners will be responsible for pest control in apartments and duplexes.
- Tenants are responsible for pest control in Houses and Mobile Homes if explicitly specified in the lease agreement. This does not include rodent control.

Exception: If there is no evidence to suggest that the residents' Housekeeping, Sanitation, and Trash removal/storage contributed to the infestation, it will be the owner's responsibility.

Mobile Home Requirements: Mobile homes shall be equipped with at least one smoke detector in working condition. Mobile homes must be securely anchored by a tie down device which distributes and transfers the load imposed by the unit to appropriate ground anchors to resist wind overturning and must be placed in the site in a stable manner free from hazards such as flooding, land sliding or wind damage.

Single Family Home Requirements:
For single family dwellings, the family must have access to garages, sheds, basements if the utility meters are present in such area. Including detached garages, sheds, etc. Additionally, the owner cannot use any part of the assisted home for personal use such as but not limited to storage.

All detached structures must be maintained in accordance with HQS/NSPIRE and CMHA HCV HQS/NSPIRE V Guidebook.

Unit Address: The unit address should be clearly visible from the street or sidewalk. The address must have a mailbox to which the Postal Service will deliver mail. If there is more than one unit in the building, units should clearly be identified with the unit number on or near the primary entry door. The unit address should

correlate with the Utility Service Provider's address and the United States Postal Service address. The owner is responsible for notifying CMHA of any changes to the unit's address.

Optional Equipment: Owner installed optional equipment may include but is not limited to dishwasher, washers, dryers, air conditioner, garbage disposal, ceiling fans, microwave, and range hood.

Owner installed optional equipment usually adds to the value of the unit and is a consideration in determination of rent reasonableness. The owner is responsible for maintaining all optional equipment in working condition. Any inoperable appliance/equipment not required by HQS/NSPIRE must be repaired or replaced. The appliance cannot simply be removed unless the tenant has agreed in writing. Removal of the optional equipment may result in reassessment of the rent reasonableness for the unit.

Laundry: A gas dryer must be vented outdoors, shaft or crawlspace. An electric dryer is not required to be vented outdoors but must be properly vented to a lint trap to prevent the buildup of combustible dust and prevent excessive moisture problems like mold and mildew. The inspector will check behind the dryer whenever possible for excessive lint and dust build-up which could be a fire hazard.

Excessive Chipping and Peeling Paint: Regardless of the family composition, whenever excessive chipping and peeling paint allows rot of substrate, or areas of missing siding allow weather to damage the framing or sheathing or allow wind, water or moisture to penetrate the walls, the inspection will fail. Paint drips will not cause a unit to fail an inspection.

Bedrooms below grade: All bedrooms below grade must comply with local building code requirements.

Carbon Monoxide: Alarms must be installed in all units/buildings with a fuel-burning appliance system/equipment or attached garage. To be installed as follows:

- Installed in the immediate vicinity of the bedrooms in apartments served by fuel-burning appliance
- Installed inside the bedroom, IF the bedroom contains a fuel-burning appliance (i.e. water heater in bedroom closet)
- Installed in the immediate vicinity of the bedrooms in apartments with openings to a garage (door, window, etc.)
- In general, if an item is present, it must be operable.
- The item can be removed, repaired or replaced to correct the deficiency. If the amenity was used in determining rent reasonable, the assessment will be re-evaluated if the item is removed and the owner notified accordingly of the contract rent adjustment amount.

Modifications

Modifications or adaptations made to a unit to accommodate a disability must meet all applicable HQS/NSPIRE and building codes.

Extension for repair items not required by HQS/NSPIREV may be granted for modifications/adaptations to the unit if agreed to by both the tenant and the owner. CMHA may allow execution of the HAP Contract if the unit meets all other requirements and the modifications do not affect the livability of the unit.

J. EMERGENCY REPAIR ITEMS [24 CFR 982.404(a)]

The following items are considered of an emergency nature and must be corrected by the owner or tenant (whoever is responsible) within 24 hours of notice by the inspector:

- Sewage backup or leaks.
- Utilities are not on (i.e. electric, gas, and/or water).
- Smoke detector missing from unit or bedroom or not on each level, damaged, not properly mounted, wrong type, and/or not functioning properly.
- Carbon Monoxide detectors are missing damaged, not working, and/or not properly mounted for units with connected garages and/or gas utilities.
- Electrical outlets and light switch covers that are missing, cracked.
- GFCI outlets that are missing, do not function properly (open grounds on GFCI are acceptable). Must be placed on all outlets within 6 feet of a water source.
- Circuit breaker boxes with open slots or open knock-out hole or foreign material used for repair.
- Junction boxes missing cover or open knock-outs.
- Gas stoves that do not light from the pilot.
- Improper flue connection for furnace or water heater.
- No heat when outside temperature is below 40° or the heat source cannot maintain temperature of a minimum of 68°
- Flooding
- Smell of gas
- Fire damage leaving the unit inhabitable.
- Any condition that jeopardizes the security of the unit
- Major plumbing leaks or flooding, waterlogged ceiling or floor in imminent danger of falling.
- Toilet not working properly or missing, if only one in the unit.
- Flammable items near heat source.
- Extensive infestation.
- Nonmetal dryer vents
- Gas shut off valves missing/damaged.
- Unvented fuel burning heat source.
- Missing or inoperable entry door.
- Blocked egress- as determined by HQS/NSPIRE V

The inspector will notify owners of Emergency failed items via email, the landlord portal or phone call. CMHA will make available an Emergency Self- Certification form. This form certifies that the emergency items have been repaired and must be filled out completely, must be signed by the party responsible, and must be returned to the inspector within 24 hours. Forms must be submitted in the HCV Administrative Office, or via email as indicated on the form. All emergency failed items will be re-inspected by CMHA. If the Self- Certification form is returned and subsequent inspection indicates that the repairs were not completed, CMHA will abate the HAP as of the original effective date.

If the emergency repair items are not corrected in the period required by CMHA, and it is an HQS/NSPIREV breach which is a family obligation, CMHA may terminate the assistance to the family.

K. CONSEQUENCES IF OWNER IS RESPONSIBLE (NON-EMERGENCY ITEMS) [24 CFR 982.405, 982.453]

When it has been determined that a unit on the program fails to meet Housing Quality Standards, and the owner is responsible for completing the necessary repair(s) in the time period specified by CMHA, the assistance payment to the owner will be abated.

Abatement

A Notice of Abatement will be sent to the owner, and the abatement will be effective the day after the repair deadline. The notice will be in writing and maybe sent via email, notice on the landlord portal or letter. For non-emergency repairs, the owner is given up to 30 calendar days to make the repair. For life threatening deficiencies, the owner is given 24 hours to correct the deficiency.

Abatements will go into effect at the first of the month following the due date for repairs. If the owner makes repairs during the abatement period, payment will resume on the day prior to the date the unit passes inspection unless verifiable documentation provided by the owner shows the actual date the repairs were made. CMHA will recoup from future disbursements any amount owed as an overpayment. Payments may also be recouped from future housing assistance payments due the owner on a different HAP Contract. To avoid a hardship on the owner, for overpayments of two or more months, CMHA may allow at its discretion the funds to be paid in accordance with a repayment agreement with the owner to reimburse the monies owed.

CMHA will cancel an abatement placed on a unit if the reinspection is delayed due to scheduling as long as the unit passes on the date of the next scheduled reinspection **and** the owner can successfully provide date stamped documentation to show that the repairs were made timely. This documentation must be provided to CMHA within 7 (seven) days of the date of the “passed” reinspection. The unit must pass the reinspection, or no retro payments will be made to the owner regardless of the documentation submitted by the owner. The abatement will end as of the day prior to the “passed” reinspection. CMHA has the right to verify documentation submitted by the owner/agent. CMHA will follow its policy as stated below.

The abatement will end the day before the unit passed the reinspection, if no reinspection was requested prior to that date or evidence not submitted as stated above. Documentation will be rejected in the case where CMHA can easily determine that the deficiencies were not corrected by the date in question.

No retroactive payments will be made to the owner for the period of time the HAP was abated and the unit did not comply with HQS/NSPIRE and the owner cannot prove that the repairs were made prior to the due date. CMHA cannot accept "verbal" documentation from the family or owner to support timely completion of repairs. CMHA has the sole discretion of determining acceptable documentation and may use items such dated work orders, invoices/receipts for work, and date stamped photos.

The steps outlined in this chapter does not prevent CMHA from taking other necessary measures for "corrective action" when necessary. An owner may be terminated or suspended from participation in the program for submitting misleading, false or fraudulent information/documentation to the agency.

Voucher Issuance

CMHA will issue a voucher to a family in a unit that has been abated for HQS/SPIRE V violations under the conditions below:

- The family is not responsible for any of the deficiencies that caused the unit to fail.
- The family has corrected all family responsible deficiencies, and the owner has not failed to make repairs.
- The owner has informed CMHA that they are not going to make the repairs and wishes to terminate the HAP.

CMHA will issue a voucher for a term of 90 days. If the family is still in the abated unit and cannot find a new unit within the term of the voucher, the family can relinquish their voucher and request to move to a unit under CMHA's Asset Management/LIPH program with a preference for housing.

CMHA does not offer relocation or search assistance in the search for a new unit but will offer external resources that may be used to assist upon request from the family.

Extensions

Extensions for correcting non-life-threatening HQS/NSPIRE deficiencies may be granted in cases where CMHA determines that the owner or family has made a good faith effort to correct the deficiencies and is unable to do so for reasons beyond their control. The length of the extension will be determined on a case-by-case basis.

Reasons for an extension may include, but are not limited to:

- An unavoidable delay in completing repairs due to difficulties in obtaining parts or contracting for services;
- Delays due to climate conditions;
- Complexity or extensive nature of repairs which make it impossible to complete the repairs by the original due date;
- Serious illness, death, etc.

The request for an extension must be made in writing with an extension form request to the Owner Compliance Manager prior to the due date for repairs. **All requests must have 3rd party documentation to support the extension need to be considered for approval (except for weather related requests).**

For conditions that are life-threatening, the PHA cannot grant an extension to the 24-hour corrective action period.

Termination of Contract

CMHA may terminate the HAP Contract when an owner fails to correct all the deficiencies cited and the unit final fails the inspection process. CMHA may also terminate a contract after it has made 3 attempts to conduct an inspection without entry to the unit. While the family is in possession of the unit and responsible for allowing entry, CMHA strongly encourages owners to also ensure that CMHA is able to conduct the required inspection timely to avoid placement of an abatement or cancelation of the HAP contract. If a unit is under abatement prior to the effective date of the contract termination, the abatement will remain in effect until ended.

If a unit fails 2 consecutive reinspections for non-emergency items, on a unit, the result will be a final fail that may lead to termination of the HAP Contract as stated above. If a unit falls into this status, the family will need to submit a new Request for Tenancy Approval if they would like to remain in the unit. The unit will be subject to a new ***initial*** inspection and the owner will need to enter a new HAP Contract for the unit. HCV Management or their designee can make an exception to this requirement for extenuating circumstances.

Once a unit final fails an inspection, CMHA will not conduct any further reinspections without the submittal of a new RTA to start a new HAP Contract. Any open remaining reinspections will be cancelled accordingly until a new RTA is submitted.

CMHA may review HQS/NSPIRE V discrepancies and inconsistencies regarding a failed item. Owners may contact the Owner Compliance Manager with any issues. The Manager of Inspections will review the matter and take appropriate action to address the issue.

L. DETERMINATION OF RESPONSIBILITY [24 CFR 982.404, 982.54(d)(14)]

Certain HQS/NSPIRE deficiencies are considered the responsibility of the family:

- Tenant-paid utilities not in service or not established in the name of an adult

household member.

- Failure to provide or maintain family-supplied appliances.

- Damage to the unit or premises caused by a household member or guest that exceeds normal wear and tear. "Normal wear and tear" is defined as items the gradual deterioration or damage of a rental property due to everyday use, aging, and exposure to the elements. It's different from damage caused by a tenant, and tenants generally aren't held responsible for this type of damage.. The owner is responsible for all other HQS/NSPIRE violations.

M. CONSEQUENCES IF FAMILY IS RESPONSIBLE [24 CFR 982.404(b)]

If non-emergency violations of HQS/NSPIRE are determined to be the responsibility of the family, CMHA will normally require the family make any repair(s) or corrections within 30 calendar days. Utility shut offs must be corrected within 24 hours. If the repair(s) or correction(s) are not made within the required period, CMHA may terminate assistance to the family, after providing an opportunity for an informal hearing. Extensions in these cases must be approved by the Manager of Inspections or their designee. The owner's rent will not be abated for items which are the family's responsibility.

If the tenant is responsible and corrections are not made, the HAP Contract will terminate when assistance is terminated.

N. INSPECTION APPEALS [24 CFR 982.404(b)]

An owner or family may appeal a failed item on an inspection by contacting the Manager of Owner Compliance/Inspections. Appeals will not be considered for items specifically listed in the HQS/NSPIRE Handbook as a failed item or for deficiencies that are considered emergency health and safety risks. CMHA will review discretionary items and those that are not health and safety related.

The party responsible must make the appeal request within seven days of the failed inspection in the manner specified on the appeals form. Appeals will not be considered if not made according to method specified on the form or made untimely by an owner.

CHAPTER 12

Owner Rents, Rent Reasonableness, and Payment Standards

[24 CFR 982.502, 982.503, 982.504, 982.505, 982.507]

PHILOSOPHY

It is CMHA's responsibility to ensure that the rents charged by owners are reasonable based upon unassisted comparable in the rental market, using the criteria specified in 24 CFR 982.507(b).

POLICY

CMHA will determine rent reasonableness in accordance with 24 CFR 982.507(a) to ensure that families pay fair and reasonable rents.

CMHA must re-determine rent reasonableness if directed by HUD and based on a need identified by CMHA's auditing system. CMHA may elect to re-determine rent reasonableness at any other time. At all times during the assisted tenancy, the rent to owner may not exceed the reasonable rent as most recently determined or re-determined by CMHA.

The policies in this chapter reflect the amendments to the HUD regulations, which were implemented by the Quality Housing and Work Responsibility Act of 1998 for the Housing Choice Voucher Program Tenant-Based Assistance Program. These amendments became effective on October 1, 1999, which is referred to as the "merger date". These amendments complete the merging of the Housing Choice Voucher Program Certificate and Voucher Programs into one program, called the Housing Choice Voucher Program.

All Housing Choice Voucher Program participant families have been transitioned to the Housing Choice Voucher Program on or before October 1, 2001. Rent calculation methods for the Housing Choice Voucher Program are described at 24 CFR 982.505. The rent calculation formula is specific and is not subject to interpretation.

CMHA will determine rent reasonableness in accordance with 24 CFR 982.507(a). It is CMHA's responsibility to ensure that the rents charged by owners are reasonable based upon unassisted comparable in the rental market, using the criteria specified in 24 CFR 982.507(b).

This chapter explains CMHA's procedures for determination of rent-reasonableness, payments to owners, adjustments to the payment standards, and rent adjustments.

A. RENT TO OWNER IN THE HOUSING CHOICE VOUCHER PROGRAM

CMHA must demonstrate that the rent to owner is reasonable in comparison to rent for other comparable unassisted units.

The only other limitation on rent to owner is the maximum rent standard at initial occupancy (24 CFR 982.508). At the time a family initially receives tenant-based assistance for occupancy of a dwelling unit, whether it is a new admission or a move to a different unit, if the gross rent for the unit exceeds the applicable payment standard for the family, the family share may not exceed 40 percent of the family's monthly adjusted income.

During the initial term of the lease, the owner may not raise the rent. If a unit fails an inspection the item can be removed, repaired or replaced to bring the unit in compliance. If the amenity was used in determining rent reasonable, the assessment will be re-evaluated if the item is removed and the owner notified accordingly of any adjustment to the new contract rent amount.

B. MAKING PAYMENTS TO OWNERS [24 CFR 982.451]

Once the HAP Contract is executed, CMHA begins processing payments to the owner. A HAP Register will be used as a basis for monitoring the accuracy and timeliness of payments. Changes are made automatically to the HAP Register for the following month. Payments are disbursed by CMHA's Finance Department to the owner each month. All Housing Assistance Payments will be directly deposited to the owner's account. It is mandatory that all owners supply CMHA with ACH information for electronic deposits to be made. CMHA will not mail an owner a HAP statement each month. HAP statements/receipts can be obtained directly from the Landlord Partner Portal for each actively participating owner with the HCV program. Owners can also access their I-1099 form via the Landlord Partner Portal. Non- active owners may request a copy of a HAP statement or I-1099 form from CMHA for a processing fee. Owners are required to provide an accurate W9 form annually for all active HAP Contracts in accordance with IRS rules.

Housing Assistance Payments for the beginning of the month will be paid to owners when funds are received by HUD. CMHA expects to make this payment by the 5th of the month. Additional disbursements of payments may be made to owners, if funds are available.

Delays in processing payments will be promptly communicated to owners via CMHA's website and the Landlord Partner Portal.

Exceptions may be made with the approval of the HCV Management or their designee.

When a payee reports that a payment has not been received, CMHA will investigate the report and reissue the payment if warranted on the next regularly scheduled check run.

Contract Rent Adjustments

An owner may request a rent adjustment, in writing, once every twelve months after the initial lease term. A copy of the request must be provided to the family at the same time it is provided to CMHA. Only one rent adjustment request will be processed in a 12-month period following the last effective date of a rent adjustment.

Rent adjustment requests for mid-month move-ins (e.g., September 15) will be granted no earlier than a year from the first of the month following move-in (e.g., October 1).

Any contract rent adjustment form that is received by CMHA prior to the expiration of the initial lease term will be rejected by CMHA. The requests will not be “stored” or “kept on file” by CMHA. The owner will need to resubmit the request at the appropriate time in order for the request to be considered.

In the event of financial constraints, CMHA may implement a rent adjustment CAP.

An interim certification will be completed by CMHA effective for the first of the month following the processing of the certification and proper notice to the client. CMHA will provide a 30-day notice to the family if the adjustment increases the tenant’s rental portion.

Any requested adjustment in rent will be subject to rent reasonableness requirements. See 24 CFR 982.503. If the rent assessment is lower than what the owner is currently receiving, CMHA will adjust the rent to that amount in accordance with HUD regulations.

In instances where the landlord alleges to have submitted a rent adjustment request that is not in possession of the housing authority, the burden of proof will lie with the landlord. Acceptable forms of proof include but are not limited to copy of an e- mail properly addressed to HCV staff, a date-stamped receipt from CMHA or a return receipt from the post office. Contract rent adjustments will not be made effective retroactively unless an exception has been approved by HCV Management for extenuating circumstances.

CMHA reserves the right to suspend, terminate or refuse to enter into a contract with a property owner who has provided CMHA with misleading, false or fraudulent information/documents regarding a unit or tenant.

Excess Payments

The total rent paid by the tenant plus CMHA's Housing Assistant Payment to the owner may not be more than the total approved rent. The owner may not demand or accept any rent payment from the tenant more than this total approved rent payment from the tenant unless said payment was preauthorized by CMHA. The owner must immediately return any excess payments made by or on behalf of the family to the tenant.

Owners who do not return excess payments will be subject to penalties as outlined in the "Owner or Family Debts to CMHA" chapter of this Administrative Plan.

Owners must also promptly credit and/or refund to the tenant family any overpayments made by the family for their share of the rent. Failure to do so will be considered a program violation.

If CMHA determines that the owner is not entitled to a housing assistance payment or any part of it, CMHA will deduct the amount of the overpayment from any amounts due the owner (including amounts due under any other HCV/Section 8 assistance contract). CMHA may also elect to pursue other collections methods as permitted by law.

Late Payments to Owners

CMHA may pay a $25 late fee to the owner for Housing Assistance Payments that are not made to the owner timely, and the delay is caused by CMHA's failure to act. Payment is considered late if not received by the owner by the 7th of the month. A payment is not late if delayed due to the timing of funds released by HUD.A late payment fee must be requested by the owner. The date the bank shows as the deposit date will be the official date of record and will be the determining factor in cases involving late payment penalties.

CMHA will not be obligated to pay any late payment penalty if HUD determines that late payment is due to factors beyond CMHA's control, such as a delay in the receipt of program funds from HUD. CMHA will use administrative fee income or the administrative fee reserve as its only source for late payment penalty.

C. RENT REASONABLENESS DETERMINATIONS [24 CFR 982.507]

CMHA will determine and document on a case-by-case basis that the approved rent for a unit is reasonable in comparison to rent for other comparable unassisted units in the market. This applies to all programs.

CMHA will not approve a lease until CMHA determines that the initial rent to owner is a reasonable rent. CMHA must re-determine the reasonable rent before any increase in the rent to owner, and if there is a five percent decrease in the published FMR in effect 60 days before the contract anniversary (for the unit size rented by the family) as compared with the FMR in effect one year before the contract anniversary.

CMHA must re-determine rent reasonableness if directed by HUD and based on a need identified by CMHA's auditing system. CMHA may elect to re-determine rent reasonableness at any other time. At all times during the assisted tenancy, the rent to owner may not exceed the reasonable rent as most recently determined or re- determined by CMHA.

The owner will be advised that by accepting each monthly housing assistance payment s/he will be certifying that the rent to owner is not more than rent charged by the owner for comparable unassisted units in the premises.

Dwelling Units in Multi-family Buildings

Where there are eight or more units in a building, CMHA may establish the rent to owner by performing one rent reasonable assessment for each unit type. CMHA will maintain this information and use in determining the rent reasonable for each unit proposed for assistance. CMHA will intermittently review the reasonable rent for these units to ensure that the rent to owner is not more than rent charged by the owner for comparable unassisted units on the premises.

If requested, the owner must give CMHA information on rents charged by the owner for other unsubsidized units in the premises or elsewhere.

Rent Reasonableness Methodology

CMHA uses a web-based computer system to calculate the reasonable rent for proposed program units. The rent reasonableness database is compiled using information gathered on unassisted rental units throughout Hamilton County by way of surveys. An analysis of the rental comparable database is used to determine the most significant indicators of rental value and to derive a formula to calculate the reasonable rent. The entire reasonable rent calculation is automated.

CMHA's Rent Reasonableness determinations are not subject to appeal. CMHA will review discrepancies regarding unit amenities or conditions to ensure the reasonable rent assessment is accurate.

CMHA will update all information on an "as needed" basis, dependent upon changing market conditions.

The data for other unassisted units may be gathered from local newspapers, Realtors, apartment guides, professional associations, inquiries from owners, market surveys, and other available sources.

Rent Reasonableness Appeal

CMHA may review assessment discrepancies regarding unit amenities, locations, quality, size or conditions to ensure the rent reasonable assessment is accurate. Owners may contact the Owner Compliance Manager with any discrepancies. The Owner Compliance Manager or his or her designee will review the matter and take appropriate action to address the concern. CMHA has the right to make the final determination of a unit's condition.

D. PAYMENT STANDARDS FOR THE VOUCHER PROGRAM [24 CFR 982.503]

The Payment Standard is used to calculate the housing assistance payment for a family. In accordance with HUD regulations, and at CMHA's discretion, the Voucher Payment Standard amount is set by CMHA between 90 percent and 120 percent of the HUD published FMRs. Effective January 1, 2025, HUD has mandated the use of Small Area Fair Market Rents (SAFMRs) for the state of OHIO, as such these standards will be adopted at such time. SAFMRs are published by zip codes in a PHAs jurisdiction. The goal of the use of SAFMRs is to deconcentrate poverty and to make housing affordable for families in areas with low concentrations of poverty and higher opportunities.

CMHA reviews the appropriateness of the Payment Standards annually when the SAFMRs are published. In determining whether a change is needed, CMHA will ensure that the Payment Standard is always within the range of 90 to 120 percent of HUD published SAFMRs, CMHA may approve a higher payment standard up to 120 percent of the published SAFMR if required as reasonable accommodation for a family that includes a person with disabilities. CMHA will request HUD approval for payment standards more than 120 percent if needed as a reasonable accommodation for a family that includes a person with a disability.

CMHA will always balance the goal of increasing access to low poverty, high opportunity areas and serving the greatest number of families eligible for the program when reviewing payment standards.

E. ADJUSTMENTS TO PAYMENT STANDARDS [24 CFR 982.503]

Payment Standards may be adjusted, within HUD regulatory limitations, to increase Housing Assistance Payments in order to keep families' rents affordable. CMHA will review payment standards and HUD published SAFMRs to ensure standards are between 90 – 120% of SAFMRs for the jurisdiction. CMHA may use some or all the measures below in making its determination whether an adjustment should be made to the Payment Standards.

Assisted Families' Rent Burdens

CMHA may review its voucher payment standard amounts to determine whether more than 40 percent of families in a particular unit size are paying more than 30 percent of their annual adjusted income for rent.

If it is determined that particular unit sizes in CMHA's jurisdiction have payment standard amounts that are creating unacceptable rent burdens for families, CMHA may modify its payment standards for those particular unit sizes.

CMHA may increase its payment standard within the basic range for those particular unit sizes to help reduce the percentage of annual income that participant families in CMHA's jurisdiction are paying.

CMHA may establish a separate voucher payment standard, within the basic range, for designated parts of its jurisdiction if it determines that a higher payment standard is needed in these designated areas to provide families with quality housing choices and to give families an opportunity to move outside areas of high poverty and low income.

Lowering of the Payment Standard

CMHA's Payment Standards may be lowered:

- To maintain the payment standards within the established ranges of HUD's published SAFMRs;
- To more accurately reflect current area market rents;
- In response to budget shortfalls, or
- To achieve maximum participant utilization based on HUD's newest budget-based program funding formula.

In any case, the Payment Standard will not be set below 90 percent of the SAFMRs without authorization from HUD. If there is a decrease in a payment standard as a result in published SAFMRs, CMHA will Hold Harmless the applicable decrease and continue to use the higher payment standard used to calculate subsidy as long as the family continues to receive voucher assistance in the current unit and the payment standard does not exceed 110 percent of published SAFMRs. The decreased payment standard will be applied for subsidy calculation when the family moves to a new unit.

The lowered payment standards will be applied as of the effective date for all new admissions, port ins and other change of units (transfer) clients.

Payment Standard Increase

If the payment standard amount is increased during the term of the HAP Contract, the PHA must use the increase payment standard amount to calculate the housing assistance payment for the family beginning no later than the earliest of:

- The effective date of an increase in the gross rent would result in an increase in the family.
- The family's first regular or interim reexamination; or
- One year following the effective date of the increase in the payment standard amount.

File Documentation

A file will be retained by CMHA for at least three years to document the analysis and findings to justify whether or not the Payment Standard was changed.

F. Housing Assistance Payment (HAP) Contract § 982.451

The HAP contract must be in the form required by HUD. The term of the HAP contract is the same as the term of the lease. The HAP Contract must be executed when:

(1) The PHA must use best efforts to execute the HAP contract before the beginning of the lease term. The HAP contract must be executed no later than 60 calendar days from the beginning of the lease term.

(2) The PHA may not pay any housing assistance payment to the owner until the HAP contract has been executed.

(3) If the HAP contract is executed during the period of 60 calendar days from the beginning of the lease term, the PHA will pay housing assistance payments after execution of the HAP contract (in accordance with the terms of the HAP contract), to cover the portion of the lease term before execution of the HAP contract (a maximum of 60 days).

(4) Any HAP contract executed after the 60-day period is void, and the PHA may not pay any housing assistance payment to the owner, unless there are extenuating circumstances that prevent or prevented the PHA from meeting the 60-day deadline, then the PHA may submit to the HUD field office a request for an extension. The request, which must be submitted no later than two weeks after the 60-day deadline, must include an explanation of the extenuating circumstances and any supporting documentation. HUD at it sole discretion will determine if the extension request is approved.

(d) ***Notice to family and owner.*** After receiving the family's request for approval of the assisted tenancy, the PHA must promptly notify the family and owner whether the assisted tenancy is approved.

(e) ***Procedure after PHA approval.*** If the PHA has given approval for the family of the assisted tenancy, the owner and the PHA execute the HAP contract and lease agreement

CHAPTER 13

Recertifications

[24 CFR 982.516]

PHILOSOPHY

CMHA will conduct annual recertifications to ensure that assisted families are eligible for continued assistance from HCV program.

POLICY

In accordance with HUD requirements, CMHA will reexamine the income and household composition of all families at least annually. Families will be provided with accurate annual and interim rent adjustments. Recertifications and interim examinations will be processed in a manner that ensures families are given reasonable notice of rent increases. CMHA will run EIV reports for all annual and interim certifications. CMHA will compare information reported on the EIV report to income information reported by the family. If EIV information is disputed by the family, CMHA will request third-party verification. All annual activities will be coordinated in accordance with HUD regulations.

It is a HUD requirement that families report all changes in household composition. This Chapter defines CMHA's policy for conducting annual recertifications and coordinating annual activities. It also explains the interim reporting requirements for families, and the standards for timely reporting. As CMHA move towards conducting more of its operations online, it will notify clients via email or mail to provide necessary information through its online portal. Families may be terminated for failure to do so in a timely manner.

A. ANNUAL ACTIVITIES [24 CFR 982.516,982.405]

CMHA must conduct on an annual basis a reexamination of participant family's income, assets and household composition. CMHA may elect to conduct a streamlined annual reeaxamination of participant family members with a fixed source of income (see glossary for further details) A streamlined income determination will be conducted by applying, for each fixed-income source, the verified cost of living adjustment (COLA) or current rate of interest to the previously verified or adjusted income amount.

Prior to utilizing this streamlined income determination, CMHA will verify the appropriate COLA or current rate of interest from a public source or through tenant-provided, third party–generated documentation. If no such verification is available, then CMHA will obtain third-party verification of income amounts to calculate the change in income for each fixed income source.

For any family member whose income is determined pursuant to a streamlined income determination, CMHA will obtain third-party verification of all income amounts upon admission into the program, upon initial receipt and every 3 years thereafter.

CMHA produces a monthly listing of units under contract to ensure that timely reviews of housing quality and factors related to total tenant payment/family share can be made.

B. ANNUAL /REEXAMINATION [24 CFR 982.516]

Families are required to be recertified at least annually.

Moves Between Reexaminations

When families move to another dwelling unit, CMHA will process a transfer certification, "Other Change of Unit" and will not change the family's recertification anniversary date. If the family is due for an annual, the transfer will be processed as an annual certification. The RTA will be processed using the current household income verified and on file for the family. Families will not be allowed to randomly add or remove sources of income (i.e., regular contributions, temporary employment income) to qualify for a unit (also known as "income shopping").

Reexamination Notice to the Family

CMHA will maintain a reexamination tracking system and the participant family will be notified by US mail, electronically or email of the need to complete their recertification 90 days in advance of the anniversary date. If requested as reasonable accommodation by a person with a disability, CMHA will provide the notice in an accessible format. CMHA will also email the notice to a third party, if requested reasonable accommodation for a person with a verified disability. All adult household members aged 18 and over are required to complete the recertification in the manner determined by CMHA. If the participant family contains a minor who will reach maturity prior to the effective date of the annual certification, the certification date may be delayed.

Income limits are not used as a test for continued eligibility at recertification.

Procedure

CMHA's procedure for conducting annual recertifications will be:

- To contact the family to alert them of the need to recertify and the documents needed with a due date to provide the information to the office. CMHA will provide an online recertification packet to be completed and method(s) to submit to submit the information.
- If the family fails to submit the recertification information and verifications to CMHA by the initial due date, a second request for the information will be made.

- If the family fails to provide the necessary documents and verifications after the 3rd and final request, the family may be proposed for termination from the program with a right to a hearing. CMHA may elect to have a family recertify in person, via mail, electronically through CMHA's resident portal, or other method.

Exceptions to this procedure may be made by HCV Management.

Completion of Annual Recertification

It is CMHA's goal to have all recertifications for families completed before the anniversary date. This includes notifying the family of any changes in rent at least 30 days before the effective date of the change in the family's rent change.

Persons with Disabilities

Persons with disabilities who are unable to complete the recertification online, be granted accommodation by conducting the interview, by mail, or other manner, upon verification that the accommodation requested meets the need presented by the disability. The accommodation must be requested prior to the due date of the recertification.

Collection of Information [24 CFR 982.516(f)]

CMHA has established appropriate recertification procedures necessary to ensure that the income data provided by families is complete and accurate.

CMHA will allow the family to complete the recertification form.

CMHA will require the family to complete an Application for Continued Assistance prior to all recertification interviews.

Failure to Respond to Notification to Recertify

If the family does not complete and submit the recertification packet and all requested verifications to CMHA by the due date, or has not made prior arrangements with CMHA to return the information at a later date, CMHA may propose the family for termination of assistance from the HCV program after 3 attempts to obtain the information. If proposed for termination, the family will be offered the opportunity to request a hearing. Exceptions to these policies may be made by the HCV Management staff or designee.

Documents Required from the Family

In the notification to the family, CMHA will include instructions for the family to submit the following:

- Documentation of all assets with a net value greater than $5,000 Self-Certification/Declaration of assets with a net value up to $5,000

- Documentation of all household income
- Documentation of any deductions/allowances
- Current picture ID for every adult household member

CMHA's HCV Program's Recertification/Transfer Application

Criminal Background Checks for All Adult Members of the Household

Every Adult household member may be required to sign a release to allow CMHA to conduct an annual criminal background check at recertification. CMHA may also retrieve information available through public records to ascertain criminal background information as needed. Any unsatisfactory criminal background check, as determined by CMHA, can result in program termination. A history of violent criminal activity, drug-related criminal activity, or if any member of the household is subject to a lifetime registration requirement under a state sex offender registration program, would be considered unsatisfactory. CMHA will not solely rely on an arrest record as proof of criminal activity.

Verification of Information

CMHA will follow the verification procedures and guidelines described in this Plan. Verifications for reexaminations must be less than 120 days old.

Tenant Rent Increases

If a tenant's rent to owner increases, a notice/estimate is mailed to the family at least thirty (30) days prior to the scheduled effective date of the annual recertification unless the delay was caused by the family lack of response to submit required verifications by the due date of the request for the information.

If less than thirty days are remaining before the scheduled effective date of the annual recertification, the participant family's rent increase will be effective on the first of the month following the 30-day notice.

If there has been a misrepresentation or a material omission by the family, or if the family causes a delay in the reexamination processing, there will be a retroactive increase in rent to the scheduled effective date of the annual recertification.

Tenant Rent Decreases

If tenant rent decreases for an annual recertification, it will be effective on the anniversary date.

If the family causes a delay so that the processing of the reexamination is not complete by the anniversary date, rent change will be effective on the first day of the month following completion of the reexamination processing by CMHA.

Moves Between Reexaminations

When families move to another dwelling unit, CMHA will process a transfer certification, "Other Change of Unit" and will not change the family's recertification anniversary date. If the family is due for an annual, the transfer will be processed as an annual certification. The RTA will be processed using the current household income verified and on file for the family. Families will not be allowed to randomly add or remove sources of income (i.e., regular contributions, temporary employment income) in order to qualify for a unit (also known as "income shopping").

Income limits are not used as a test for continued eligibility at recertification.

Other Continued Eligibility Criteria

Family who does not own Net Family Assets (as defined herein) worth more than $100,000

Families who do not own a home that they could live in (as defined herein)

CMHA will not give current HCV voucher holders six months to get their Net Family Assets below the $100,000 and/or to sell a home that they could live in.

CMHA will propose families for termination of their HCV voucher assistance.

C. REPORTING INTERIM CHANGES [24 CFR 982.516]

Program participants must report all changes in household composition and household income to CMHA between annual reexaminations in writing via the method specified by CMHA. This includes additions due to birth, adoption and court-awarded custody. The family must obtain CMHA's written approval prior to all other additions to the household.

If any new family member is added, the change reported must include any and all income of the new family member including minors.

CMHA will conduct a reexamination to determine such additional income and will make the appropriate adjustments in the housing assistance payment and family voucher size.

The U.S. citizenship/eligible immigrant status of additional family members must be declared and verified as required at the first interim or regular reexamination after moving into the unit.

An interim reexamination does not affect the date of the annual reexamination.

Interim Reexamination Policy (Pre-HOTMA)

CMHA will not process interim reexaminations when families have an increase in income, with the exception of following:

- All adult household members with zero income or 100% fully excluded income (24 CFR 5.609) who subsequently obtain income may be required to report within 30 calendar days and re-certify.

- A participants' unemployment benefits end and the participant has started another job.

- The composition of the household changes in any way.

- A person with income joins the household.

- A participant on layoff, temporary disability, or summer vacation (i.e. school board employee) returns to work.

- The family is a FSS program participant.

- A new source of income is reported.

- A family requests an interim determination because of changes in family composition or income.

Interim Reexamination Policy (HOTMA)

1. Residents are required to report <u>all changes in family income, composition or status</u> to the CMHA within 30 calendar days of the occurrence, via the electronic Portal or method specified by CMHA. Failure to report is a lease violation and may result in lease termination, even if reporting would not result in a change in rent. Further, failure to report within the 30 calendar days, in the manner required, may result in a retroactive rent increase, but not a retroactive credit or rent reduction. In order to qualify for rent reductions, residents must report income decreases promptly. Residents are also required to report interim increases in income if they have been granted interim rent reductions or have previously reported zero income.

   Under the HOTMA regulation, CMHA is not required to perform interim rent adjustments if they believe that the difference in a family's annual income (either an increase or a decrease) will amount to a difference of less than 10 percent.

2. In addition, CMHA may decline to do interim adjustments in the last 3 months before a family's annual or biennial reexamination.

3. If failing to perform an interim adjustment will make it impossible for a family to pay rent, CMHA may conduct the interim adjustment in the last 3 months before the reexamination.

4. CMHA wishes to encourage families to improve their economic circumstances, so some changes in family income between reexaminations will not result in a rent change. CMHA will process interim changes in rent in accordance with the chart below:

INCOME CHANGE	CMHA ACTION
(a) Decrease in income for any reason, except for decrease that lasts less than 30 days, is subject to Imputed Welfare Income rules[1], or will decrease annual income by less than 10 percent.	Process interim rent reduction if income decrease will last more than 30 days, is not subject to Imputed Income rules or is more than 10 percent of annual income. 24 CFR § 5.609
INCOME CHANGE	**CMHA ACTION**
(b) Increase in verified family deductions	Process interim rent reduction if income decrease will last more than 30 days and reduces adjusted income by more than 10 percent. 24 CFR § 5.609
(c) Increase in income following CMHA granting interim rent decrease.	Process interim rent increase for income increases after interim rent reductions.
(d) Increase in earned income from the employment of a current household member.	Defer rent increase until next regular reexam unless the family has had an interim rent reduction in the reexam period. 24 CFR§ 960.255
(e) Increase in unearned income (e.g., COLA adjustment for social security).	Defer rent increase to the next regular reexam unless the increase is more than 10 percent of annual income.
(f) Increase in income because a person with income (from any source) joins the household.	Conduct an Interim Redetermination of the family's income and raise the rent.
(g) Increase in income because Tenant misrepresented income or deductions.	Conduct an Interim Redetermination of the family's income and raise the rent retroactively to the date of the misrepresentation or terminate the lease.
(h) Increase in monetary or non-monetary income after Resident claims zero income	Process an interim rent increase.

PHA De Minimis Errors

The family is responsible for reporting all household income/composition changes and reviewing CMHA's determination of household income, assets and expenses used in the calculation of rent, and for bringing any errors or omissions to CMHA's attention in writing within thirty (30) calendar days of receipt of the Addendum.

[1] Decreases in welfare income resulting from welfare fraud or from cuts for failure to comply with economic self-sufficiency requirements are not eligible for rent reductions **(24 CFR § 5.615)**.

If CMHA makes a calculation error at admission to the program or at an annual reexamination, an interim reexamination will be conducted, if necessary, to correct the error, but the family will not be charged retroactively. Families will be given decreases when applicable; retroactive to when the decrease for the change would have been effective if calculated correctly. Any credit due to the family will be paid to the property owner upon processing the revised certification.

Decreases in Income

Participants may report a decrease in income, that will last a minimum of 30 days, and other changes which would reduce the amount of tenant rent, such as an increase in allowances or deductions. CMHA must calculate the change if a decrease in income is reported. CMHA will not process the rent adjustment unless CMHA confirms that the decrease in income will last 30 calendar days or more. This must be reported through CMHA's online portal.

PHA Errors

The family is responsible for reviewing CMHA's determination of household income, assets and expenses used in the calculation of rent, and for bringing any errors or omissions to CMHA's attention in writing within thirty (30) calendar days of receipt of the Addendum. The family will be responsible for repayment of any overpayments made on their behalf by CMHA.

If the CMHA makes a calculation error at admission to the program or at an annual reexamination, an interim reexamination will be conducted, if necessary, to correct the error, but the family will not be charged retroactively. Families will be given decreases, when applicable; retroactive to when the decrease for the change would have been effective if calculated correctly.

D. OTHER INTERIM REPORTING ISSUES

Standard for Timely Reporting of Changes

CMHA requires that families report interim changes in writing, electronic Portal or method specified by the program, within 30 days of when the change occurs.

If the change is not reported in the manner required, within the 30-day time period, it will be considered untimely reporting and a program violation.

Procedures when the change is Reported in a Timely and Untimely Manner

CMHA will notify the family and owner of any change in the Housing Assistance Payment to be effective according to the following guidelines:

Timely Reporting

Increases in the Tenant Rent are effective on the first of the month following thirty days' notice of the change by CMHA. If a tenant submits a Mutual Termination Notice and the effective date is less than 30 days from the transfer date, the 30-

day notice requirement for the rent increase for the new unit is waived.

Decreases in the Tenant Rent are effective the first of the month following that in which the change is reported.

Untimely Reporting

Unreported changes that would have resulted in the processing of an interim re-examination, which would increase the tenants rent, will result in a retroactive change. The family will be liable for any overpaid HAP/UAP and may be required to sign a Repayment Agreement and/or make a lump sum payment. If an unreported change would have resulted in a decrease in tenants' rent, there will be no retroactive adjustment.

Complete verification of the circumstances applicable to rent adjustments must be documented and approved by an authorized representative of CMHA.

Exceptions to Interim Adjustments: CMHA will compute the income of people who are self-employed by using historical data to anticipate annual income. CMHA will process an interim adjustment when it is determined that the change in self-employment income is permanent and not sporadic.

Zero-income Families/Minimum Rent Payers

Persons claiming zero-income or paying minimum rent will also be asked to complete a family expense form at the time of recertification. The form will ask residents to estimate how much they spend on telephone, cable TV, food, clothing, transportation, health care, childcare, debts, household items, etc. Residents will then be asked how they pay for these items. The value of regular contributions, whether monetary or not, will be used to calculate annual adjusted household income.

Failure to Report Accurate Information

If the participant is found to have misrepresented or failed to report the facts upon which their rent is based, including errors or omissions by CMHA, so that the rent being paid is less than what should have been charged, then the increase in rent will be made retroactive to the date the rent should have been increased. Failure to report accurate information is also grounds for termination in accordance with CMHA's Administrative Plan.

E. INCOME CHANGES RESULTING FROM WELFARE PROGRAM REQUIREMENTS [24 CFR 5.615]

CMHA will not reduce the family share of rent for families whose welfare assistance is reduced due to a "specified welfare benefit reduction," which is a reduction in benefits by the welfare agency specifically because of:

- Fraud in connection with the welfare program, or

- Noncompliance with a welfare agency's requirement to participate in an economic self-sufficiency program.
- Participant's voluntary termination of benefits because they were placed under a sanction for fraud or noncompliance with a welfare agency's requirement to participate in an economic self-sufficiency program

However, CMHA will reduce the rent if the welfare assistance reduction is a result of:

- The expiration of a lifetime time limit on receiving benefits, or
- A situation where the family has complied with welfare program requirements but cannot or has not obtained employment, or
- A situation where a family member has not complied with other welfare agency requirements.

Definition of Covered Family

A household that receives benefits for welfare or public assistance from a State or public agency program which requires, as a condition of eligibility to receive assistance, the participation of a family member in an economic self-sufficiency program.

Definition of "Imputed Welfare Income"

The amount of annual income, not actually received by a family, as a result of a specified welfare benefit reduction that is included in the family's income for purposes of determining rent.

The amount of imputed welfare income is determined by CMHA, based on written information supplied to CMHA by the welfare agency, including:

- The amount of benefit reduction
- The term of the benefit reduction
- The reason for the reduction

Subsequent changes in the term or amount of the benefit reduction.

The family's annual income will include the imputed welfare income, as determined at the family's annual or interim reexamination, during the term of the welfare benefits reduction (as specified by the welfare agency).

The amount of imputed welfare income will be offset by the amount of additional income the family receives that commences after the sanction was imposed. When additional income from other sources is at least equal to the imputed welfare income, the imputed welfare income will be reduced to zero.

If the family was not an assisted resident when the welfare sanction began, imputed welfare income will not be included in annual income.

If the family claims the amount of imputed welfare income has been calculated incorrectly, the Director or their designee will review the calculation for accuracy. If the imputed welfare income is correct, CMHA will provide a written notice to the family that includes:

- A brief explanation of how the amount of imputed welfare income was determined;
- A statement that the family may request an informal hearing if they do not agree with CMHA's determination.

Verification Before Denying a Request to Reduce Rent

CMHA will obtain written verification from the welfare agency stating that the family's benefits have been reduced due to fraud or noncompliance with welfare agency economic self-sufficiency or work activities requirements before denying the family's request for rent reduction.

CMHA will rely on the welfare agency's written notice to CMHA regarding welfare sanctions.

Cooperation Agreements [24 CFR 5.613]

CMHA will work with the local welfare agency under which the welfare agency agrees:

- To target public assistance benefits and services to participants in CMHA's Self-Sufficiency program;
- To provide written verification to CMHA concerning welfare benefits for applicant and participant families, and specified reduction in welfare benefits for a family member, listing amount of reduction, reason for reduction, term of reduction, and subsequent redetermination.

CMHA will rely on the welfare agency's written notice regarding the amount of specified benefit reduction.

CMHA will execute a Cooperation Agreement with the local welfare agency to ensure timely and accurate verification of noncompliance.

CMHA has taken a proactive approach to culminating an effective working relationship between CMHA and the local welfare agency for the purpose of targeting economic self-sufficiency programs throughout the community that are available to Housing Choice Voucher Program tenant-based assistance families.

CMHA and the local welfare agency have mutually agreed to exchange information regarding any economic self-sufficiency and/or other appropriate programs or services that would benefit Housing Choice Voucher Program tenant-based assistance families.

Family Dispute of Amount of Imputed Welfare Income

If the family disputes the amount of imputed income and CMHA denies the family's request to modify the amount, CMHA will provide the tenant with a notice of denial, which will include:

An explanation for CMHA's determination of the amount of imputed welfare income.

A statement that the tenant may request an informal hearing.

A statement that the grievance information received from the welfare agency cannot be disputed at the informal hearing, and the issue to be examined at the informal hearing will be CMHA's determination of the amount of imputed welfare income, not the welfare agency's determination to sanction the welfare benefits.

F. NOTIFICATION OF RESULTS OF RECERTIFICATIONS [HUD Notice PIH 98-6]

The HUD Form 50058 will be completed and transmitted as required by HUD.

The Notice of Rent Change “Recertification Addendum” is sent to the owner and tenant. Signatures are not required by CMHA. If the family disagrees with the rent adjustment, they may request a rent review. If after a rent review the family still disagrees with the rent adjustment, they will be provided with an information hearing.

G. TIMELY REPORTING OF CHANGES IN INCOME (AND ASSETS) [24 CFR 982.516(c)]

Standard for Timely Reporting of Changes

CMHA requires that families report interim changes to CMHA within 30 calendar days of when the change occurs. Any information, document or signature needed from the family which is needed to verify the change must be provided within 30 calendar days of the change.

An exception will be made for TANF recipients who obtain employment. In such cases, families will have to report within 30 calendar days of receipt of the Notice of Action from TANF that shows the full adjustment for employment income.

If the change is not reported within the required period, or if the family fails to provide documentation or signatures, it will be considered untimely reporting.

Procedures when the Change is Reported in a Timely Manner

CMHA will notify the family and the owner of any change in the Housing Assistance Payment to be effective according to the following guidelines:

- Increases in the Tenant Rent are effective on the first of the month following at least thirty days' notice.
- Decreases in the Tenant Rent will occur effective the 1st of the month following the date the change was reported. However, no rent reductions will be processed until all the facts have been verified, even if a retroactive adjustment results.

The change may be implemented based on documentation provided by the family, pending third-party written verification.

Procedures when the Change is not Reported by the Family in a Timely Manner

If the family does not report the change as described under Timely Reporting, the family will have caused an unreasonable delay in the interim reexamination processing and the following guidelines will apply:

- Increase in Tenant Rent will be effective retroactive to the date it would have been effective had it been reported on a timely basis.
- The family will be liable for any overpaid housing assistance and may be required to sign a Repayment Agreement.

Procedures when the Change is Not Processed by CMHA in a Timely Manner

"Processed in a timely manner" means that the change goes into effect on the date it should when the family reports the change in a timely manner. If the change cannot be made effective on that date, the change is not processed by CMHA in a timely manner.

In this case, an increase will be effective after the required thirty days' notice prior to the first of the month after completion of processing by CMHA.

If the change resulted in a decrease, the overpayment by the family will be calculated retroactively to the date it should have been effective with payment issued to the owner/landlord~~,~~ and the family credited for the amount.

H. CHANGES IN VOUCHER SIZE AS A RESULT OF FAMILY COMPOSITION CHANGES [24 CFR 982.516(c)]

(See "Subsidy Standards" chapter.)

I. CONTINUANCE OF ASSISTANCE FOR "MIXED" FAMILIES [24 CFR 5.518]

Under the Noncitizens Rule, "mixed" families are defined as families that include at least one U.S. citizen or eligible immigrant and one or more ineligible immigrants.

"Mixed" families who were participants as of June 19, 1995, shall continue receiving full assistance if they meet all the following criteria:

Either the head of household, spouse, or co-head is a U.S. citizen or has eligible immigrant status; and

All members of the family other than the head, the spouse, parents of the head and the spouse, and children of the head or spouse are either citizens or eligible immigrants. The family may change the head of household to qualify under this provision.

J. MISREPRESENTATION OF FAMILY CIRCUMSTANCES [24 CFR 792]

Fraud and abuse mean a single act or patterns of actions (inactions) where a participant makes a false statement, omits or conceals substantive fact, with the intent to deceive or mislead; and said statement, omission or concealment results in a housing assistance payment in violation of Housing Choice Voucher Program requirements. This deliberate misrepresentation may result in the termination of assistance and may refer the family file/record to the proper authorities for appropriate disposition. (See Program Integrity Addendum.)

CHAPTER 14

Moves with Continued Assistance/Portability

[24 CFR 982.314, 982.353, 982.355(a)]

PHILOSOPHY

HUD regulations permit families to move with continued assistance to another unit within CMHA's jurisdiction, or to a unit outside of CMHA's jurisdiction under portability procedures.

POLICY

This chapter defines the procedures for moves both within and outside of CMHA's jurisdiction, and the policies for restriction and limitations on moves.

A. ALLOWABLE MOVES

A family may move to a new unit with continued assistance if:

The assisted lease for the old unit has terminated because CMHA has terminated the HAP Contract for owner breach, or the lease was terminated by mutual agreement of the owner and the family, or there is a threat or risk to the personal safety of a household member.

The owner has given the family a notice to vacate, or has commenced an action to evict the tenant, or has obtained a court judgment or other process allowing the owner to evict the family for matters not constituting a lease violation.

The family has given proper notice of lease termination (and if the family has a right to terminate the lease on notice to owner).

B. RESTRICTIONS ON MOVES [24 CFR 982.314, 982.552(a)]

If CMHA has insufficient funding to support continued assistance for participating families, it may deny a family's request to voluntarily move. CMHA will inform families submitting requests to move that voluntary moves are prohibited unless the family can show that CMHA will pay the same or a lesser amount in subsidy than the current subsidy being paid. Voluntary moves outside of the PHA's jurisdiction will not be prohibited if the receiving PHA is absorbing. Requests to take the voucher to a higher cost area may be denied. When funding is available and CMHA is allowing voluntary moves to higher cost areas, CMHA will provide such information on its website at www.cintimha.com.

Families will not be permitted to move during the initial year of assisted occupancy. The HCV Director or their designee may make exceptions to this restriction if there is a compelling reason for the move or as a reasonable accommodation to a disabled family or as is required in the Violence Against Women's Act (VAWA).

Families will not be permitted to transfer to a new unit more than once in a 12-month period. HCV Management or their designee may make exceptions to this restriction if there is a compelling reason for the move or as a reasonable accommodation to a disabled family or as is required in the Violence Against Women's Act (VAWA).

CMHA may deny permission to move if:

- The family has violated a family obligation.
- The family owes an outstanding balance to CMHA or another PHA.
- The family is currently under eviction or has received a notice to terminate tenancy from their current landlord for a lease violation.
- Proper notification was not provided to current landlord and/or CMHA. The family is under termination by CMHA for a program violation.

The HCV Director or their designee may make exceptions to these restrictions if there is a compelling reason for the move. The family will be entitled to a hearing if a request to move is denied by CMHA.

C. PROCEDURE FOR MOVES [24 CFR 982.314]

Issuance of Voucher

Subject to the restrictions on moves, if the family has been recertified within the last 12 months, CMHA will issue the voucher to move upon request from the family or abatement of a unit for owner responsible HQS/NSPIREV deficiencies with no family responsible items to repair.

If the family does not locate a new unit within the 90-day term of the voucher, they may remain in the current unit so long as the owner permits excluding situations where the unit has failed an HQS/NSPIRE V inspection. In such circumstances the procedures outlined in Chapter 11 will apply.

Notice Requirements

The family must give the owner and CMHA the required written notice of their intent to vacate the unit as specified in the lease agreement simultaneously. If the number of days of notice is not specified in the lease, CMHA requires 30 days' notice be provided to the owner. Families should review their residential lease agreement with the owner for notice requirements under their lease agreement. CMHA will

comply with the owner's lease agreement with the exceptions of moves approved as reasonable accommodation, approved under VAWA, resulting in the disapproval/suspension of an owner or due to the unit failing to meet HQS/NSPIRE V standards. The contract will terminate the last day of the month of the notice to allow owners a full month's notice of the termination. CMHA may provide a courtesy notice to owners that the family intends to vacate the unit. This courtesy does not negate the family's responsibility to provide proper notice to owners to vacate the unit in accordance with the lease agreement.

Mutual Termination

Requests for Mutual Termination require owner certification of agreement the request, which must not be tenant non-compliance with the lease or any non-compliance with program rules and/or regulations. This certification may be verified using public records.

Time of Contract Change

A move within the same building or project, or between buildings owned by the same owner, will be processed like any other move.

In a move, assistance stops at the old unit at the end of the month in which § 982.551 the tenant ceases to occupy the unit or upon effective date of termination of tenancy, unless the current unit is under abatement or approved by HCV Management. Assistance will start on the new unit on the effective date of the lease and contract after the unit has been deemed affordable, rent reasonable and has passed HQS/NSPIRE inspection.

Tenant Paid Water Bill

When a client gives CMHA notice that they want to vacate their current unit and they are responsible for the water bill, the family must provide proof of a current, paid water bill prior to (move in) or receiving a new RTA packet for transferring. Paid means current.

Families moving from the Asset Management Program

Families transferring to the HCV program from the Asset Management program must be in good standing before CMHA starts a HAP Contract with an owner. Families must turn in keys and vacate their asset management unit within 3 days of executing lease with property owner under the voucher program.

D. PORTABILITY [24 CFR 982.353]

Portability applies to families moving out of or into CMHA's jurisdiction within the United States and its territories. CMHA prohibits more than one move (both within and outside of its jurisdiction) during anyone-year period.

E. OUTGOING PORTABILITY [24 CFR 982.353, 982.355]

Within the limitations of the regulations and this policy, a participant family has the right to receive tenant-based voucher assistance to lease a unit outside CMHA's jurisdiction, anywhere in the United States, in the jurisdiction of a PHA with a tenant-based program. When a family requests to move outside of CMHA's jurisdiction, the request must specify the area to which the family wants to move.

CMHA may restrict a family's request to port its voucher outside of CMHA's jurisdiction if the family is porting to a "higher cost area" and CMHA would be forced to terminate voucher assistance for current participants during the calendar year in order to remain within its budgetary allocation for housing assistance payments.

If there is more than one PHA in the area in which the family wants to lease a unit, CMHA will choose the receiving PHA.

Restrictions on Portability

Applicants

If neither the head, spouse, or co-head had legal residence in CMHA's jurisdiction at the date of their initial application for assistance, the family will not be permitted to exercise portability upon initial issuance of a voucher.

For a porting family that was not already receiving assistance in CMHA's tenant-based program, CMHA must determine whether the family is eligible for admission under the receiving PHA's program.

Non-resident families who were not residents of Hamilton County when application or referral was made for the voucher program or at the time of wait list pull, including those admitted through special programs or referrals, will not be permitted to move outside of Hamilton County. Non--Resident will be required initially to lease a unit within the jurisdiction of CMHA for 12 months before being eligible to port out.

Participants

CMHA will not permit families to exercise portability:

- If the family is in violation of a family obligation.
- If the family owes money to CMHA.
- If the family has moved out of its assisted unit in violation of the lease.
- If the family is currently under eviction or has received a notice to terminate tenancy from their current landlord for a lease violation.
- If the family is under termination by CMHA for a program violation.

F. INCOMING PORTABILITY [24 CFR 982.354,982.355]

Absorption or Administration

CMHA will accept a family with a valid voucher from another jurisdiction and will either administer or absorb the voucher. If administering, the family will be issued a "portable" voucher by CMHA. The term of the voucher will not expire before the expiration date of any initial PHA voucher. The family must submit a request for tenancy approval for an eligible unit to CMHA during the term of the CMHA voucher. CMHA may grant extensions in accordance with this Administrative Plan. However, if the family decides not to lease up in CMHA's jurisdiction, they must contact the initial PHA to request an extension.

CMHA may absorb incoming portable families provided there is funding available.

When CMHA does not absorb the incoming voucher, it will administer the initial PHA's voucher and CMHA's policies will prevail.

For admission to the program a family must be income eligible in the area where the family initially leases a unit with assistance under the program. CMHA does not re-determine eligibility for a portable family that was already receiving assistance in the initial PHA Housing Choice Voucher tenant-based program.

CMHA will issue a "portability voucher" according to its own Subsidy Standards. If the family has a change in family composition which would change the voucher size, CMHA will change to the proper size based on its own Subsidy Standards.

Income and Total Tenant Payment of Incoming Portables [982.353(d)]

As receiving PHA, CMHA will conduct a recertification interview but only verify missing information and information that is more than 120 days old. A change in the family's circumstances may also require updated verifications.

If CMHA conducts a recertification of the family, it will not cause a delay in the issuance of a voucher.

If the family's income is such that a $0 subsidy amount is determined prior to lease-up in CMHA's jurisdiction, CMHA will refuse to enter a contract on behalf of the family at $0 assistance.

Requests for Tenancy Approval

A briefing will be mandatory for all porting families new to the voucher program.

When the family submits a Request for Tenancy Approval, it will be processed using CMHA's policies. If the family does not submit a Request for Tenancy Approval or does not execute a lease, the initial PHA will be notified within thirty calendar days by CMHA.

If the family leases up successfully and CMHA administers the voucher, CMHA will notify the initial PHA within ten calendar days, and the billing process will commence.

CMHA will notify the initial PHA if the family fails to submit a Request for Tenancy Approval for an eligible unit within the term of the voucher. CMHA will send the 52665 forms back to the initial PHA within 10 days after the expiration of the term of the voucher.

If CMHA denies assistance to the family, CMHA will notify the family and the initial PHA within ten calendar days. The family must request an informal hearing in writing within ten calendar days.

CMHA will notify the family of its responsibility to contact the initial PHA if the family wishes to move outside CMHA's jurisdiction under continued portability.

Regular Program Functions

CMHA will perform all program functions applicable to the tenant-based assistance program, such as:

- Annual reexaminations of family income and composition; Biennial inspection of the unit; and
- Interim examinations when requested or deemed necessary by CMHA

Terminations

CMHA will notify the initial PHA in writing of any termination of assistance within ten business days of the termination. If an informal hearing is required and requested by the family, the hearing will be conducted by CMHA, using the regular hearing procedures included in this Plan. A copy of the hearing decision will be furnished to the initial PHA.

The initial PHA will be responsible for collecting amounts owed by the family for claims paid and for monitoring repayment. If the initial PHACMHACMHACMHA notifies CMHA that the family is in arrears or the family has refused to sign a payment agreement, CMHA will terminate assistance to the family.

Required Documents

CMHA will require the documents listed on the HUD Portability Billing Form from the initial PHA.

Billing Procedures, If CMHA Administers the Voucher

CMHA will bill the initial PHA monthly for housing assistance payments. The billing cycle for other amounts, including administrative fees and special claims will be monthly unless requested otherwise by the initial PHA.

CMHA will bill 100% of the housing assistance payment, 100% of special claims and 80% of the administrative fee (at the initial or receiving PHA's rate whichever is lower) for each "portability" voucher leased as of the first day of the month.

CMHA will notify the initial PHA of changes in subsidy amounts and will expect the initial PHA to notify CMHA of changes in the administrative fee amount to be billed.

CHAPTER 15

Contract Terminations

[24 CFR 982.311, 982.314]

PHILOSOPHY

To promote a high-quality housing program that promotes accountability on the part of assisted families and property owners.

POLICY

The Housing Assistance Payments (HAP) contract is the contract between the owner and CMHA which defines the responsibilities of both parties.

CMHA may terminate a HAP contract because of the owners and/or agent's action or failure to act in accordance with the terms of the Administrative Plan, program rules or the HAP Contract. CMHA will make available to owners/agents a written description of their obligations under the program, the grounds under which CMHA can deny, suspend or terminate assistance,

This chapter describes the circumstances under which the contract can be terminated by CMHA and the owner, and the policies and procedures for such terminations.

A. CONTRACT TERMINATION [24 CFR 982.311]

The term of the HAP Contract is the same as the term of the lease. The contract between the owner and CMHA may be terminated by CMHA, or by the owner or tenant terminating the lease.

No future subsidy payments on behalf of the family will be made by CMHA to the owner after the month in which the contract is terminated. The owner must reimburse CMHA for any subsidies paid by CMHA for any period after the contract termination date.

Contract Termination Due to Moves from the Unit By The Participant

If the family moves out of the unit, CMHA will not make any housing assistance payments to the owner for any month after the month that the family moves out.

Contract Termination Due to Death of Participant Head-of-Household

Death of the participant head-of-household will be treated as a move from the unit and a contract termination. If there are residual members of the participant household remaining on the premises, CMHA will assess their eligibility for continued assistance. Upon the death of the participant head-of-household, the housing assistance payments to the owner will stop unless CMHA determines that

the residual household members are eligible for assistance. CMHA will terminate assistance upon death of a single household member. Assistance will terminate no later than the last day of month of the death of death. CMHA will recoup any overpayments made to the owner beyond this period.

In regard to occasions where there are minor children left, CMHA will provide subsidy for an additional 30 days to allow for custody arrangements to be made.

Occupancy of Unit After Termination of the Housing Choice Voucher Assistance

If the family continues to occupy the unit after the Housing Choice Voucher Program contract is terminated, the family is responsible for the total amount of rent due to the owner. The owner will have no right to claim compensation from CMHA for vacancy loss under the provisions of certificate HAP Contracts effective before October 2, 1995.

After a contract termination, if the family meets the criteria for a move with continued assistance, the family may lease up in another unit.

B. TERMINATION BY THE FAMILY: MOVES [24 CFR 982.314(c)(2)]

Family termination of the lease must be in accordance with the terms of the lease agreement.

C. TERMINATION OF TENANCY BY THE OWNER: EVICTIONS [24 CFR 982.314(c)(2)]

If the owner wishes to terminate the lease, the owner must provide proper notice as stated in the lease.

During the term of the lease, the owner may not terminate the tenancy except for the grounds stated in the HUD regulations.

During the term of the lease; the owner may only be evicted for serious or repeated violations of the lease, including but not limited to failure to pay rent or other amounts due under the lease, or repeated violation of the terms and conditions of the lease;

Violations of Federal, state or local law that imposes obligations on the tenant in connection with the occupancy or use of the premises; or criminal activity by the tenant, any member of the household, a guest or another person under the tenant's control that threatens the health, safety or right to peaceful enjoyment of the premises by the other residents, or persons residing in the immediate vicinity of the premises or any drug-related criminal activity on or near the premises; or other good cause.

During the initial term of the lease, the owner may not terminate the tenancy for "other good cause" unless the owner is terminating the tenancy because of something the family did or failed to do (see 24 CFR 982.310)

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. An arrest record will not solely constitute proof of criminal activity by an applicant or program participant.

Termination of Tenancy Decisions

If the law and regulation permit the owner to take an action but don't require action to be taken, the owner can decide whether to take the action. Relevant circumstances for consideration include:

- The seriousness of the offense;

  The effect on the community;

- The extent of participation by household members;

  The effect on uninvolved household members;

- The extent to which leaseholder has shown personal responsibility and taken all reasonable steps to prevent or mitigate the offending action; or

- The effect on the integrity of the program

Exclusion of Culpable Household Member

The owner may require a tenant to exclude a household member in order to continue to reside in the assisted unit with prior CMHA approval.

Consideration of Rehabilitation

When determining whether to terminate the tenancy for illegal drug use or alcohol abuse, the owner may consider whether the member:

- Is no longer participating in the activity
- Has successfully completed a supervised drug or alcohol rehab program
- Has otherwise been successfully rehabilitated.

The owner may require the tenant to submit evidence of any of the three. (above).

Actions of termination by the owner must be consistent with the fair housing and equal opportunity regulations as stated in 24 CFR 5.105.

The owner must provide the tenant with a written notice specifying the grounds for termination of tenancy, at or before the commencement of the eviction action. This notice must be copied to CMHA. The notice may be included in, or may be combined with, any owner's eviction notice to the tenant.

The owner's 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.

CMHA requires that the owner specify the section of the lease that has been violated and cites some or all the ways in which the tenant has violated that section as documentation for CMHA's decision regarding termination of assistance.

Housing assistance payments are paid to the owner under the terms of the HAP Contract. If the owner has begun eviction and the family continues to reside in the unit, CMHA 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.

CMHA must continue housing assistance payments until the family moves or is evicted from the unit by an order of the court. The owner must inform CMHA when the owner has obtained a court judgment or other process allowing the owner to evict the tenant and provide CMHA with a copy of such judgment or determination. The owner must inform CMHA of the date when the family actually moves from the unit or the family is physically evicted from the unit. CMHA may use utility records and other means to verify the actual date the unit was vacated.

CMHA must continue making housing assistance payments to the owner in accordance with the contract if the tenant continues to occupy the unit and the contract is not violated. By endorsing the monthly check from CMHA, the owner certifies that the tenant is still in the unit, the rent is reasonable and s/he is in compliance with the contract.

If an eviction is not due to a serious or repeated violation of the lease, and if CMHA has no other grounds for termination of assistance, CMHA may issue a new voucher so that the family can move with continued assistance.

Protecting Tenants at Foreclosure Act (PFTA)

Section 703 of the PTFA amends the statute governing the Section 8 program (Section 8(o) of the U.S. Housing Act of 1937, 42 U.S.C. 1437f(o)), by revising section 8(o)(7)(C) (42 U.S.C. 1437f(o)(7)(C)) to require the following additional requirements on the owner:

(i) During the term of the lease, the owner shall not terminate the tenancy except for serious or repeated violation of the terms and conditions of the lease, for violation of applicable Federal, State, or local law, or for other good cause, … and in the case of an owner who is an immediate successor in interest pursuant to foreclosure during the term of the lease vacating the property prior to sale shall not constitute other good cause, except that the owner may terminate the tenancy effective on the date of transfer of the unit to the owner if the owner will occupy the unit as a primary residence; and

(ii) has provided the tenant with a notice to vacate at least 90 days before the effective date of such notice.

Additionally, Section 703 of the PTFA revises section 8(o)(7)(F) (42 U.S.C. 1437f(o)(7)(F)), to add include:

In the case of any foreclosure on any federally-related mortgage loan [as that term is defined in section 3 of the Real Estate Settlement Procedures Act of1974 (12 U.S.C. 2602)] or on any residential real property in which a recipient of assistance under this subsection resides, the immediate successor in interest in such property pursuant to the foreclosure shall assume such interest subject to the lease between the prior owner and the tenant and to the housing assistance payments contract between the prior owner and the Asset Management agency for the occupied unit, except that this provision and the provisions related to foreclosure in subparagraph (C) shall not affect any State or local law that provides longer time periods or other additional protections for tenants. Under these new statutory provisions, the immediate successor in interest, which is the party gaining ownership through a foreclosure sale, becomes subject to the HAP contract, as also revised by statute, and there must be "good cause" other than vacating the property prior to sale in order to terminate the existing tenancy.

Foreclosed properties in which Section 8 voucher recipients reside must comply with Sections 702 and 703 of the PTFA. If the immediate successor-in-interest will use the unit as a primary residence, the lease can be terminated effective on the date of the sale. In such cases, the tenant is still entitled to a minimum of 90 days' notice to vacate.

D. TERMINATION OF THE CONTRACT BY CMHA [24 CFR 982.404(a), 982.452, 982.453, 982.454, 982.552(a)(3)]

The term of the HAP Contract ends when the lease terminates, when C M HA terminates program assistance for the family, or when the owner has breached the HAP Contract. (See "Owner Disapproval and Restriction" chapter)

CMHA may also terminate the contract if:

- CMHA terminates assistance to the family.
- The family is required to move from a unit when the unit does not meet the HQS/NSPIRE V space standards because of an increase in family size or a change in family composition.
- Funding is no longer available under the ACC – funding shortfalls.
- If the property owner or his representative has engaged in or threatened abusive or violent behavior toward a CMHA voucher holder or a member of the household;

- If the property owner or his representative has engaged in or threatened abusive or violent behavior toward CMHA personnel;

  "Abusive or violent behavior towards CMHA personnel or its agents" includes verbal as well as physical abuse or violence. Use of expletives that are generally considered insulting, racial epithets, or other language, written or oral, that is used to insult, intimidate, or threat may be cause for suspension, termination, denial or prosecution.

Actual physical abuse or violence will always be cause for termination;

- If the family has requested a reasonable accommodation that the owner/landlord is unable to provide the family; or
- If the family has requested a transfer under the federal Violence Against Women Act (VAWA); the contract will terminate automatically if 180 days have passed since the last housing assistance payment to the owner.
- CMHA reserves the right to suspend or terminate a contract based on an owner's current or past unsatisfactory performance with the HCV program.

Terminations Due to Program Abuse

Prohibited Actions

An applicant, participant or owner in the HCV program must not knowingly:
• Make a false statement to the PHA [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)].

PHA Policy:

Any of the following will be considered evidence of family program abuse:
- Payment to the owner more than amounts authorized by the PHA for rent, security deposit, and additional services;
- Offering bribes or illegal gratuities to the PHA Board of Commissioners, employees, contractors, or other PHA 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 PHA 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); or
- Admission of program abuse by an adult family member.
- The PHA 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 PHA may, at its discretion, impose any of the following remedies:

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

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, for 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 CMHA

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

Prohibited Owner Actions

An owner participating in the HCV program must not:

- Make any false statement to the PHA [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:

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

- Charging the family rent above or below the amount specified by the PHA
- 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 PHA Board of Commissioners, employees, contractors, or other PHA representatives
- Offering payments or other incentives to an HCV family as an inducement for the family to make false or misleading statements to the PHA
- Residing in the unit with an assisted family

Notice of Termination

When CMHA terminates the HAP Contract under the violation of HQS/NSPIREV space standards, CMHA will provide the owner and family written notice of termination of the contract, and the HAP Contract terminates at the end of the calendar month that follows the calendar month in which C MH A gives such notice to the owner.

E. TERMINATIONS DUE TO INSUFFICIENT FUNDING

If CMHA falls into a shortfall situation where there is insufficient funding to maintain current HAP Contracts, CMHA may implement the following measures in accordance with any applicable HUD published notice or directive:

- Immediately suspend the issuance of new vouchers, except for those funded for special purposes.
- Immediately cease absorbing vouchers under portability provisions from other jurisdictions, with the initial Public Housing Authority (PHA) being billed for the administration of the ported voucher.
- Immediately expire vouchers that have exceeded the initial voucher term without a Request for Tenancy Approval (RTA) currently in process, including ceasing voucher extensions unless, as a reasonable accommodation.
- Stop adding new project-based voucher contracts immediately.

CMHA may terminate HAP contracts if it determines, in accordance with HUD requirements, that funding under the consolidated ACC is insufficient to support continued assistance for families in the program. CMHA will determine whether there is sufficient funding to pay for currently assisted families currently under a HAP Contract. If CMHA determines there is a shortage of funding, prior to terminating any HAP contracts, CMHA will determine if any other actions can be taken to reduce program costs.

- In the event that CMHA has to stop issuing all vouchers as a result of a funding shortfall, and is not assisting the required number of special purpose vouchers (NED families, HUD-Veterans Affairs Supportive Housing (VASH) families, and family unification program (FUP) families), when the PHA resumes issuing vouchers, the PHA will issue vouchers first to the special purpose voucher families on its waiting list until it has reached the required number of special purpose vouchers, when applicable.
- If forced to recall vouchers that had previously been issued and not leased, CMHA will add the families back to its wait list in date and time order with a local preference as listed in Chapter 4 of this Administrative Plan. If families were pulled from CMHA's wait list but however had not issued a voucher or determined to be ineligible for the program, will have their names returned to the wait list, in date and time order with any qualifying preference.

If after implementing all reasonable cost-cutting measures there is not enough funding available to provide continued assistance for current participants, CMHA will terminate HAP contracts as a last resort. Prior to terminating any HAP contracts, CMHA will inform the local HUD field office. CMHA will terminate the minimum number needed in order to reduce HAP costs to a level within its annual budget authority or funding availability. If the PHA must terminate HAP contracts due to insufficient funding, CMHA will do so in accordance with the following criteria and instructions:

- Families comprising the required number of special purpose vouchers, including nonelderly disabled (NED), HUD-Veteran's Affairs Supportive Housing (HUDVASH), and family unification program (FUP) will be the last to be terminated.
- The PHA will use a random selection methodology to rank and select families, but will exclude the elderly, near-elderly, and the disabled from the selection.
- Committing sexual or other harassment, either quid pro quo or hostile environment.
- Retaliating against any applicant or participant reporting/alleging sexual or other harassment, either quid pro quo or hostile environment.

Remedies and Penalties

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

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

CHAPTER 16

Denial or Termination of Assistance

[24 CFR 5.902, 5.902, 5.903, 5.905, 982.4, 982.54, 982.552, 982.553]

PHILOSOPHY

To promote a high quality-housing program that promotes accountability on the part of assisted families and property owners.

POLICY

CMHA may deny or terminate assistance for a family because of the family's action or failure to act in accordance with the terms of the Administrative Plan, program rules or the lease agreement between the HCV landlord and tenant. CMHA will provide families with a written description of the family obligations under the program, the grounds under which CMHA can deny or terminate assistance, and CMHA's informal hearing procedures.

This chapter describes when CMHA is required to deny or terminate assistance and CMHA's policies for the denial of a new commitment of assistance and the grounds for termination of assistance under an outstanding HAP Contract.

A. GROUNDS FOR DENIAL/TERMINATION [24 CFR 982.54, 982.552,982.553]

Form of Denial/Termination

Denial of assistance for an applicant may include any or all of the following:

- Denying placement on CMHA's wait list
- Denying or withdrawing a voucher
- Refusing to enter a HAP contract or approve a tenancy
- Refusing to process or provide assistance under portability procedures
- Rescinding voucher due to insufficient funding

Termination of assistance for a participant may include any or all of the following:

- Refusing to enter a HAP Contract or approve a tenancy
- Terminating housing assistance payments under an outstanding HAP Contract
- Refusing to process or provide assistance under portability procedures
- Termination of assistance due to insufficient funding

Mandatory Denial and Termination [24 CFR 982.54(d), 982.552(b), 982.553(a), 982.553(b)]

CMHA may terminate assistance for participants if the family is under contract and 180 days (or 12 months, depending on the HAP Contract used) have elapsed since CMHA's last housing assistance payment was made. (See "Contract Terminations" chapter.)

CMHA will permanently deny assistance to applicants and terminate the assistance of people convicted of manufacturing or producing methamphetamine on the premises of federally assisted housing.

CMHA will deny admission to the program for applicants and terminate assistance for program participants if CMHA determines that any household member is currently engaging in illegal use of a drug. See Section B of the chapter for CMHA's established standards.

CMHA will deny admission to the program for applicants and terminate assistance for program participants if CMHA determines that it has reasonable cause to believe that a household member's illegal drug use or a pattern of illegal drug use may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents. See Section B of this chapter for CMHA's established standards.

CMHA will deny admission to an applicant and terminate assistance for program participants if CMHA determines that any member of the household is subject to a lifetime registration requirement under a state sex offender registration program.

CMHA will terminate program assistance for a family evicted from housing assisted under the program for serious violation of the lease.

CMHA will deny admission to the program for an applicant or terminate program assistance for a participant if any member of the family fails to sign and submit consent forms for obtaining information in accordance with Part 5, subparts B and F.

CMHA will deny admission or terminate assistance when required under the regulations to establish citizenship or eligible immigration status.

Families that do own Net Family Assets (as defined herein) worth more than $100,000

Families that do own a home they could live in (as defined herein)

Grounds for Denial or Termination of Assistance [24 CFR 982.552(c)]

CMHA will deny program assistance for an applicant or terminate program assistance for a participant for any of the following reasons:

If any family member violates any family obligation under the program as listed in Section C of this chapter [24 CFR 982.551].

Family members have the right to revoke consent forms; however, if any family member revokes the consent form HUD 9886 or any other consent to release information to verify families initial/continued eligibility for CMHA's voucher programs.

If any family member has violated the family obligation under 24 CFR 982.551 not to engage in any drug-related criminal activity.

If any family member has violated the family obligation under 24 CFR 982.551 not to engage in any violent criminal activity.

Any other unsatisfactory criminal behavior by any member of the household.

If any member of the household is subject to a lifetime registration requirement under a state sex offender registration program;

Unsatisfactory non-criminal behavior for any member of the household.

If any member of the family has had their housing assistance terminated by or has been evicted from any federally assisted housing program within the last three (3) years.

If any member of the family commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.

If the family is not in good standing under another CMHA housing program.

If the family currently owes rent or other amounts to CMHA or to another PHA in connection with Housing Choice Voucher Program or Asset Management assistance under the 1937 Act.

CMHA at its discretion may offer the family the opportunity to enter into a repayment agreement. CMHA will prescribe the terms of the agreement. (See "Repayment Agreements" in Section A of Chapter 18.

If the family has not reimbursed any PHA for amounts paid to an owner under a HAP Contract for rent, damages to the unit, or other amounts owed by the family under the lease.

If the family has engaged in or threatened abusive or violent behavior toward CMHA personnel;

- "Abusive or violent behavior towards CMHA personnel or its agents" includes verbal as well as physical abuse or violence. Use of expletives that are generally considered insulting, racial epithets, or other language, written or oral, that is used to insult, intimidate, or threaten may be cause for termination, denial or prosecution.

- Actual physical abuse or violence will always be cause for termination.
- If any member of the family engages in or has engaged in drug or alcohol abuse that interferes with the health, safety or peaceful enjoyment of other residents. See Section B of this Chapter;
- If any member of the family commits drug-related criminal activity, or violent criminal activity; (See Section B of this chapter and 24 CFR 982.553) or
- If the family fails to remedy HQS/NSPIRE violations, that are determined to be the responsibility of the family.

Refer to Chapter 3, "Eligibility for Admission", Section F, "Other Criteria for Admission" for further information.

Notice of Termination of Assistance

In any instance where CMHA decides to terminate assistance to the family, CMHA must give the family written notice which states:

- The reason(s) for the proposed termination, The effective date of the proposed termination,
- The family's right, if they disagree, to request an informal hearing to be held before assistance is terminated,
- The date by which a written request for an informal hearing must be received by CMHA.

If CMHA proposes to terminate assistance for criminal activity as shown by a criminal record, CMHA will provide the subject of the record and the tenant with a copy of the criminal record.

CMHA will simultaneously provide written notice of the contract termination to the owner so that it will coincide with the Termination of Assistance. The Notice to the owner will not include any details regarding the reason for termination of assistance.

Required Evidence

Preponderance of 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 show that the fact sought to be proven is more probable than not. The intent is not to prove criminal liability, but to establish that fact(s) occurred. Preponderance of evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

Credible evidence may be obtained from police and/or court records. Testimony from neighbors, when combined with other factual evidence can be considered credible evidence. Other credible evidence includes documentation of drug raid or arrest warrants.

CMHA will pursue fact-finding efforts as needed to obtain credible evidence. CMHA may terminate assistance for criminal activity by a household member under this section if CMHA has determined that the household member has engaged in the criminal activity, regardless of whether the household member has been arrested or convicted for such activity.

Denial of Assistance for Sex Offenders

CMHA will deny admission if any member of the household is subject to a lifetime registration requirement under a state sex offender registration program. In screening applicants, CMHA will perform criminal history background checks to determine whether any household member is subject to a lifetime sex offender registration requirement.

CMHA may also deny admission or terminate assistance if any member of the household is subject to other registration requirements under a state sex offender or sexual predator program.

Reasonable Accommodation

If denial or termination is based upon behavior resulting from a disability, CMHA will delay the denial or termination to determine if there is accommodation that would negate the behavior resulting from the disability.

Violence Against Women Act

The following provisions are applicable to situations involving actual or threatened domestic violence, dating violence, or stalking, as those terms are defined in Section 6(u)(3) of the United States Housing Act of 1937, as amended, (42 U.S.C. §1437d(u)(3)) and in the Violence Against Women Act (VAWA) Policy. To the extent any provision of this section shall vary from or contradict any other provision of this Administrative Plan, the provisions of this section shall prevail. VAWA 2013 maintains VAWA 2005's housing safeguards, expands the housing programs to which the law applies and adds new protections.

- VAWA 2013's housing protections are effective now.

- HUD's final regulations implementing VAWA 2005, 75 Fed. Reg. 66,246 (October 27, 2010), continue to apply.

Termination of Tenancy

An incident or incidents of actual or threatened domestic violence, dating violence, or sexual assault, or stalking shall not constitute a serious or repeated violation of the lease by the victim of such violence; and

Criminal activity directly relating to sexual assault, domestic violence, dating violence or stalking, engaged in by a member of the Tenant's household, a guest, or other person under the Tenant's control, shall not be cause for termination of participation or occupancy rights, if the Tenant or an affiliated individual of the Tenant is a victim of that domestic violence, dating violence, or stalking.

Notwithstanding anything to the contrary contained in paragraphs 1 and 2 above, CMHA may terminate Tenant's tenancy under this lease if it can demonstrate an actual and imminent threat that may result to other tenants or to those employed at or providing service to the property in which the unit is located, if the Tenant's tenancy is not terminated.

PHA or Section 8 landlord may "bifurcate" a lease to evict a tenant who commits domestic violence while preserving the survivor's tenancy rights. New protection for tenants remaining in housing because of lease bifurcation. If the individual who is evicted is the sole tenant eligible to receive the housing assistance, the PHA or landlord must provide the remaining tenant an opportunity to establish eligibility or a reasonable time to move or establish eligibility for another covered housing program.

Options for Documentation of VAWA:

1. Self-Certification Form implemented through HUD Form 50066 public housing or Section vouchers) and HUD Form 91066 (project-based Section 8). Permits PHAs and owners to request certification via form approved by appropriate
    a. Federal agency. This form must (1) state that the applicant or tenant is victim; (2) state that the incident is ground for protection meeting requirements under VAWA and (3) include perpetrator's name, if known and safe to provide.

2. Police, Court or Administrative Record
    a. Records can be from a federal, state, tribal, territorial, or local entity or administrative record.

3. Statement from Third Party
    a. Can be from a victim service provider, medical professional, mental health professional or attorney. Must be signed by both the third party and the survivor under penalty of perjury.

Proving Domestic Violence: Conflicting Certifications

In cases where 2 household members claim to be the victim and name the other household member as the perpetrator, the housing provider can require third party documentation.

B. SCREENING AND TERMINATION FOR DRUG ABUSE AND OTHER CRIMINAL ACTIVITY

Purpose

All federally assisted housing is intended to provide a place to live and raise families, not a place to commit crime, to use or sell drugs or terrorize neighbors. It is the intention of CMHA to fully endorse and implement a policy designed to:

- Help create and maintain a safe and drug-free community
- Keep our program participants free from threats to their personal and family safety
- Support parental efforts to instill values of personal responsibility and hard work
- Help maintain an environment where children can live safely, learn and grow up to be productive citizens
- Assist families in their vocational/educational goals in the pursuit of self-sufficiency
- Aggressively remove non-compliant property owners and tenants from the program.

Administration

All screening and termination of assistance procedures shall be administered fairly and in such a way as not to violate rights to privacy or discriminate on the basis of race, color, nationality, religion, familial status, disability, sex or other legally protected groups.

To the maximum extent possible, CMHA will involve other community and governmental entities in the promotion and enforcement of this policy.

Screening of Applicants

In an effort to prevent future drug-related and other criminal activity, as well as other patterns of behavior that pose a threat to the health, safety or right to peaceful enjoyment of the premises by other residents, and as required by 24 CFR 982, Subpart L and CFR Part 5, Subpart J, CMHA will endeavor to screen applicants as thoroughly and fairly as possible for drug-related and violent criminal behavior.

Such screening will apply to any member of the household.

HUD Definitions

- *Covered person,* for purposes of 24 CFR Part 982 and this chapter, means a tenant, any member of the tenant's household, a guest or another person under the tenant's control.

- *Drug* means a controlled substance as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802).

- *Drug-related criminal activity* means the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute or use the drug.

- *Guests,* for purposes of this chapter and 24 CFR part 5, subpart A and 24 CFR Part 982, means a person temporarily staying in the unit with the consent of a tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant. The requirements of part 982 apply to a guest as so defined.

- *Household,* for the purposes of 24 CFR Part 982 and this chapter, means the family and CMHA-approved Live-In Aide.

- *Other person under the tenant's control,* for the purposes of the definition of covered person and for 24 CFR Parts 5 and 982 and for this chapter, means that the person, although not staying as a guest (as defined in this chapter) in the unit, is, or was at the time of the activity in question, on the premises because of an invitation from the tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant. Absent evidence to the contrary, a person temporarily and infrequently on the premises solely for legitimate commercial purposes is not under the tenant's control.

- *Violent criminal activity* means any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage.

Standard for Violation

CMHA will deny participation in the program to applicants and terminate assistance to participants in cases where CMHA determines there is reasonable cause to believe that a household member or other person under the tenant’s control is illegally using a drug or if the person abuses alcohol in a way that may interfere with the health, safety or right to peaceful enjoyment of the premises by other residents, including cases where CMHA determines that there is a pattern of illegal use of a drug or a pattern of alcohol abuse.

"Engaged in or engaging in" violent criminal activity means any act within the past three years by an applicant or participant or household member which involved criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage, which did not result in the arrest and/or conviction of the applicant, participant, or household member.

The activity is being engaged in by any family member.

The above-referenced behavior by any household member, regardless of the applicant or participant's knowledge of the behavior, shall be grounds for denial or termination of assistance.

In evaluating evidence of negative past behavior, CMHA will consider the seriousness of the activity with respect to how it would affect other residents, and/or likelihood of favorable conduct in the future which could be supported by evidence of rehabilitation.

Drug Related and Violent Criminal Activity

Ineligibility for Admission if Evicted for Drug-Related Activity: Persons evicted from federally assisted housing because of drug-related criminal activity are ineligible for admission to the Housing Choice Voucher Program for at least a three-year period beginning on the date of such eviction.

However, the household may be admitted if, after considering the individual circumstances of the household, CMHA determines that the circumstances leading to eviction no longer exist because the criminal household member has died or vacated the household. Applicants may be denied assistance if they, or anyone who intends to reside in the household, have been arrested, convicted, or evicted from federally assisted housing for violent criminal activity within the last three years prior to the date of the eligibility interview.

Denial of Assistance for Sex Offenders

CMHA will deny admission if any member of the household is subject to a lifetime registration requirement under a state sex offender registration program. In screening applicants, CMHA will perform criminal history background checks to determine whether any household member is subject to a lifetime sex offender registration requirement.

CMHA may also deny admission or terminate assistance if any member of the household is subject to other registration requirements under a state sexoffender or sexual predator program.

Termination of Assistance for Participants

Termination of Assistance for Drug-related Criminal Activity or Violent Criminal Activity:

Under the family obligations listed at 24 CFR 982.551, the members of the household must not engage in:

- Drug-related criminal activity, or
- Violent criminal activity, or
- Other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and people residing in the immediate vicinity of the premises.

HUD regulations at 24 CFR 982.553(b) require CMHA to establish standards for termination of assistance when this family obligation is violated. CMHA has established the following standards for termination of assistance for the family when a household member has violated the family obligation to refrain from participating in drug-related or violent criminal activity.

Assistance will be terminated for participants who have been:

- Arrested, convicted, or evicted for drug-related or violent criminal activity during participation in the program, and within the last three years prior to the date of the notice to terminate assistance.
- If any member of the household violates the family obligations by engaging in drug-related or violent criminal activity, CMHA will terminate assistance.

Terminating Assistance for Alcohol Abuse by Household Members

Under the family obligations listed at 24 CFR 982.551, the members of the household must not abuse alcohol in a way that threatens the health, safety or right to peaceful enjoyment of other residents and people residing in the immediate vicinity of the premises. Assistance will be terminated due to violation of a family obligation if CMHA determines that a member of the household has demonstrated a pattern of alcohol abuse that threatens the health, safety or right to peaceful enjoyment of other residents and people residing in the immediate vicinity of the premises.

Assistance will be terminated if a household member is convicted of any alcohol related criminal activity on or near the premises within any six-month period.

C. FAMILY OBLIGATIONS [24 CFR982.551]

The family must supply any information that CMHA or HUD determines is necessary in the administration of the program, including submission of required evidence of citizenship or eligible immigration status (as provided by 24 CFR 982.551). "Information" includes any requested certification, release or other documentation.

The family must supply any information requested by CMHA or HUD for use in a regularly scheduled reexamination or interim reexamination of family income and composition in accordance with HUD requirements.

The family must disclose and verify Social Security Numbers (as provided by 24 CFR 5.216) and must sign and submit consent forms to obtain information in accordance with 24 CFR 5.230.

All information supplied by the family must be true and complete.

The family is responsible for an HQS/NSPIRE breach caused by the family as described in 982.404(b).

The family is responsible for any Housing Quality Standards (HQS) breach by the family caused by 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 evidenced by photos from the owner or a judgement for damages received from a court.

- The family fails to maintain family responsible utilities.
- The family must allow CMHA to inspect the unit at reasonable times and after reasonable notice.
- The family may not commit any serious or repeated violations of the lease.
- The family must notify the owner and, at the same time, notify CMHA before the family moves out of the unit or terminates the lease upon notice to the owner.
- The family must promptly give CMHA a copy of any owner’s eviction notice.
- The family must use the assisted unit for residence by the family. The unit must be the family's only residence.

The composition of the assisted family residing in the unit must be approved by CMHA. The family must promptly inform CMHA of the birth, adoption or court awarded custody of a child. The family must request CMHA approval to add any other family member as an occupant of the unit.

The family must promptly notify CMHA if any family member no longer resides in the unit or is temporarily away from the unit for more than 30 days.

If CMHA has given approval, a foster child or a Live-In Aide may reside in the unit. If the family does not request approval or CMHA approval is denied, the family may not allow a foster child or Live-In Aide to reside with the assisted family.

Members of the household may engage in legal profit-making activities in the unit, but only if such activities are incidental to primary use of the unit as a residence by members of the family.

The family must not sublease or let the unit.

The family must not assign the lease or transfer the unit.

The family must supply any information or certification requested by CMHA to verify that the family is living in the unit, or relating to family absence from the unit, including any CMHA-requested information or certification on the purposes of family absences. The family must cooperate with CMHA for this purpose. The family must promptly notify CMHA of absence from the unit.

The family must not own or have any interest in the unit.

The members of the family must not commit fraud, bribery or any other corrupt or criminal act in connection with any Federal housing program.

The household members may not engage in drug-related criminal activity or violent criminal activity or other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and people residing in the immediate vicinity of the premises. The members of the household must not abuse alcohol in a way that threatens the health, safety or right to peaceful enjoyment of other residents and people residing in the immediate vicinity of the premises. An assisted family, or members of the family, may not receive Housing Choice Voucher Program tenant-based assistance while receiving another housing subsidy, for the same unit or for a different unit, under any duplicative (as determined by HUD or in accordance with HUD requirements) federal, State or local housing assistance program.

A family must not receive HCV program assistance while residing in a unit owned by a parent, child, grandparent, grandchild, sister or brother of any member of the family, unless the PHA has determined (and has notified the owner and the family of such determination) that approving rental of the unit, notwithstanding such relationship, would provide reasonable accommodation for a family member who is a person with disabilities.

Housing Authority Discretion [24 CFR 982.552(c)]

In deciding whether to deny or terminate assistance because of action or failure to act by members of the family, CMHA has discretion to consider all of the circumstances in each case, including the seriousness of the case. CMHA will use its discretion in reviewing the extent of participation or culpability of individual family members and the length of time since the violation occurred. CMHA may also review the family's more recent history and record of compliance and the effects that denial or termination of assistance may have on other family members who were not involved in the action or failure to act.

Enforcing Family Obligations

Explanations and Terms

The term "promptly" when used with family obligations always means "within ten calendar days." Denial or termination of assistance is always at the discretion of CMHA management except where this Plan or the regulations state otherwise.

HQS/NSPIRE V Breach

The Inspector will determine if an HQS/NSPIRE breach as identified in 24 CFR 982.404 is the responsibility of the family. Families may be given extensions to cure HQS/NSPIRE V breaches by the Owner Compliance Manager.

Lease Violations

The following criteria will be used to decide if a serious or repeated violation of the lease will result in termination of assistance:

- The number of occurrences of lease violations. If the owner evicts the tenant.
- If the owner notifies the family of termination of tenancy assistance for serious or repeated lease violations and CMHA concurs that the lease violations are serious and repetitive.
- If the owner notifies the family of intention to evict for serious or repeated lease violations, and the family moves from the unit prior to the completion of court action, and
- If there are police reports, neighborhood complaints or other third-party information, that has been verified by CMHA.

Nonpayment of rent and/or utilities and family damages caused beyond normal wear and tear are considered serious violations of the lease.

Notification of Eviction

If the family requests assistance to move and they did not notify CMHA of an eviction within three days of receiving the Notice of Lease Termination, the move may be denied.

Proposed Additions to the Family

CMHA will deny a family's request to add additional family members who are:

- People who have unsatisfactory tenant history with CMHA's Asset Management program.
- People who have previously violated a family obligation listed in Section C of this chapter and 24 CFR 982.51 of the HUD regulations.
- People who have been part of a family whose assistance has been terminated under the Voucher program.
- People who have lived as an unauthorized person in a family whose assistance has been terminated under the Voucher program.
- People who have engaged in drug-related or violent criminal activity. Persons who do not meet CMHA's definition of family as defined in this Plan.
- People who commit fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.
- People who currently owe rent or other amounts to CMHA or to another PHA in connection with Housing Choice Voucher Program or Asset Management assistance under the 1937 Act.
- People who have engaged in or threatened abusive or violent behavior toward CMHA personnel.

Family Member Moves Out

Families are required to notify CMHA at their annual recertification if any family member leaves the assisted household. When the family notifies CMHA, they must furnish the following information:

- The date the family member moved out.
- The new address, if known, of the family member.

A statement or documentation as to whether the family member is temporarily or permanently absent. Limitation on Profit-Making Activity in Unit

Families are required to report to CMHA and owner, in advance, their intention to use the unit for a business activity.

If the business activity area results in the inability of the family to use any of the critical living areas, such as a bedroom utilized for a business which is not available for sleeping, it will be considered a violation.

If CMHA determines that the use of the unit as a business is not incidental to its use as a dwelling unit, it will be considered a program violation.

If CMHA determines the business is not legal, it will be considered a program violation.

Interest in Unit

The owner may not reside in the assisted unit regardless of whether (s)he is a member of the assisted family, unless the family owns the mobile home and rents the pad.

Fraud

In each case, CMHA will consider which family members were involved, the circumstances, and any hardship that might be caused to innocent members.

D. PROCEDURES FOR NONCITIZENS [24 CFR 5.514, 5.516, 5.518]

Denial or Termination due to Ineligible Immigrant Status

Applicant or participant families in which all members are neither U.S. citizens nor eligible immigrants are not eligible for assistance and must have their assistance terminated. CMHA must offer the family an opportunity for a hearing.

(See "Eligibility for Admission" chapter, section on Citizenship/Eligible Immigration Status.)

Assistance may not be terminated while verification of the participant family's eligible immigration status is pending.

False or Incomplete Information

When CMHA has clear, concrete, or substantial documentation (such as a student visa) that contradicts the declaration of citizenship made by an applicant or participant, an investigation will be conducted, and the individual will be given an opportunity to present relevant information.

If the individual is unable to verify their citizenship/eligible immigrant status, CMHA will give him/her an opportunity to provide a new declaration as an eligible immigrant or an opportunity to elect not to contend their status. CMHA will then verify eligibility status, deny, terminate, or continue assistance as applicable. CMHA will deny or terminate assistance based on the submission of false information or misrepresentation.

Procedure for Denial or Termination

If the family (or any member) claimed eligible immigrant status and the INS primary and secondary verifications failed to document the status, the family may make an appeal to the INS and request a hearing with CMHA either after the INS appeal or in lieu of the INS appeal.

After CMHA has decided on ineligibility, the family will be notified of the determination and the reasons and informed of the option for prorated assistance (if applicable).

E. ZERO ($0) ASSISTANCE TENANCIES [24 CFR 982.455(a)]

The family may remain in the unit at $0 assistance for up to 180 days after the last HAP payment. If the family is still in the unit after 180 days, the voucher will be terminated. If, within the 180-day timeframe, an owner rent increase or a decrease in the Total Tenant Payment causes the family to be eligible for a housing assistance payment, CMHA will resume assistance payments for the family.

For a family to move to another unit during the 180 days, the rent for the new unit would have to be high enough to necessitate a housing assistance payment.

F. OPTION NOT TO TERMINATE FOR MISREPRESENTATION [24 CFR 982.551, 982.552(c)]

Providing the option to repay in the cases of misrepresentation is at the discretion of CMHA management. If the family has misrepresented any facts that caused CMHA to overpay assistance, CMHA may choose not to terminate and may offer to continue assistance provided that the family signs a repayment agreement and reimburses CMHA in accordance with the terms specified in the agreement.

G. MISREPRESENTATION IN COLLUSION WITH OWNER [24 CFR 982.551, 982.552(c)]

If the family intentionally, willingly, and knowingly commits fraud or is involved in any other illegal scheme with the owner, CMHA will deny or terminate assistance. This includes side deals, e.g., additional rent payments.

H. MISSED APPOINTMENTS AND DEADLINES [24 CFR 982.551, 982.552(c)]

It is a Family Obligation to supply information, documentation, and certification as needed for CMHA to fulfill its responsibilities. CMHA may schedule appointments and sets deadlines in order to obtain the required information. The Obligations also require that the family allow CMHA to inspect the unit, and appointments are made for this purpose.

An applicant or participant who fails to keep an appointment, or to supply information required by a deadline without notifying CMHA, may be sent a Notice of Denial or Termination of Assistance for failure to provide required information, or for failure to allow CMHA to inspect the unit.

The family will be given information about the requirement to keep appointments and the number of times appointments will be rescheduled, as specified in this Plan.

Appointments may be scheduled and time requirements will be imposed for the following events and circumstances:

- Briefings and Voucher Issuance
- Verification Procedures
- Housing Quality Standards Inspections
- Recertification Appeals

Acceptable reasons for missing appointments or failing to provide information by deadlines are:

- Medical emergency
- Family emergency

As CMHA move towards conducting more of its operations online, it will notify clients via email or mail to provide necessary information through its online portal. Families may be terminated for failure to do so in a timely manner.

Procedure when Appointments are Missed or Information Not Provided

For most purposes in this Plan, the family will be given two opportunities to keep a scheduled appointment before being issued a notice of termination or denial for breach of a family obligation. The family will have a right to a hearing regarding the notice of termination. Exceptions may be made by the HCV Program Management or designee if the family has extenuating circumstances as to why the appointments were missed.

I. TERMINATIONS OF PARTICIPANTS FOR INSUFFICIENT FUNDING [24 CFR 982.454]

Federal regulations provide that a PHA may terminate HAP Contracts, in accordance with HUD requirements, if the PHA determines that funding under the Annual Contributions Contract is insufficient to support continued assistance for families in the program. Before terminating HAP Contracts on the basis of insufficient funding, the CMHA will ensure that it has carefully considered all cost-savings measures and the impact such terminations will likely have on program participants.

CURRENTLY ASSISTED HCV FAMILIES

If CMHA determines that it does not have sufficient funding to support continued assistance for families in the program, it will terminate the HAP contract for families by utilizing a lottery system to select a specific number of families active in the program. Excluding elderly and disabled households, contracts will be terminated via the random lottery method until funding is sufficient to support continued assistance for the remaining families. CMHA will give both the families and owners no less than 60-day advance notice of this action. Families whose contracts were terminated due to lack of funding will be eligible for assistance again as funds become available based on their admission date. Families with the earliest admission dates will be placed back on the wait list first in accordance with preference points.

Families terminated from the program due to “insufficient funding” will receive priority to be readmitted to the program before project-based families may move with tenant-based assistance and before new applicants are selected from the HCV wait list. At the time a family is terminated as a result of insufficient funding, CMHA will add them to the HCV wait list even if the wait list is closed. These families will be given 80 preference points. Families must submit address changes in writing to ensure that they receive notices from CMHA. Families failing to do so will not be eligible for readmission to the program under this clause.

Families will be readmitted to the HCV program in order based on their original admission date. Families with the earliest admission dates will be the first to be readmitted. CMHA will verify income eligibility and conduct a criminal background check for all adult household members before a new voucher is issued.

HAP Contracts will not be terminated in cases where families were residing in housing subject to disposition, pre-payment or opt-out and the family chose to receive a tenant-based voucher and was admitted to the HCV program within the past 12 months. If these families were admitted to the HCV program more than 12 months prior to consideration of termination, their contract may be terminated as a result of insufficient funds.

CHAPTER 17

Owner Disapproved and Restriction

[24 CFR 982.54, 982.306, 982.453]

PHILOSOPHY

If an owner has committed fraud or abuse or is guilty of serious contract violations or other gross unprofessional conduct, CMHA will restrict the owner from future participation in the program for a period of time commensurate with the seriousness of the offense. The owner does not have a right to participate in the program.

POLICY

CMHA will recruit owners to participate in the voucher program. CMHA will provide owners with prompt and professional service to maintain an adequate supply of available housing throughout the jurisdiction of CMHA.

This chapter describes the criteria for owner disapproval, and the various penalties for owner violations.

A. DISAPPROVAL OF OWNER [24 CFR 982.306, 982.54(d)(8)]

The owner does not have a right to participate in the program. For purposes of this section, "owner" includes a principal or other interested party.

CMHA may disapprove the owner for the following reasons:

HUD or another government agency has informed CMHA that the owner has been disbarred, suspended, or subject to a limited denial of participation under 24 CFR part 24.

HUD has informed CMHA that the Federal government has instituted an administrative or judicial action against the owner for violation of the Fair Housing Act or other Federal equal opportunity requirements and such action is pending.

HUD has informed CMHA that a court or administrative agency has determined that the owner has violated the Fair Housing Act or other Federal equal opportunity requirements.

Unless their lease was effective prior to June 17, 1998, the owner may not be a parent, child, grandparent, grandchild, sister or brother of any family member. CMHA will waive this restriction as a reasonable accommodation for a family member who is a person with a disability. In cases where the owner and tenant bear the same last name, CMHA may, at its discretion, require the family and/or owner to certify whether they are related to each other in any way.

CMHA may, at its discretion, require the family and or owner to certify whether they are related to each other in any way.

The owner fails to submit and/or update Housing Choice Voucher Program Owner Registration, listing the names and current addresses of all individuals having an ownership interest in the property, regardless of the legal entity that may hold title.

The owner has violated obligations under a housing assistance payments contract under Housing Choice Voucher Program of the 1937 Act (42 U.S.C. 1437f).

The owner has committed fraud, bribery or any other corrupt act in connection with any Federal housing program.

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

The owner has a history or practice of non-compliance with HQS/NSPIRE, CMHA unit standards and/or neighborhood standards for units leased under the tenant-based program or leased under any other Federal housing program.

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

The owner has a history or practice of failing to terminate tenancy assisted under Housing Choice Voucher Program or any other federally assisted housing program, or to take lease enforcement action for activity by the tenant, any member of the household, a guest or another person under the control of any member of the household that:

- Threatens the right to peaceful enjoyment by other residents or neighbors.
- Threatens the health or safety of other residents, of employees of CMHA or its agents, or other people engaged in management of the housing.
- Threatens the health or safety of, or the right to peaceful enjoyment of their residences, by people residing in the immediate vicinity of the premises; or drug-related criminal activity or violent criminal activity.
- The owner has failed to comply with regulations, the mortgage or note, or the regulatory agreement for projects with mortgages insured by HUD or loans made by HUD.
- The owner has unsatisfactory performance in the HCV program.
- The owner has not paid State or local real estate taxes, fines or assessments.

B. OWNER RESTRICTIONS AND PENALTIES

If an owner has committed fraud or abuse or is guilty of frequent or serious contract violations or other gross unprofessional conduct, CMHA will restrict the owner from future participation in the program for a period commensurate with the seriousness of the offense. CMHA may also terminate some or all contracts with the owner.

Before imposing any penalty against an owner, CMHA will review all relevant factors pertaining to the case and will consider such factors as the owner's record of compliance and the number of violations.

See Program Integrity Addendum for guidance as to how owner fraud will be handled.

C. OWNER REQUIREMENTS [24 CFR 982.306]

CMHA requires that all property owners in the Housing Choice Voucher Program meet minimum requirements prior to contract approval. Those requirements include:

- All landlords are required to disclose all principals within partnerships, LLCs, corporations or any other business entities that have an interest in the proposed rental property on CMHA's *Property Owner Information Sheet.* Full disclosure of said entities is required prior to lease approval, and updates are required for the duration of the owner's program participation if any changes occur.
- CMHA will verify that the legal owner of record reported on the Request for Tenancy Approval matches Hamilton County tax records. If there is a discrepancy, verification of ownership status is required, or the landlord must demonstrate adequate legal site control of the proposed rental property prior to lease approval.
- All owners must participate in CMHA's Housing Choice Voucher Program Landlord Orientation prior to lease approval.
- All owners must demonstrate the ability to work with the administrative and programmatic requirements of the HCV program.
- All owners must provide information for mandatory direct deposit of HAP.
- Owners/HAP Payees are required to submit complete and accurate W9 information annually for each entity receiving HAP assistance from the HCV Program.

D. UNIT REQUIREMENTS [24 CFR 982.306(6)(7)]

CMHA will ensure that all HCVP properties meet the following minimum pre-approval requirements:

Proposed units will be pre-screened to determine if there are any outstanding building code violations. Units with open building code violations (that would cause the unit to fail an HQS/NSPIRE inspection) will not be inspected and the Request for Tenancy Approval will be cancelled.

All proposed units will be pre-screened to ensure that there are no delinquent property taxes. Units will not be approved until delinquent property taxes have been paid in full, or a payment arrangement has been accepted by the Hamilton County Auditor's Office. Proof of payment will be required prior to lease approval.

E. PROGRESSIVE ENFORCEMENT PROGRAM

CMHA expects that owners of HCV-assisted units will conduct themselves in a professional manner when working with CMHA staff and/or the HCV-assisted residents. The requirements outlined below are published for information and are not meant to be all-inclusive, since unanticipated circumstances may arise that require the immediate suspension or termination of an owner from the program. The following standards are not intended to create a right to participate in the program and are specific to "owner responsible" repairs. CMHA reserves the right to discontinue its business relationship with an owner upon notice.

CMHA may review a six-month history of an owner's HQS/NSPIRE inspection record to determine if any violations have occurred.

Non-compliance with HQS/NSPIRE V means:

- **Six or more** occurrences of failing to make needed repairs by the "due date of repairs" in a retroactive 12-month period from current month;
- **Four or more** HAP contract cancellations due to HQS/NSPIRE non-compliance in a retroactive 12-month from current month; or
- The owner is currently cited by code enforcement officials for serious rental property code violations, and these violations have not been corrected. Serious code violations are building code violations that pose an immediate threat to the safety and welfare of the legal occupant as determined by local building code enforcement officials.

A suspension may include either or all but is not limited to the following:

- Suspension of owner adding new contracts to the program
- Cancellation of current contracts participating with the program.

If any of the above policies are violated, CMHA may suspend an owner's future participation in the HCV Program for a period of up to 12 months from the date of notification to the owner. Reinstatement of the owner's participation in the HCV Program will depend on the owner's efforts to comply with CMHA, HUD, state, and local laws and regulations. If CMHA determines that the owner has not made a good faith effort to comply, the suspension may continue for additional 12- month periods until the owner demonstrates to CMHA's satisfaction that sustained progress has been made towards compliance with HCV regulations and CMHA Administrative Plan policies.

While existing HCV contracts are not affected by the above policies, CMHA reserves the right to cancel an owner's remaining HCV contracts if there are continued HCV contract violations or for any of the non-compliance instances listed above. CMHA may permanently deny an owner from future participation if it is in the best interest of the HCV program.

If an owner has more than one vendor account with CMHA, all vendor accounts are affected by the above policies.

F. CHANGE IN OWNERSHIP

Change in ownership does not confer upon the subsequent owner the right of participation in the HCV program. The subsequent or “new” property owner must provide CMHA with an employer identification number or a social security number on IRS Form W-9 for reporting income to the IRS on Form 1099. The owner must provide a home telephone number, address and/or business number if applicable. The subsequent or “new” owner must adhere to program requirements. In addition, a change in ownership requires execution of a new owner’s registration form, contract and lease. All documentation must be submitted to CMHA within 60 days of the change of ownership.

CMHA may approve the assignment of the HAP Contract at the owner's request. CMHA may deny approval of the assignment of the contract, for any of the reasons listed in Section A of this chapter.

CMHA will process a change of ownership only upon the written request of the new owner and only if accompanied by a copy of the escrow statement or other document showing the transfer of title, recorded deed and the employee identification number or social security number of the new owners. CMHA is not responsible for payments made to the previous owner prior to the written notice to CMHA of a change.

The “HAP Payee” for a property participating with the HCV program will be in the name of the entity or person of which the property is titled.

Land Contracts

In the case of land contracts, the HCV eligible titled property owner will continue to receive the housing assistance payments. The HCV eligible titled property owner may agree to allow the land contract vendor to receive the Housing Assistance payments as the property manager or agent for the HCV subsidized residence. However, the parties must complete a Property Manager Authorization form. The parties are advised that the titled property owner may withdraw consent or change the property management arrangement. The subsequent or "new" owner must participate in CMHA's Housing Choice Voucher Landlord Orientation prior to approval or recertification of HCV leases.

Dual Ownership

If a dispute arises between joint owners of property, CMHA may pay the housing assistance payments into the Court of Common Pleas through a Complaint of Interpleader. If the parties are unable to resolve the dispute, CMHA will not renew the HAP contract or grant a Request for Tenancy Approval during

the pendency of the dispute.

Receivership

A court appointed receiver does not obtain any greater right to receive housing assistance payments under the HAP contract than the property owner. The court appointed receiver must adhere to all program requirements.

CHAPTER 18

Owner or Family Debts to CMHA

[24 CFR 982.552]

PHILOSOPHY

When families or owners owe money to CMHA, the agency will make every effort to collect the debt.

POLICY

It is CMHA's policy to meet the informational needs of owners and families, and to communicate the program rules in order to avoid owner and family debts. Before a debt is assessed against a family or owner, the file must contain documentation to support CMHA's claim that the debt is owed. The file must further contain written documentation of the method of calculation, in a clear format for review by the owner, the family or other interested parties.

When a participant family owes money to CMHA, notice will be provided to the family and 30 days will be given for the family to either pay the debt in full or enter into a repayment agreement with CMHA. When an owner owes money to CMHA, CMHA will recoup any amounts owed from future HAP payments made to the owner. If the owner is no longer a participant with the HCV program, CMHA will use a variety of collection tools to recover debts including, but not limited to:

- Requests for lump sum payments Civil suits
- Obtaining a judgment against the owner and placing a lien against real estate property owned
- Payment agreements Abatements
- Reductions in HAP to owner Collection agencies
- Credit bureaus
- Income tax set-off programs

CMHA may terminate assistance to a family for failing to pay a debt owed in full or enter into a repayment agreement within 30 days of notification of the monies owed.

CMHA may terminate a HAP Contract with an owner for failure to repay monies owed to CMHA.

CMHA reserves every right to modify this policy in the best interest of the assisted family.

This chapter describes CMHA's policies for the recovery of monies which have been overpaid for families, and to owners. It describes the methods that will be utilized for collection of monies and the guidelines for different types of debts.

A. REPAYMENT AGREEMENT FOR FAMILIES [24 CFR 982.552(c)(v-vii)]

A Repayment Agreement as used in this Plan is a document entered into between CMHA and a person who owes a debt to CMHA. It is similar to a promissory note but contains more details regarding the nature of the debt, the terms of payment, any special provisions of the agreement, and the remedies available to CMHA upon default of the agreement.

CMHA will prescribe the terms of the repayment agreement, including determining whether to enter into a repayment agreement with the family based on the circumstances surrounding the debt to CMHA.

There are some circumstances in which CMHA may not enter into a repayment agreement. They are:

- If the family already has a Repayment Agreement in place;
- If CMHA determines that the family committed program fraud; or
- If CMHA determines that the debt amount is larger than can be paid back by the family within 36 months.

The maximum amount for which CMHA will enter into a repayment agreement with a family is $5,000.

The maximum length of time CMHA will enter into a repayment agreement with a family is 36 months.

The minimum monthly amount of monthly payment for any repayment agreement is $25.

Repayment Schedule for Monies Owed to CMHA Initial Payment Due		
% of Total Amount	**Amount Owed**	**Maximum Term**
25%	0 - $500	6 Months
25%	$501 - $1,000	12 Months
25%	$1,001 - $1,999	18 Months
15%	$2,000 - $2,999	24 Months
10%	$3,000 - $5,000	36 Months

After making the initial payment, the balance will be owed in equal monthly installments over the term of the repayment agreement. Unless approved by the HCV Director or designee and with documentation of a hardship, no Repayment Agreement will be accepted without the initial down payment. A family's failure to make payments in accordance with the terms of the repayment agreement is grounds for termination of assistance.

Applicant Families

If any member of an applicant family has a bad debt or previous balance due to CMHA or any other federally assisted housing program, they are eligible to apply for the wait list. The family will be placed on the wait list and will be notified, in writing, of the outstanding debt. The family will be removed from the wait list and given 60 days from the day they are pulled to enter into a satisfactory repayment agreement with the entity they owe. Upon signing a repayment agreement, the family will be placed back on the wait list with their same date and sequence time. If a repayment agreement is not established within 60 calendar days, the application will be withdrawn. CMHA will not pursue collection efforts for outstanding debts over 8 years where no judgement for payment has been rendered by a court in accordance with Ohio law.

Families transferring from the Asset Management Program must return keys and possession of the unit to the site manager within 3 days of lease execution with owner for assistance under the HCV program.

B. DEBTS OWED FOR CLAIMS [24 CFR 792.103, 982.552 (c)(v-vii)]

If a family owes money to CMHA for claims paid to an owner, CMHA will not enter into a Repayment Agreement. No move will be approved until the debt is paid in full unless the move is the result of the following causes.

- Family size exceeds the HQS/NSPIRE V maximum occupancy standards.
- The HAP Contract is terminated due to owner non-compliance or opt-out
- A natural disaster.

Late Payments

Payment will be considered to be in arrears if:

- The payment was not received by the close of the business day on which the payment was due. If the due date is on a weekend or holiday, the due date will be at the close of the next business day.
- If the family's repayment agreement is in arrears, and the family has not contacted or made arrangements with CMHA, the agency will terminate the housing assistance; and pursue civil collection of the balance due.

- If the family requests a move to another unit, has a repayment agreement, and is current; the family will be permitted to transfer after paying the balance in full.

C. DEBTS DUE TO MISREPRESENTATIONS/NON-REPORTING OF INFORMATION [24 CFR 982.163]

HUD's definition of program fraud and abuse is a single act or pattern of actions that:

> Constitutes false statement, omission, or concealment of a substantive fact, made with intent to deceive or mislead, and that results in payment of Housing Choice Voucher Program funds in violation of Housing Choice Voucher Program requirements.

Family Error/Late Reporting/Program Fraud

Families who owe less than $5,000 to CMHA due to the family's failure to report will be required to repay in accordance with the guidelines in the Repayment Agreement Section of this Chapter.
Families who owe $5,000 or more to CMHA due to the family's failure to report will be required to pay a lump sum within 30 days. If the family pays the amount in full within this period, CMHA may continue assistance to the family.

D. DEBTS DUE TO MINIMUM RENT/TEMPORARY HARDSHIP

If the family owes CMHA money for rent arrears incurred during the minimum rent or temporary hardship, the family may enter into a repayment agreement. The total amount owed must be repaid in 180 calendar days or less in equal monthly installments.

The minimum monthly amount for a payment agreement incurred for minimum rent arrears is $25.

E. GUIDELINES FOR REPAYMENT AGREEMENTS [24 CFR 982.552(c) (v-vii)]

Repayment agreements will be executed between CMHA and the head of household/co-head only.

Payments may be made by money order or cashier’s check made payable to CMHA.

Payment will be considered in arrears if the payment has not been received by the close of the business day on which the payment was due. If the due date is on a weekend or holiday, the due date will be at the close of the next business day.

The family's assistance will be proposed for terminated unless CMHA receives the balance of the repayment agreement in full within 10 calendar days of the termination notice.

Monthly payments and the required 25% down payment may be decreased in cases of family hardship and if requested with reasonable notice from the family, verification of the hardship, and the approval of either the HCV Director or their designee.

No move will be approved until the debt is paid in full unless the move is the result of the following causes, and the repayment agreement is current:

- Family size exceeds the HQS/NSPIRE V maximum occupancy standards;
- The family's voucher size has decreased, and families need a smaller size unit;
- The HAP Contract is terminated due to owner non-compliance or opt-out; or A natural disaster.

Applicants participating in the Special Programs shall be permitted to sign a repayment agreement for funds owed to CMHA and receive a voucher. Such agreements require the initial down payment. All repayment agreements will be due at the first of the month according to the following schedule:

If the agreement is signed and returned between the 1st and 14th of the month, payment will be due next month. If it is signed between the 15th through the end of the month, payment will be due the first of the month after the upcoming month (i.e. agreement signed 8/16, first payment will be due l0/1; signed 8/1, first payment will be due 9/1). Payments for all agreements will be due on the 1st of the month.

When completing a Repayment Agreement form a copy should go to the HCV Program Manager and a copy to the Finance Department designee. The original is to be maintained in the client file.

Any Repayment Agreement form requested through the mail will be due back in 10 business days from the date of the request. Failure to respond may result in termination.

Additional Monies Owed:

CMHA will not enter into more than one repayment agreement at a time with the family.

F. OWNER DEBTS TO CMHA [24 CFR 982.453(b)]

If CMHA determines that the owner has retained housing assistance or claim payments the owner is not entitled to, CMHA may reclaim the amounts from future housing assistance or claim payments owed by the owner for any units under contract.

If future housing assistance or claim payments are insufficient to reclaim the amounts owed, CMHA will collect the debt and may use one of the following methods:

- Enter into a payment agreement with the owner for the amount owed; Pursue collections through the court and/or a collection agency;
- Obtain a judgment against the owner and secure a lien against real estate property owned; or
- Restrict the owner from future participation.
- CMHA may also refer to an owner for prosecution for program fraud.

Backup Withholding

What is backup withholding? People making certain payments to you must under certain conditions withhold and pay to the IRS 24% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, non-employee pay, payments made in settlement of payment card and third-party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding. You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the instructions for
3. Part II for details),
4. The IRS tells the requester that you furnished an incorrect TIN,
5. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
6. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only). Certain payees and payments are exempt from backup withholding. See Exempt payee code, later, and the separate Instructions for the Requester of Form W-9 for more information.

Owners/HAP Payees need to correct the reason why they became subject to backup withholding. This can include providing the correct TIN to the CMHA, resolving the underreported income, and paying the amount owed, or filing the missing tax return(s). You will have 120 days to correct the errors.

There are civil and criminal penalties for giving false information to avoid backup withholding. The civil penalty is $500. The criminal penalty, upon conviction, is a fine of up to $1,000 or imprisonment of up to one year, or both.

CHAPTER 19

Complaints and Appeals

PHILOSOPHY

The informal hearing requirements defined in the HUD regulations are applicable to participating families who disagree with an action, decision, or inaction of CMHA.

POLICY

CMHA will respond promptly within 5 business days, when possible, to complaints from families, owners, employees, and members of the public in accordance with its complaint procedures. All complaints will be documented.

This chapter describes the policies, procedures and standards to be used when families disagree with a CMHA decision. The procedures and requirements are explained for informal reviews and hearings. It is CMHA's goal is to ensure that all families have the benefit of all protections due to them under the law. The policies and procedures described in this chapter are applicable to families applying for or participating in the HCV program and not to participating owners or prospective owners.

A. INFORMAL REVIEW PROCEDURES [24 CFR 982.54(d) (12), 982.554]

Informal Reviews are provided for applicants who are denied assistance before the effective date of the HAP Contract. When CMHA determines that an applicant is ineligible for the program, the family must be notified of their ineligibility in writing. The notice must contain:

The reason(s) they are ineligible.

The procedure for requesting an informal review if the applicant does not agree with the decision, and

- The time limit for requesting an informal review.

When proposing to deny family admission for criminal activity as shown by a criminal record, CMHA will give the subject 7 days to respond to the proposed action. The subject will receive a copy of the criminal record upon which the proposed decision to deny is based to allow the family to dispute and/or clarify the information received.

After 7 days, CMHA will send the applicant a letter with CMHA's final decision regarding the family's admission to the program. If the family is denied, the family will have 10 days to request a review in writing. If a review request is not received within those 10 days, the applicant family will be removed from the wait list without further notification.

Applicants are responsible for notifying CMHA in writing of any change of address pending the informal review. If the informal review notification is returned to CMHA without a forwarding address by the U.S. Postal Service and the tenant has not provided a forwarding address in writing to CMHA, the decision to reschedule a hearing is at the discretion of the HCV Director, or their designee.

CMHA must provide applicants with the opportunity for an informal review of decisions to:

- Deny issuance of a voucher Deny participation in the program
- Deny assistance under portability procedures
- Informal reviews are not required for established policies and procedures and CMHA determinations such as:
- Discretionary administrative determinations by CMHA General policy issues

  or class grievances
- An Applicant withdrawn from the wait list for failure to update their change of address in writing
- A determination of the family unit size under CMHA subsidy standards

  Refusal to extend or suspend a voucher
- CMHA determination not to grant approval of the tenancy Determination that

  unit is not in compliance with HQS/NSPIRE
- Determination that unit is not in accordance with HQS/NSPIRE due to family size or composition
- Procedure for Review

A request for an informal review must be received in writing by the close of the business day, no later than 10 calendar days from the date of CMHA's notification of denial of assistance. The informal review will be scheduled within 30 calendar days of the date the request is received.

The informal review may not be conducted by the person who made or approved the decision under review, nor a subordinate of such person.

The review may be conducted by:

- A CMHA staff person who is not directly involved in the decision to approve or deny
- An individual from outside CMHA

The applicant will be given the option of presenting oral and/or written objections to the decision. Both CMHA and the family may present evidence and witnesses. The family may use one designee, e.g. an attorney or other representative, to assist them at their own expense.

A notice of the findings will be provided in writing to the applicant within 15 business days after the review. It shall include the decision of the Hearing Officer, and an explanation of the decision.

All requests for an informal review, supporting documentation, and a copy of the final decision will be retained in the family's file.

B. INFORMAL HEARING PROCEDURES [24 CFR 982.555(a-f), 982.54(d) (13)]

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

- Determination of the family's annual or adjusted income and the computation of the housing assistance payment
- Appropriate utility allowance used from schedule
- Family unit size determination under CMHA subsidy standards

  Determination to terminate assistance for any reason

CMHA must always provide the opportunity for an informal hearing before termination of assistance.

Informal hearings are not required for established policies and procedures and CMHA determinations such as:

- Discretionary administrative determinations by CMHA.
- General policy issues or class grievances.
- Establishment of the CMHA schedule of utility allowances for families in the program.
- CMHA determination not to approve an extension or suspension of a voucher term; CMHA determination not to approve a unit or lease.
- CMHA determination that an assisted unit is not in compliance with HQS/NSPIREV (CMHA must provide hearing for family breach of HQS/NSPIREV because that is a family obligation determination).

- CMHA determination that the unit is not in accordance with HQS/NSPIREV because of the family size; or
- CMHA determination to exercise or not exercise any right or remedy against the owner under a HAP Contract.
- When CMHA makes a decision regarding eligibility and/or the amount of assistance, participants must be notified in writing. CMHA will give the family prompt notice of such determinations which will include:
    - The proposed action or decision of CMHA
    - The date the proposed action or decision will take place
    - The family's right to an explanation of the basis for CMHA's decision
    - The procedures for requesting a hearing if the family disputes the action or decision
    - The time limit for requesting the hearing
    - To whom the hearing request should be addressed
    -

Notification of Hearing

It is CMHA's objective to resolve disputes at the lowest level possible, and to make every effort to avoid the most severe remedies. However, if this is not possible, CMHA will ensure that applicants and participants will receive all of the protections and rights afforded by the law and the regulations.

An informal hearing shall be scheduled within 30 calendar days following receipt of a hearing request. Tenants will be notified electronically via email or by US mail as reasonable accommodation. Tenants are responsible for notifying CMHA in writing of any change of email or postal address for the notification and decision. If the informal hearing notification is returned to CMHA without a forwarding address by the U.S. Postal Service or via email and the tenant has not provided a forwarding or new email address in writing to CMHA, the decision to reschedule a hearing is at the discretion of the CMHA. The notification of hearing will contain:

- The date and time of the hearing
- The location where the hearing will be held
- The family's right to bring evidence, witnesses, legal **or** other representation at the family's expense
- The right to view any documents or evidence in the possession of CMHA upon which CMHA based the proposed action and, at the family's expense, to obtain a copy of such documents prior to the hearing. Requests for such documents or evidence must be received no later than 5 business days before the hearing date.

- A notice to the family that CMHA requests a copy of any documents or evidence the family will use at the hearing.

CMHA's Hearing Procedures

After a hearing date is set, the family may request to reschedule only upon showing "good cause" which is defined as an unavoidable conflict which seriously affects the health, safety or welfare of the family.

Families have the right to:

- Present written or oral objections to CMHA's determination.
- Examine the documents in the file which are the basis for CMHA's action, and all documents submitted to the Hearing Officer;
- Copy any relevant documents at their expense;
- Present any information or witnesses pertinent to the issue of the hearing;
- Request that CMHA staff be available or present at the hearing to answer questions pertinent to the case; and
- Be represented by legal counsel, advocate, or other designated representative at their own expense.

In addition to other rights contained in this Chapter, CMHA has a right to:

- Present evidence and any information pertinent to the issue of the hearing;
- Be notified if the family intends to be represented by legal counsel, advocate, or another party;
- Examine and copy any documents to be used by the family prior to the hearing;
- Have their attorney present; and
- Have staff people and other witnesses familiar with the case present.

The hearing shall concern only the issues for which the family has received the opportunity of hearing. Evidence presented at the hearing may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

No documents may be presented which have not been provided to the other party before the hearing if requested by the other party. "Documents" include records and regulations.

The Hearing Officer may ask the family for additional information and/or might adjourn the hearing 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 CMHA shall take effect and another hearing will not be granted. The Hearing Officer will determine whether the action, inaction or decision of CMHA is appropriate in accordance with HUD regulations and this Administrative Plan based upon the evidence and testimony provided at the hearing. Factual determinations relating to the individual circumstances of the family will be based on a preponderance of the evidence presented at the hearing.

A notice of the hearing findings shall be provided in writing to CMHA and the family within 15 business days and shall include:

- A clear summary of the decision and reasons for the decision;
- If the decision involves money owed, the amount owed;
- The date of the decision goes into effect.

CMHA is not bound by hearing decisions which:

- Concerning matters in which CMHA is not required to provide an opportunity for a hearing;
- Are contrary to HUD regulations or requirements;
- Are contrary to Federal, State or local laws; or
- Exceed the authority of the person conducting the hearing.

If CMHA determines it is not bound by a hearing decision, CMHA will notify the family of the determination, and the reason(s) for the determination.

C. HEARING AND APPEAL PROVISIONS FOR "RESTRICTIONS ON ASSISTANCE TO NONCITIZENS" [24 CFR Parts 5, Subpart E]

Assistance to the family may not be delayed, denied or terminated on the basis of immigration status at any time prior to the receipt of the decision on the INS appeal.

Assistance to a family may not be terminated or denied while CMHA hearing is pending but assistance to an applicant may be delayed pending CMHA hearing.

INS Determination of Ineligibility

If a family member claims to be an eligible immigrant and the INS SAVE system and manual search do not verify the claim, CMHA notifies the applicant or participant within 10 business days of their right to appeal to the INS within 30 business days or to request an informal hearing with CMHA either in lieu of or subsequent to the INS appeal.

If the family appeals to the INS, they must give CMHA a copy of the appeal and proof of mailing or CMHA may proceed to deny or terminate. The period to request an appeal may be extended by CMHA for good cause.

The request for a CMHA hearing must be made within 10 calendar days of receipt of the notice offering the hearing or, if an appeal was made to the INS, within 10 calendar days of receipt of that notice.

After receipt of a request for an informal hearing, the hearing is conducted as described in this chapter for both applicants and participants. If the hearing officer decides that the individual is not eligible, and there are no other eligible family members CMHA will:

- Deny the applicant family
- Defer termination if the family is **a** participant and qualifies for deferral
- Terminate the participant if the family does not qualify for deferral

If there are eligible members in the family, CMHA will offer to prorate assistance or give the family the option to remove the ineligible members.

All other complaints related to eligible citizen/immigrant status:

- If any family member fails to provide documentation or certification as required by the regulation, that member is treated as ineligible. If all family members fail to provide, the family will be denied or terminated for failure to provide.
- Participants whose termination is carried out after temporary deferral may not request a hearing since they had an opportunity for a hearing prior to the termination.
- Participants whose assistance is pro-rated (either based on their statement that some members are ineligible or due to failure to verify eligible immigration status for some members after exercising their appeal and hearing rights described above) are entitled to a hearing based on the right to a hearing regarding determinations of tenant rent and Total Tenant Payment.
- Families denied or terminated for fraud in connection with the noncitizens rule are entitled to a review or hearing in the same way as termination for any other type of fraud.

D. MITIGATING CIRCUMSTANCES FOR APPLICANTS/PARTICIPANTS WITH DISABILITIES [24 CFR 982.204, 982.552(c)]

When applicants are denied placement on the wait list, or CMHA is terminating assistance, the family will be informed that the presence of a disability may be considered as a mitigating circumstance during the informal hearing process.

CHAPTER 20
Special Housing Types
[24 CFR 982.6011]

PHILOSOPHY

CMHA may permit the use of additional housing types in its program after considering the benefits, costs, and feasibility for serving the housing needs of assisted housing customers. Special housing types include single room occupancy (SRO), MOD Rehab, congregate housing, group homes, shared housing, cooperative housing, manufactured homes where the family owns the home and leases the space, and homeownership [24 CFR 982.601]. Each part contains a description of the housing type, and any special requirements associated with it. Except as modified by this chapter, the general requirements of the HCV program apply to all special housing types.

POLICY

CMHA will ensure that Moderate Rehabilitation and Project Based Voucher program referrals meet all the screening criteria for applicants of the tenant-based programs. The biggest difference between the tenant-based program and these special housing types is that the assistance resides with the unit, not the family.

This chapter deals with managing the wait list for each special housing type, the process when a unit becomes vacant, and handling a request from a project-based voucher client to convert to the voucher program.

A. MODERATE REHABILITATION UNITS [24 CFR 882]

This section applies to units rehabilitated under the Housing Choice Voucher's Moderate Rehabilitation program. Except with respect to the following, CMHA policies governing these units are the same as those for the tenant-based programs.

When a unit becomes vacant, the owner is required to notify CMHA so that prospective tenants can be referred. CMHA will notify applicants on the Mod Rehab wait list of the availability of the unit. Interested applicants from the Mod Rehab wait list will be referred to the owner.

If the unit has not been leased to an applicant from the Mod Rehab wait list within 30 calendar days, the owner may select an income-eligible family for the unit and refer the family to CMHA for a determination of eligibility for assistance.

It is the responsibility of the owner to ensure that at least 40% of the applicants admitted during any fiscal year (July 1 through June 30) have extremely low income (below 30% of the Area Median Income).

Owners who do not notify CMHA promptly of a vacancy, arbitrarily reject prospective tenants referred by CMHA, or fail to lease the unit to an eligible family within 90 calendar days may have their HAP Contract terminated. In the case of multiple units under one HAP Contract, the contract may be amended to exclude the unit(s) that remains vacant.

Owners who do not make required repairs within 30 calendar days following an inspection will have their HAP Contract terminated, or in the case of multiple units under one HAP, have their HAP amended to exclude the unit.

Families living in units that are terminated for owner non-compliance or owner opt- outs will have their form of assistance converted to a Housing Choice Voucher.

Participants whose family size increase to the point where their continued occupancy in the unit violates the HQS/NSPIRE V space requirement will be provided with a list of other appropriately sized, available units within this program. If the family is unable to find a suitably sized unit, CMHA may issue a Housing Choice Voucher to the family.

Participants whose family size decrease to less than one person per bedroom will be required to move and will be provided with a list of available units within the program. If the family is unable to find a suitably sized unit, CMHA may issue a Housing Choice Voucher to the family.

Other than those situations described above, Mod Rehab participants who move from the assisted unit will not continue to receive housing assistance.

B. SINGLE ROOM OCCUPANCY

A single room occupancy (SRO) unit provides living and sleeping space for the exclusive use of the occupant but requires the occupant to share sanitary and/or food preparation facilities with others. More than one person may not occupy an SRO unit. HCV regulations do not limit the number of units in an SRO facility, but the size of a facility may be limited by local ordinances. When providing HCV assistance in an SRO unit, a separate lease and HAP contract are executed for each assisted person, and the standard form of the HAP contract is used. 15-I.B.

PAYMENT STANDARD, UTILITY ALLOWANCE, AND HAP CALCULATION

The payment standard for SRO housing is 75 percent of the zero-bedroom payment standard amount on the PHA's payment standard schedule. The utility allowance for an assisted person residing in SRO housing is 75 percent of the zero-bedroom utility allowance. The HAP for an assisted occupant in an SRO facility is the lower of the SRO payment standard amount minus the TTP or the gross rent for the unit minus the TTP.

HOUSING QUALITY STANDARDS (HQS)/NSPIRE V

HQS requirements described in Chapter 11 apply to SRO housing except as modified below.

- **Access:** Access doors to the SRO unit must have working locks for privacy. The occupant must be able to access the unit without going through any other unit. Each unit must have immediate access to two or more approved means of exit from the building, appropriately marked and leading to safe and open space at ground level. The SRO unit must also have any other means of exit required by State or local law.
- Fire Safety: All SRO facilities must have a sprinkler system that protects major spaces. "Major spaces" are defined as hallways, common areas, and any other areas specified in local fire, building, or safety codes. SROs must also have hard-wired smoke detectors, and any other fire and safety equipment required by state or local law. Sanitary facilities and space and security standards must meet local code requirements for SRO housing. In the absence of local code standards, the requirements discussed below apply [24 CFR 982.605].
- **Sanitary Facilities:** At least one flush toilet that can be used in privacy, a lavatory basin, and a bathtub or shower in proper operating condition must be provided for each six persons (or fewer) residing in the SRO facility. If the SRO units are leased only to men, flush urinals may be substituted for up to one half of the required number of toilets. Sanitary facilities must be reasonably accessible from a common hall or passageway and may not be located more than one floor above or below the SRO unit. They may not be located below grade unless the SRO units are located on that level.
- **Space and Security:** An SRO unit must contain at least 110 square feet of floor space, and at least four-square feet of closet space with an unobstructed height of at least five feet, for use by the occupant. If the closet space is less than four square feet, the habitable floor space in the SRO unit must be increased by the amount of deficiency. Exterior doors and windows accessible from outside the SRO unit must be lockable.

C. CONGREGATE HOUSING

Congregate housing is intended for use by elderly people or people with disabilities. A congregate housing facility contains a shared central kitchen and dining area and a private living area for the individual household that includes at least a living room, bedroom and bathroom. Food service for residents must be provided. If approved by the PHA, a family member or live-in aide may reside with the elderly person or person with disabilities. The PHA must approve a live-in aid if needed reasonable accommodation so that the program is readily accessible to and usable by people with disabilities. When providing HCV assistance in congregate housing, a separate lease and HAP contract are executed for each assisted family, and the standard form of the HAP contract is used.

PAYMENT STANDARD, UTILITY ALLOWANCE, AND HAP CALCULATION
The payment standard for an individual unit in a congregate housing facility is based on the number of rooms in the private living area. If there is only one room in the unit (not including the bathroom or the kitchen, if a kitchen is provided), the PHA must use the payment standard for a zero-bedroom unit. If the unit has two or more rooms (other than the bathroom and the kitchen), the PHA must use the one-bedroom payment standard. The HAP for an assisted occupant in a congregate housing facility is the lower of the applicable payment standard minus the TTP or the gross rent for the unit minus the TTP. The gross rent for the unit for the purpose of calculating HCV assistance is the shelter portion (including utilities) of the resident's monthly housing expense only. The residents' costs for food service should not be included in the rent for a congregate housing unit.

HOUSING QUALITY STANDARDS
HQS requirements as described in Chapter 11 apply to congregate housing except for the requirements stated below. Congregate housing must have (1) a refrigerator of appropriate size in the private living area of each resident; (2) a central kitchen and dining facilities located within the premises and accessible to the residents, and (3) food service for the residents, that is not provided by the residents themselves.

D. GROUP HOME

A group home is a state-licensed facility intended for occupancy by elderly persons and/or people with disabilities. Except for live-in aids, all people living in a group home, whether assisted or not, must be elderly people or people with disabilities. People living in a group home must not require continuous medical or nursing care.

A group home consists of bedrooms for residents, which can be shared by no more than two people, and a living room, kitchen, dining area, bathroom, and other appropriate social, recreational, or community space that may be shared with other residents. No more than 12 people may reside in a group home including assisted and unassisted residents and any live-in aides. If approved by the PHA, a live-in aide may live in a group home with a person with disabilities. The PHA must approve a live-in aid if needed as reasonable accommodation so that the program is readily accessible to and usable by people with disabilities. When providing HCV assistance in a group home, a separate lease and HAP contract is executed for each assisted family, and the standard form of the HAP contract is used.

PAYMENT STANDARD, UTILITY ALLOWANCE, AND HAP CALCULATION
Unless there is a live-in aide, the family unit size for an assisted occupant of a group home must be zero- or one-bedroom, depending on the PHA's subsidy standard. If there is a live-in aide, the aid must be counted in determining the household's unit size.

The payment standard used to calculate the HAP is the lower of the payment standard for the family unit size or the prorata share of the payment standard for the group home size. The prorata share is calculated by dividing the number of persons in the assisted household by the number of people (assisted and unassisted) living in the group home. The HAP for an assisted occupant in a group home is the lower of the payment standard minus the TTP or the gross rent minus the TTP. The utility allowance for an assisted occupant in a group home is the prorata share of the utility allowance for the group home. The rents paid for participants residing in group homes are subject to generally applicable standards for rent reasonableness. The rent for an assisted person must not exceed the prorata portion of the reasonable rent for the group home. In determining reasonable rent, the PHA should consider whether sanitary facilities and facilities for food preparation and service are common facilities or private facilities.

HOUSING QUALITY STANDARDS/NSPIRE V

HQS requirements described in Chapter 11 apply to group homes except for the requirements stated below:

- Sanitary Facilities: A group home must have at least one bathroom in the facility, with a flush toilet that can be used in privacy, a fixed basin with hot and cold running water, and a shower or bathtub with hot and cold running water. A group home may contain private or common bathrooms. However, no more than four residents can be required to share a bathroom
  .
- Food Preparation and Service: Group home units must contain a kitchen and dining area with adequate space to store, prepare, and serve food. The facilities for food preparation and service may be private or may be shared by the residents. The kitchen must contain a range, an oven, a refrigerator, and a sink with hot and cold running water. The sink must drain into an approvable public or private disposal system.

- Space and Security: Group homes must contain at least one bedroom of appropriate size for every two people, and a living room, kitchen, dining area, bathroom, and other appropriate social, recreational, or community space that may be shared with other residents.

- Structure and Material: To avoid any threat to the health and safety of the residents, group homes must be structurally sound. Elevators must be in good condition. Group homes must be accessible to and usable by residents with disabilities.

- Site and Neighborhood: Group homes must be located in a residential setting. The site and neighborhood should be reasonably free from hazards to the health, safety, and general welfare of the residents, and should not be subject to serious adverse conditions, such as:

    - Dangerous walks or steps - Instability
    - Flooding, poor drainage - Septic tank back-ups
    - Sewage hazards - Mud slides
    - Abnormal air pollution
    - Smoke or dust
    - Excessive noise
    - Excessive accumulations of trash
    - Vermin or rodent infestation, and
    - Fire hazards

E. SHARED HOUSING

Shared housing is a single housing unit occupied by an assisted family and another resident or residents. The shared unit consists of both common space for use by the occupants of the unit and separate private space for each assisted family. An assisted family may share a unit with other people assisted under the HCV program or with other unassisted people.

The owner of a shared housing unit may reside in the unit, but housing assistance may not be paid on behalf of the owner. The resident owner may not be related by blood or marriage to the assisted family. If approved by the PHA, a live-in aide may reside with the family to care for a person with disabilities. The PHA must approve a live-in aid if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities. When providing HCV assistance in shared housing, a separate lease and HAP contract are executed for each assisted family, and the standard form of the HAP contract is used.

PAYMENT STANDARD, UTILITY ALLOWANCE AND HAP CALCULATION

The payment standard for a family in shared housing is lower of the payment standard for the family unit size or the prorata share of the payment standard for the shared housing unit size. The prorata share is calculated by dividing the number of bedrooms available for occupancy by the assisted family in the private space by the total number of bedrooms in the unit.

The HAP for a family in shared housing is the lower of the payment standard minus the TTP or the gross rent minus the TTP. The utility allowance for an assisted family living in shared housing is the lower of the utility allowance for the family unit size (voucher size) or the prorata share of the utility allowance for the shared housing unit.

Example: A family holds a 2-bedroom voucher. The family decides to occupy 3 out of 4 bedrooms available in the unit.

The utility allowance for a 4-bedroom unit equals $200
The utility allowance for a 2-bedroom unit equals $100
The prorated share of the utility allowance is $150 (3/4 of $200)

CMHA will use the 2-bedroom utility allowance of $100.

The rents paid for families living in shared housing are subject to generally applicable standards for rent reasonableness. The rent paid to the owner for the assisted family must not exceed the pro-rata portion of the reasonable rent for the shared unit. In determining reasonable rent, the PHA should consider whether sanitary and food preparation areas are private or shared.

HOUSING QUALITY STANDARDS/NSPIRE V

The PHA may not give approval to reside in shared housing unless the entire unit, including the portion of the unit available for use by the assisted family under its lease, meets the housing quality standards. HQS requirements described in Chapter 11 apply to shared housing except for the requirements stated below.

- Facilities Available for the Family: Facilities available to the assisted family, whether shared or private, must include a living room, a bathroom, and food preparation and refuse disposal facilities
- Space and Security: The entire unit must provide adequate space and security for all assisted and unassisted residents. The private space for each assisted family must contain at least one bedroom for each two people in the family. The number of bedrooms in the private space of an assisted family must not be less than the family unit size. A zero-bedroom or one-bedroom unit may not be used for shared housing.

F. COOPERATIVE HOUSING

This part applies to rental assistance for a cooperative member residing in cooperative housing. It does not apply to assistance for a cooperative member who has purchased membership under the HCV homeownership option, or to rental assistance for a family that leases a cooperative housing unit from a cooperative member.

A cooperative is a form of ownership (nonprofit corporation or association) in which the residents purchase memberships in the ownership entity. Rather than being charged “rent” a cooperative member is charged a “carrying charge.” When providing HCV assistance in cooperative housing, the standard form of the HAP contract is used.

PAYMENT STANDARD, UTILITY ALLOWANCE AND HAP CALCULATION
The payment standard and utility allowance are determined according to regular HCV program requirements. The HAP for a cooperative housing unit is the lower of the payment standard minus the TTP or the monthly carrying charge for the unit, plus any utility allowance, minus the TTP. The monthly carrying charge includes the member's share of the cooperative debt service, operating expenses, and necessary payments to cooperative reserve funds. The carrying charge does not include down payments or other payments to purchase the cooperative unit or to amortize a loan made to the family for this purpose.

HOUSING QUALITY STANDARDS/NSPIRE V
All standard HQS requirements apply to cooperative housing units. There are no additional HQS requirements.

G. MANUFACTURED HOMES

A manufactured home is a manufactured structure, transportable in one or more parts that is built on a permanent chassis and designed for use as a principal place of residence.

HCV assisted families may occupy manufactured homes in two different ways.

- A family can choose to rent a manufactured home already installed on space and the PHA must permit it. In this instance program rules are the same as when a family rents any other residential housing, except that there are special HQS requirements as provided below.
- HUD also permits an otherwise eligible family that owns a manufactured home to rent a space for the manufactured home and receive HCV assistance with the rent for the space as well as certain other housing expenses. PHAs may, but are not required to, provide assistance for such families.

SPECIAL POLICIES FOR MANUFACTURED HOMEOWNERS WHO LEASE SPACE

Family Income In determining the annual income of families leasing manufactured home spaces, the value of the family's equity in the manufactured home in which the family resides is not counted as a family asset.

The monthly housing assistance payment is established as the lower of:

- The PHA payment standard, minus the total tenant payment; or
- The family's eligible housing expenses are minus the total tenant payment.

Lease and HAP Contract There is a separate Tenancy Addendum (Form 52642-a) and separate HAP Contract (Form 52642) for this special housing type.

CHAPTER 21
Special Programs

PHILOSPHY

CMHA partners with various Service Providers, Hamilton County and City of Cincinnati to provide housing assistance to individual(s) and families in special populations.

A. HUD- VASH PROGRAM

Veteran's Administrative Supportive Housing Voucher (HUD-VASH)

HUD-VASH is a collaborative program between the Cincinnati Metropolitan Housing Authority and the Veteran's Administration (VA) which combines HUD housing vouchers with VA supportive services to help Veterans and their families who are homeless find and sustain permanent housing. HUD provides rental assistance vouchers for privately owned housing to Veterans who are eligible for VA health care services and are experiencing homelessness. VA case managers may connect these Veterans with supportive services s
ch as health care, mental health treatment and substance abuse counseling to help them in their recover process and with their ability to maintain housing in the community. This program operates under most of the same rules that pertain to the HCV vouchers.
CMHA is proud to partner with the Veteran's Administration to provide subsidies to 447 veteran families through the HUD-Veterans Affairs Supportive Housing (HUD-VASH) Program.

HUD-VASH made available additional administrative fees under the HCV Funding Implementation Notice which the Cincinnati Metropolitan Housing Authority applied for and received $142,707. These administrative fees must be used exclusively to support the HUD-VASH program for two purposes: (1) cost incurred by the PHA in carrying out administrative responsibilities under the program and (2) other eligible expenses in administering the program. The administrative activities include front-line, day-to-day operational activities including but not limited to applicant intake, lease-up activities, income determinations and reexaminations, unit inspections, disbursing HAP to landlords, financial management and record-keeping and reporting. Administrative activities also include housing search assistance activities such as pre-move counseling, assisting a family identify and visiting potentially available units during their housing search, helping a family find a unit that meets the household's disability-related needs, providing transportation and direction, and assisting with the completion of rental applications. Additional administrative activities include owner recruitment and outreach activities, security deposit assistance, utility deposit

assistance/utility arrears, application fees/non-refundable administrative or processing fees/refundable application deposit assistance/broker fees, holding fees and renter's insurance if required by the lease.

Any funds awarded will be distributed based on the above HUD-VASH guidelines. The VA will provide a referral and CMHA will review for compliance. CMHA will then distribute the funds to the participants. The HUD-VASH additional fees under the HCV Funding Implementation Notice will be distributed on a first come first serve basis until the funds have been deleted. CMHA may apply for additional HUD-VASH funding when it becomes available.

B. FOSTERING YOUTH INDEPENDENCE (FYI) PROGRAM

The population eligible to be assisted under this program are families certified by HCJFS as meeting the following conditions**:**

1. Families for whom the lack of adequate housing is a primary factor in the imminent placement of the family's child, or children, in out-of-home care; or the delay in the discharge of the child, children, to the family from out-of-home care; and

2. Youth at least 18 years and not more than 24 years of age (have not reached their 25th birthday), who left foster care, or will leave foster care within 90 days, in accordance with a transition plan described in Section 475(5)(H) of the Social Security Act and are homeless or are at risk of becoming homeless at age 16 or older. As required by statute, a FUP/FYI voucher issued to such a youth may only be used to provide housing assistance for the youth for a maximum of 36 months. (Entities eligible to use FUP/FYI vouchers awarded under this NOFA included but are not limited to PHAs approved for participation in the Family Unification Program and Family Self-Sufficiency Demonstration pursuant to Notice PIH 2016-01).)

Foster Youth to Independence (FYI) Eligibility

The population eligible to be assisted under this agreement (MOU) are youth certified by the HCJFS as meeting the following conditions:

1. Has attained at least 18 years and not more than 24 years of age (have not reached their 25th birthday);
2. Left foster care, or will leave foster care within 90 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act at age 16 or older; and
3. Is homeless or is at risk of becoming homeless as these terms are defined at 24 CFR 578.3 and 24 CFR 576.2;

As required by statute, and FYI voucher issued to such a youth may only be used to provide housing assistance for the youth for a maximum of 36 months unless the youth meets the requirements to receive an extension of assistance under the **Fostering Stable Housing Opportunities** (FSHO) amendments, FSHO provides an FYI youth an extension of the 36-month time limit for up to an additional 24 months if they meet certain requirements.

Eligibility is not limited to single people. For example, pregnant and/or parenting youth are eligible to receive assistance under this notice assuming they otherwise meet eligibility requirements.

Mandatory Program Policies

This section describes the mandatory waivers and alternative requirements that HUD is establishing for FUP and FYI vouchers. A summary of the mandatory waivers and alternative requirements.

a. **Timing of Referral of Youth Leaving Foster Care.** HUD is waiving Section 8(x)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437f(x)(2)), which allows in part, for otherwise eligible youth to be referred if they will leave foster care within 90 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act. HUD is establishing an alternative requirement to ensure otherwise eligible youth to be referred to when leaving foster care within 180 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act. This alternative requirement will allow more time for the youth to find housing with a FUPY/FYI voucher and prevent the youth from entering into homelessness.

   HUD recognizes that a longer referral timeframe may increase the likelihood that a youth lease a unit prior to their exit from foster care. A FUPY or FYI youth may lease a unit prior to officially leaving foster care to ensure a smooth transition from foster care to independence, if all requirements of the FUP and FYI programs and HCV program are met. Please note that while a youth may be referred to for a FUPY or FYI voucher before reaching the age of 18, the PHA must not enter a HAP contract on behalf of the youth until the youth reaches the age of 18. Further, the FUP and FYI programs are subject to the prohibition of a family receiving "any other duplicative federal, State or local housing subsidy, as determined by HUD" so any arrangements made to help the youth secure a unit and avoid any lapse in housing must be consistent with the requirement (24CFR 982.352(c)(12)) and state law regarding the provision of foster care.

b. **Initial Search Term**. HUD is waiving 24 CFR 982.303(a) and 24 CFR 982 subpart H, which requires an initial search term of at least 60 days which also applies to a participant's request to move to a new unit. HUD is establishing an alternative requirement that the initial search term for FUP and FYI vouchers must be at least 120 days from the date the voucher is issued. The initial 120-day term also applies when a family or youth chooses to move to a new unit with continued assistance inside or outside the PHA's jurisdiction. May FUP and FYI applicants face challenges in their housing search. On average, national voucher median search times indicate that FUP and FYI applicants take longer to lease than other HCV applicants. The lack of available affordable housing coupled with the challenges in finding units and navigating the leasing process, especially for youth, experiencing or at risk of homelessness, may require applicants to need additional time to search for suitable unit. Families may also experience additional delays due to finding a location that is close to schools, transportation, services, and other family factors.

   When issuing a FUP and/or FYI voucher to a family which includes an individual with disabilities, PHAs also must include a current listing of available accessible units known to the PHA, and if necessary, otherwise assist the family in locating an available accessible dwelling unit (24 CFR 8.28(a)(3)). In HUD's past FUP and FYI Notices of Funding Availability/Opportunity (NOFA/NOFO), HUD stressed the importance of housing search assistance for families and youth, as applicable, in the form of landlord introductions, neighborhood tours and unit viewings, as best practices to help youth and families quickly find housing that will meet their needs.

c. **Extension of Term**. HUD is waiving 24 CFR 982.303(b)(1), which at its discretion, the PHA may grant a family one or more extensions of the initial voucher term in accordance

with PHA policy as described in the PHA Administrative Plan. Any extension of the term is granted by PHA notice to the family. HUD is establishing an alternative requirement for the process of requesting search extensions. Given the challenges FUP and FYI applicants may face in securing a unit, applicants should be provided with flexible extension policies. PHAs must adopt an extension policy for FUP and FYI applicants that include the following: 1) each extension must be for a minimum of 90 days, 2) the PHA must approve the first extension request, regardless of how the request is made (written or oral) or when it is made, as long as the request is made on or before the term expiration date and is consistent with applicable requirements; subsequent requests should be processed in accordance with the PHA's administrative plan; and 3) the PHA must, on a least one occasion after voucher issuance, notify the applicant prior to the initial term expiration, to remind them about the term expiration date and process for requesting an extension of the initial term, and to inquire if the applicant is in need of assistance with their housing search.

CMHA will grant extension of the initial 120-day term (24 CFR 9852.303(b)(1)) and must provide written/oral requests prior to the expiration. Request for extensions can be submitted to applicant portal at myinfo@cintimah.com. CMHA will not restrict first extension approval to certain circumstances or require documentation from applicants. For all extension requests, written or oral requests are sufficient. This requirement also applies to current FUP and FYI participants who choose to move to a new unit with continued assistance inside or outside the PHA's jurisdiction, in accordance with 24 CFR 982 subpart H. CMHA may approve up to three extension requests based on a case-by-case basis.

Hamilton County Jobs and Family Services provide housing assistance services in housing searches. In providing assistance with locating suitable housing, CMHA offers Rental Connection which is listed on the Event Calendar for confirmation of dates and times on CMHA's website.The Rental Connection provides a location for landlords who have vacant units to meet potential participants/applicants searching for housing.

CMHA recognizes that a family or youth with a disability requires additional time to search for their unit, 24 CFR 982.303(b)(2) requires PHA to provide an extension as reasonable accommodation and PHAs must provide this information during the family briefing (24 CFR 982.301(a)).

Local Preferences. While PHAs may establish local preferences based on local housing needs and priorities (24 CFR 982.207(a)), HCV regulations do not permit PHAs to establish separate preferences for FUP and FYI applicants. Preference applies to all applicants on the waiting list. HUD is waiving 24 CFR 982.207(a)(1) and establishing an optional waiver permitting PHAs to establish separate preferences for FUP and FYI applicants. CMHA has chosen this option regarding separate preferences for FUP and FYI applicants.

Emergency Housing Vouchers (EHV)

Emergency Housing Vouchers (EHV) assist individuals and families who are homeless, at- risk of homelessness, fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking, or were recently homeless or have a high risk of housing instability.

EHVs are tenant-based vouchers, which operate as others in the Housing Choice Voucher (HCV) Program, with the exception that the funding is separate, and apart from the regular HCV program. CMHA works with the local Continuum of Care, Strategies to End Homelessness, on the administration and referral of families for EHV assistance.

HUD notified PHA that this program will sunset as of December 31, 2026. CMHA transitioned these families to tenant-based vouchers to continue to provide housing assistance for the families on the program.

EHV Mitigation Program

While not all families that participate with an assisted housing program causes damages to a unit, the Mitigation Incentive Program allows property owners to make a claim **if** damages do occur, beyond normal wear and tear of a unit upon an EHV family vacating. These funds are for use where damages beyond normal wear and tears exceed the security deposit amount for the unit. Property owners will have to request a "Move-out" inspection of the unit within 10 days of the family vacating the unit. CMHA will inspect the unit to access the damage and determine if the damage is beyond normal wear and tear of the tenancy. After the assessment of the damages, CMHA will confirm with the owner if they are eligible to submit a claim for reimbursement of the costs of the repairs after the application of the security deposit towards the damages.

Property owners must submit the Damage Claim Request to CMHA. Property owners must have all work completed by a **licensed professional** and must submit receipts for the amounts paid. CMHA has the sole discretion in determining eligibility and approval for payment of these funds. Payments will not be made for normal wear and tear of a unit or for routine unit "make ready" costs, tools needed to repair damages, items allegedly stolen, or damages not represented in the move-in/out condition report.

If payment is approved, the property owner agrees to not pursue any other damages against the family. The request for these damages is capped at a maximum amount of $2,500.00 per assisted family. CMHA may consider multiple claims from owners as a lack of lease enforcement and could influence the owner's future participation with the program. Property Managing agents may request a claim on behalf of an owner, but funds will only be paid to the owner of the unit. This program is only for families with an Emergency Housing Voucher leased between 9/1/2022 – 9/1/2023 or until EHV special funding were expended.

Near Elderly/Disabled NED2

The Non-Elderly Disabled (NED) program provides rental assistance for individuals under 62 with disabilities. It's part of the Housing Choice Voucher Program (Section 8) and helps individuals find and pay for affordable, private rental housing. The program focuses on assisting non-elderly individuals with disabilities and their families in obtaining safe and decent housing.

Mainstream

Mainstream vouchers assist non-elderly adult people with disabilities. Aside from serving a special population, Mainstream vouchers are administered using the same rules as other housing choice vouchers. Funding and financial reporting for Mainstream vouchers is separate from the regular tenant-based voucher program.

CHAPTER 22

PROJECT-BASED VOUCHERS

[24 CFR 983]

PHILOSOPHY

CMHA will seek to meet the agency's goals to expand quality affordable housing through the occasional use of the conversion of Housing Choice Vouchers into Project-Based vouchers, in accordance with HUD regulations at 24 CFR Part983. This section explains the agency's specific goals in using this tool and outlines the required agency and regulatory criteria for the conversion of Housing Choice Vouchers. The use of Project-Based vouchers will be contingent upon the availability of voucher funding, compliance with applicable HUD regulations and verification that such use will further the agency's housing mission. Since CMHA hopes to encourage the creation of housing for all types of families, applications for all target groups (e.g., family, elderly, disabled or special needs) will be fully considered and evaluated.

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

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

Local Goals

CMHA will use the conversion of HCV to PBV to further the goals stated in Chapter 1, Section B of the CMHA Administrative Plan. Additionally, CMHA will use this tool to accomplish the following specific goals:

- Meet the housing needs of special needs populations through financially supporting the collaboration of private and non-profit partnerships that result in specific and comprehensive housing and service provisions.
- Meet the housing needs for a hard-to-serve population through design and/or partnership with local social service agencies.

- Provide avenues for partnership with the City of Cincinnati and/or Hamilton County to support the preservation of vital housing communities that are pivotal to the local jurisdictional area and/or the submarket of the community's locality.
- Support projects which further revitalize neighborhoods, promote the deconcentration of poverty and generally provide increased housing and economic opportunities.
- Meet the agency's goal to continuously promote the expansion of quality affordable housing opportunities for low and moderate-income families.

POLICY

The PHA will operate a project-based voucher program using up to 20 percent of its authorized units for project-based assistance. This chapter describes HUD regulations and PHA policies related to the project-based voucher (PBV) program.

OVERVIEW

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

The project-based voucher (PBV) program allows PHAs that already administer a tenant-based voucher program under an annual contributions contract (ACC) with HUD to take up to 20 percent of its authorized units and attach the funding to specific units rather than using it for tenant-based assistance [24 CFR 983.6]. PHAs may only operate a PBV program if doing so is consistent with the PHA's Annual Plan, and the goal of deconcentrating poverty and expanding housing and economic opportunities [42 U.S.C. 1437f(o)(13)]. CMHA may deny or terminate assistance for a family because of the family's action or failure to act in accordance with the terms of the Administrative Plan, program rules or the lease agreement between the HCV landlord and tenant. CMHA will provide families with a written description of the family obligations under the program, the grounds under which CMHA can deny or terminate assistance, and CMHA's informal hearing procedures.

This chapter describes when CMHA is required to deny or terminate assistance and CMHA's policies for the denial of a new commitment of assistance and the grounds for termination of assistance under an outstanding HAP Contract.

A. CONVERSION OF HOUSING CHOICE VOUCHERS (HCV) TO PROJECT BASED VOUCHERS (PBV)

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

Additional Project-Based Units [FR Notice 1/18/17; Notice PIH 2017-21; FR Notice 1/24/22]

The PHA may project base an additional 10 percent of its units above the 20 percent program limit. The units may be distributed among one, all, or a combination of the categories if the total number of units does not exceed the 10 percent cap. For units under a HAP contract that was first executed on or after April 18, 2017, units qualify under this exception if the units:

- Are specifically made available to house individuals and families that meet the definition of homeless under section 103 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11302) and contained in the Continuum of Care Interim Rule at 24 CFR 578.3.
- Are specifically made available to house families that are comprised of or include a veteran. - Veteran means an individual who has served in the United States Armed Forces.
- Provide supportive housing to people with disabilities or elderly people as defined in 24 CFR 5.403.
- Are located in a census tract with a poverty rate of 20 percent or less, as determined in the most recent American Community Survey Five-Year Estimates. PBV units that house eligible youth receiving FUPY/FYI assistance are also covered by this 10 percent exception authority if the units are under a HAP contract that became effective after December 27, 2020, and if the unit is occupied by an eligible youth receiving FUPY/FYI assistance. FYI/TPVs that were awarded under Notice PIH 2019-20 are not part of this exception since PHAs are prohibited from project-basing FYI TPVs. Units added after December 27, 2020, through an amendment of a HAP contract that became effective after December 27, 2020, are eligible for this 10 percent exception authority. In contrast, units added after December 27, 2020, through an amendment of a HAP contract that became effective on or prior to December 27, 2020, are not eligible for this 10 percent exception authority [FR Notice 1/24/22]. See Chapter 19 for policies specific to project-basing FUPY vouchers.

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

PBV units under the RAD program and HUD-VASH PBV set-aside vouchers do not count toward the 20 percent limitation when PBV assistance is attached to them. In addition, units that were previously subject to certain federal rent restrictions or were receiving another type of long-term housing subsidy provided by HUD are not subject to the cap. The unit must be covered under a PBV HAP contract that first became effective on or after April 18, 2017.

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

Much of the tenant-based voucher program regulations also apply to the PBV program. Consequently, many of the PHA policies related to tenant-based assistance also apply to PBV assistance. The provisions of the tenant-based voucher regulations that do not apply to the PBV program are listed at 24 CFR 983.2. Except as otherwise noted in this chapter, or unless specifically prohibited by PBV program regulations, CMHA's policies for the tenant-based voucher program contained in this administrative plan also apply to the PBV program and its participants.

C. RELOCATION REQUIREMENTS [24 CFR 983.7]

Any persons displaced because of implementation of the PBV program must be provided relocation assistance in accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA)[42 U.S.C. 4201-4655] and implementing regulations at 49 CFR part 24. The cost of required relocation assistance may be paid with funds provided by the owner, local public funds, or funds available from other sources. PHAs may not use voucher program funds to cover relocation costs, except that PHAs may use their administrative fee reserve to pay for relocation expenses after all other program administrative expenses are satisfied, and if payment of the relocation benefits is consistent with state and local law. Use of the administrative fee for these purposes must also be consistent with other legal and regulatory requirements, including the requirement in 24 CFR 982.155 and other official HUD issuances. The acquisition of real property for a PBV project is subject to the URA and 49 CFR part 24, subpart B. It is the responsibility of the PHA to ensure that the owner complies with these requirements.

D. EQUAL OPPORTUNITY REQUIREMENTS [24 CFR 983.8]

CMHA 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, CMHA must comply with the PHA Plan certification on civil rights and affirmatively furthering fair housing, submitted in accordance with 24 CFR 903.7(o).

E. PROPOSAL AND PROJECT SELECTION CRITERIA. § 983.51

(a) ***General procedures for submission and selection.***

The PHA Administrative Plan must describe the procedures for submission and selection of PBV proposals under the methods of competitive selection in paragraph (b) of this section and selection of projects under an exception to competitive selection under paragraph (c) of this section. The description must include under what circumstances the PHA will use the selection methods described in paragraphs (b) and (c) of this section. The PHA may allow for entities that have site control to submit proposals provided the entity will be the owner prior to entering into the Agreement or HAP contract. Before selecting a PBV proposal or project, the PHA must determine that the PBV proposal or project complies with HUD program regulations and requirements, including a determination that the property is eligible housing (§§ 983.52 and 983.53), complies with the cap on the number of PBV units per project (§ 983.54), and meets the site selection standards (§ 983.55). An owner may submit, and a PHA may select, a single proposal covering multiple projects where each project consists of a single-family building, provided all projects are the same housing type (existing, rehabilitated, or newly constructed).

(b) ***Methods of competitive selection.***

The PHA must select PBV proposals in accordance with the selection procedures in the PHA Administrative Plan. (See paragraph (f) of this section for information about the selection of PHA-owned units.) The PHA must select PBV proposals by either of the following two methods:

(1) The PHA may issue a request for proposals (RFP), selecting a PBV proposal through a competition. The PHA's RFP 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. A PHA may establish selection procedures in the Administrative Plan that combine or are in conjunction with other Federal, State, or local government housing assistance, community development, or supportive services competitive selection processes. If the PHA selection process is combined and administered in conjunction with another RFP process, the PHA remains responsible for complying with § 983.51. See § 983.157(a)(2) for additional requirements for an RFP for rehabilitated housing.

(2) The PHA may select, without issuing an RFP, a proposal for housing assisted under a Federal, State, or local government housing assistance, community development, or supportive services program that required competitive selection of proposals, where the proposal has been selected in accordance with such program's competitive selection requirements within three years of the PBV proposal selection date. The PHA may not select a housing assistance proposal using this method if the competition involved any consideration that the project would receive PBV assistance.

(c) ***Exceptions to competitive selection.***

Prior to selection under this paragraph (c), the PHA must notify the public of its intent to noncompetitively select one or more projects for PBV assistance through its 5-Year Plan.

(1) A PHA engaged in an initiative to improve, develop, or replace a public housing property or site may select for PBV assistance an existing, newly constructed, or rehabilitated project in which the PHA has an ownership interest or over which the PHA has control without following a competitive process.

(i) With respect to replacement housing, the PHA does not have to replace the housing on the same site as the original public housing, but the number of contract units in the replacement project may not exceed the number of units in the original public housing project by more than a de minimis amount for this exception to apply.

(ii) The public housing properties or sites may be in the public housing inventory at the time of project selection, or they may have been removed from the public housing inventory through any available legal removal tool within five years of the project selection date.

(2) A PHA may select for future PBV assistance a project currently under the public housing program, or a project that is replacing the public housing project, in which a PHA has no ownership interest, or which a PHA has no control over, without following a competitive process, provided:

(i) The public housing project is either still in the public housing inventory or had been removed from the public housing inventory through any available legal removal tool within five years of the project selection date.

(ii) The PHA that owned or owns the public housing project does not administer the HCV program.

(iii) The project selected for PBV assistance was specifically identified as replacement housing for the impacted public housing residents as part of the public housing demolition/disposition application, voluntary conversion application, or any other application process submitted to and approved by HUD to remove the public housing project from the public housing inventory; and

(iv) With respect to replacement housing, the PHA does not have to replace the housing on the same site as the original public housing, but the number of contract units in the replacement project may not exceed the number of units in the original public housing project by more than a de minimis amount for this exception to apply.

(3) A PHA may select for PBV assistance a project consisting of PHA-owned units as defined at 24 CFR 982.4 without following a competitive process.

(i) The project units must continue to meet the definition of PHA-owned for the initial two years of the HAP contract unless there is a transfer of ownership approved by HUD.

(ii) The PHA must meet any conditions with respect to selection for PBV assistance of a project consisting of PHA-owned units without following a competitive process as may be established by HUD through publication in the Federal Register notice after providing opportunity for public comment.

(4) A PHA may select for PBV assistance a project that underwent an eligibility event within five years of the project selection date, in which a family (or families) qualifies for enhanced voucher assistance under Section 8(t) of the Act and provides informed consent to relinquish its enhanced voucher for PBV assistance, without following a competitive process.

(d) Public Notice of PHA Request for PBV Proposals

If the PHA will be selecting proposals under paragraph (b)(1) of this section, PHA procedures for selecting PBV proposals must be designed and actually operated to provide broad public notice of the opportunity to offer PBV proposals for consideration by the PHA. The public notice procedures may include publication of the public notice in a local newspaper of general circulation and other means designed and actually operated to provide broad public notice. The public notice of the PHA request for PBV proposals must specify the submission deadline. Detailed application and selection information must be provided at the request of interested parties.

(e) Inspections Required Prior to Proposal or Project Selection.

(1) The PHA must examine the proposed site before the proposal or project selection date to determine whether the site complies with the site selection standards in accordance with § 983.55.

(2) The PHA may execute a HAP contract for existing housing if:

(i) All proposed contract units in the project fully or substantially comply with the HQS on the proposal or project selection date, which the PHA must determine via inspection;

(ii) The project meets the environmental review requirements at § 983.56, if applicable;

(iii) The project meets the initial inspection requirements in accordance with § 983.103(c).

(f) PHA written notice of proposal or project selection.

(1) For selection of proposals through competitive methods under paragraph (b) of this section, the PHA must give prompt written notice of proposal selection to the party that submitted a selected proposal and must also give prompt public notice of such selection. The PHA's requirement to provide public notice may be met via publication of the public notice in a local newspaper of general circulation or other means designed and operated to provide broad public notice. The written notice of proposal selection must require the owner or party that submitted the selected proposal to provide a written response to the PHA accepting the terms and requirements stated in the notice.

(2) For selection of projects through exceptions to competition under paragraph (c) of this section, the PHA must give prompt written notice of project selection to the owner following the PHA board's resolution approving the project-basing of assistance at the specific project. The written notice of project selection must require the owner of the project selected to provide a written response to the PHA accepting the terms and requirements stated in the notice.

(3) Regardless of the method of selection, if the project contains PHA-owned units that are not owned by a separate legal entity from the PHA, the PHA must provide the written notice of proposal or project selection to the responsible PHA official, and that official must certify in writing that the PHA accepts the terms and requirements stated in the notice.

(4) When an environmental review is required, if such a review has not been conducted prior to the project or proposal selection date, the PHA's written notice of project or proposal selection must state that the selection is subject to completion of a favorable environmental review and that the project or proposal may be rejected based on the results of the environmental review in accordance with 983.56(c).

(5) See § 983.153(c)(3) for additional notice requirements for newly constructed housing and rehabilitated housing.

(g) Proposal or project selection date.

(1) The proposal selection date is the date on which the PHA provides written notice to the party that submitted the selected proposal under either paragraph (b)(1) or (2) of this section.

(2) For properties selected in accordance with § 983.51(c), the project selection date is the date of the PHA's board resolution approving the project-basing of assistance at the specific project.

(h) PHA-owned units.

A PHA-owned unit may be assisted under the PBV program only if the HUD field office or the independent entity reviews the project selection process the PHA undertook and determines that the project was appropriately selected based on the selection procedures specified in the PHA Administrative Plan. Under no circumstance may a HAP contract be effective for any of the subsidized housing types set forth in § 983.53(a). With the exception of projects selected in accordance with § 983.51(c), the PHA's selection procedures must be designed in a manner that does not effectively eliminate the submission of proposals for non-PHA-owned units or give preferential treatment (*e.g.,* additional points) to PHA-owned units.

(i) ***Public review of PHA selection decision documentation.*** The PHA must make documentation available for public inspection regarding the basis for the PHA selection of a PBV proposal.

(j) ***Previous participation clearance.*** HUD approval of specific projects or owners is not required. For example, owner proposal selection does not require submission of form HUD-2530 (Previous Participation Certification) or other HUD previous participation clearance.

(k) ***Excluded from Federal procurement.*** A PHA may not commit project-based assistance to a project if the owner or any principal or interested party is debarred, suspended subject to a limited denial of participation, or otherwise excluded under 2 CFR part 2424 or is listed on the U.S. General Services Administration list of parties excluded from Federal procurement or non-procurement programs.

F. PROHIBITION OF ASSISTANCE FOR INELIGIBLE UNITS § 983.52

(a) ***Ineligible unit.*** A HAP contract must not be effective and no PBV assistance may be provided for any of the following:

(1) Shared housing.

(2) Units on the grounds of a penal, reformatory, medical, mental, or similar public or private institution.

(3) Nursing homes or facilities providing continuous psychiatric, medical, nursing services, board and care, or intermediate care. However, the PHA may execute a HAP contract and provide PBV assistance for a dwelling unit in an assisted living facility that provides home health care services such as nursing and therapy for residents of the housing.

(4) Units that are owned or controlled by an educational institution or its affiliate and are designated for occupancy by students of the institution.

(5) Manufactured homes are ineligible only if the manufactured home is not permanently affixed to a permanent foundation or the owner does not own fee title to the real property (land) on which the manufactured home is located; and

(6) Transitional Housing.

(b) ***Prohibition Against Assistance for Owner-Occupied Unit.*** A HAP contract must not be effective and no PBV assistance may be provided for a unit occupied by an owner of the housing. A member of a cooperative who owns shares in the project assisted under the PBV program shall not be considered an owner for purposes of participation in the PBV program.

(c) ***Prohibition against selecting unit occupied by an ineligible family.*** Before a PHA places a specific unit under a HAP contract, the PHA must determine whether the unit is occupied and, if occupied, whether the unit's occupants are eligible for assistance in accordance with § 982.201 of this title. Additionally, for a family to be eligible for assistance in the specific unit, the unit must be appropriate for the size of the family under the PHA's subsidy standards and the total tenant payment for the family must be less than the gross rent for the unit, such that the unit will be eligible for a monthly HAP. The PHA must not enter into a HAP contract for a unit occupied by a family ineligible for participation in the PBV program.

(d) ***Prohibition against assistance for units for which commencement of construction or rehabilitation occurred in violation of program requirements.*** Unless a PHA has exercised the discretion at § 983.154(f), to undertake development activity without an Agreement or to execute an Agreement after construction or rehabilitation that complied with applicable requirements of § 983.153 has commenced, or at § 983.157, to undertake development activity after execution of the HAP contract, the PHA may not execute a HAP contract for units on which construction or rehabilitation commenced after the date of proposal submission (for housing subject to competitive selection) or the date of the PHA's board resolution approving the project-basing of assistance at the project (for housing excepted from competitive selection) and prior to the effective date of an Agreement. At HUD's sole discretion, HUD may approve a PHA's reque

t for an exception to this prohibition. In determining whether to approve the PHA request, HUD will consider appropriate factors, including the nature and extent of the construction or rehabilitation that has commenced.

(1) Units for which rehabilitation or new construction began after proposal submission or the date of board resolution but prior to the effective date of an Agreement (if applicable), as described in this paragraph (d), do not subsequently qualify as existing housing.

(2) Units that were newly constructed or rehabilitated in violation of program requirements do not qualify as existing housing.

G. PROHIBITION OF ASSISTANCE FOR UNITS IN SUBSIDIZED HOUSING. § 983.53

(a) ***Types of subsidized housing prohibited from receiving PBV assistance.*** A HAP contract must not be effective and no PBV assistance may be provided for any of the following:

(1) A public housing dwelling unit.

(2) A unit subsidized with any other form of Section 8 assistance (tenant-based or project-based).

(3) A unit subsidized with any governmental rent subsidy (a subsidy that pays all or any part of the rent).

(4) A unit subsidized with any governmental subsidy that covers all or any part of the operating costs of the housing.

(5) A unit subsidized with rental assistance payments under Section 521 of the Housing Act of 1949, 42 U.S.C. 1490a (a Rural Housing Service Program). However, the PHA may attach assistance for a unit subsidized with Section 515 interest reduction payments (42 U.S.C. 1485).

(6) A Section 202 project for non-elderly persons with disabilities (assistance under Section 162 of the Housing and Community Development Act of 1987, 12 U.S.C. 1701q note).

(7) Section 811 project-based supportive housing for persons with disabilities (42 U.S.C. 8013).

(8) Section 202 supportive housing for the elderly (12 U.S.C. 1701q).

(9) A unit subsidized with any form of tenant-based rental assistance (as defined at 24 CFR 982.1(b)(2)) (*e.g.,* a unit subsidized with tenant-based rental assistance under the HOME program, 42 U.S.C. 12701 *et seq.*); or

(10) A unit with any other duplicative Federal, State, or local housing subsidy, as determined by HUD or by the PHA in accordance with HUD requirements. For this purpose, "housing subsidy" does not include the housing component of a welfare payment; a social security payment; or a Federal, State, or local tax concession (such as relief from local real property taxes).

H. CAP ON THE NUMBER OF PBV UNITS IN EACH PROJECT (INCOME MIXING REQUIREMENTS) § 983.54

(a) ***Project cap.*** Except as provided in paragraph (b) or (c) of this section, a PHA may not select a proposal to provide PBV assistance or enter into an Agreement or HAP contract if the number of assisted units in a project is more than the greater of 25 percent of the number of dwelling units (assisted and unassisted, as adjusted as provided in paragraph (c)(3)) in the project or 25 units.

(b) ***Higher project cap.*** A PHA may provide PBV assistance to the greater of 25 units or 40 percent of the number of dwelling units (assisted and unassisted, as adjusted as provided in paragraph (c)(3) of this section) in the project if the project is located in an area where vouchers are difficult to use as defined in § 983.3.

(c) ***Exceptions to the project cap.***

(1) A project is not limited to a single exception category but may include excepted units from any of the exception categories under paragraph (2) and excluded units under paragraph (3) below.

(2) PBV units are not counted toward the project cap in the following cases:

(i) Units exclusively serving elderly families, as defined in 24 CFR 5.403;

(ii) Units exclusively made available to eligible youth described in Section 8(x)(2)(B) of the U.S. Housing Act. If the units exclusively made available to eligible youth use Family Unification Program (FUP) assistance that is normally available for eligible families and youth, the PHA must determine that the limitation of the units to youth is consistent with the local housing needs of both eligible FUP populations (families and youth), maintain documentation to support this determination, and amend its Administrative Plan to include the limitation of these FUP PBV units to eligible youth; or

(III) Units exclusively made available to households eligible for supportive services available to the residents of the project assisted with PBV assistance. The project must make supportive services available to all PBV-assisted families in the project, but the family may not be required to participate in the services as a condition of living in the exception unit. Such supportive services need not be provided by the owner or on-site but must be reasonably available to the families receiving PBV assistance in the project and designed to help the families in the project achieve self-sufficiency or live in the community as independently as possible. The supportive services must be made available to the family within a reasonable time as defined by the PHA, but not to exceed 120 calendar days from the family's request. The PHA must include in its Administrative Plan the types of services offered to families that will enable the units to qualify under the exception and the extent to which such services will be provided (*e.g.,* length of time services will be provided to a family, frequency of services, and depth of services), and the reasonable time by which such services must be made available to the family, not to exceed 120 calendar days. A PHA that manages an FSS program may offer FSS to meet the exception. The PHA may also make the supportive services used in connection with the FSS program available to non-FSS PBV families on the project.

(3) Units that are excluded under § 983.59 do not count toward the project cap. Such units are removed from the number of dwelling units for purposes of calculating the percentages under paragraphs (a) and (b) of this section.

(i) The PBV HAP contract must specify, and the owner must set aside, the number of excepted units made available for occupancy by families who qualify for the exception.

(ii) For a unit to be considered excepted it must be occupied by a family who qualifies for the exception.

(d) HAP Contracts Already in Effect.

(1) In general, HAP contracts in effect prior to April 18, 2017, when the exception at paragraph (c)(2)(iii) of this section came into effect and a prior exception for disabled families was removed, or prior to December 27, 2020, when the exception at paragraph (c)(2)(ii) of this section came into effect, are governed by those HAP contracts' terms concerning the number and type of excepted units in a project. The owner must continue to designate the same number of contract units and assist the same number and type of excepted units as provided under the HAP contract during the remaining term of the HAP contract and any extension.

(2) The owner and the PHA may mutually agree to change the requirements for excepted units under the HAP contract to comply with the excepted unit requirements in subsection (c) of this section. However, any change to the HAP contract may only be made if the change does not jeopardize an assisted family's eligibility for continued assistance at the project.

(e) ***PHA Determination.*** The PHA determines the number of units in the project for which the PHA will provide project-based assistance, including whether and how many units will be excepted, subject to the provisions of this section. See § 983.262 for occupancy requirements of excepted units.

(f) ***HUD Monitoring.*** HUD may establish additional monitoring and oversight requirements for PBV projects in which more than 40 percent of the dwelling units are assisted under a PBV HAP contract through a Federal Register Notice, subject to public comment.

I. SITE SELECTION STANDARDS § 983.55

(a) **Applicability.** The site selection requirements in paragraph (d) of this section apply only to site selection for existing housing and rehabilitated PBV housing. The site selection requirements in paragraph (e) of this section apply only to site selection for newly constructed PBV housing. Other provisions of this section apply to selection of a site for any form of PBV housing, including existing housing, newly constructed housing, and rehabilitated housing.

(b) **Compliance with PBV Goals, Civil Rights Requirements, and Site and Neighborhood Standards.** The PHA may not select a project or proposal for existing, newly constructed, or rehabilitated PBV housing on a site or enter into an Agreement or HAP contract for units on the site, unless the PHA has determined that:

(1) Project-based assistance for housing at the selected site is consistent with the goal of deconcentrating poverty and expanding housing and economic opportunities. The standard for deconcentrating poverty and expanding housing and economic opportunities must be consistent with the PHA Plan under 24 CFR part 903 and the PHA Administrative Plan. In developing the standards to apply in determining whether a proposed PBV development will be selected, a PHA must consider the following:

(i) Whether the census tract in which the proposed PBV development will be located is in a HUD-designated Enterprise Zone, Economic Community, or Renewal Community.

(ii) Whether a PBV development will be located in a census tract where the concentration of assisted units will be or has decreased as a result of public housing demolition.

(iii) Whether the census tract in which the proposed PBV development will be located is undergoing significant revitalization.

(iv) Whether State, local, or Federal dollars have been invested in the area that has assisted in the achievement of the statutory requirement.

(v) Whether new market rate units are being developed in the same census tract where the proposed PBV development will be located and the likelihood that such market rate units will positively impact the poverty rate in the area.

(vi) If the poverty rate in the area where the proposed PBV development will be located is greater than 20 percent, the PHA must consider whether in the past five years there has been an overall decline in the poverty rate.

(vii) Whether there are meaningful opportunities for educational and economic advancement in the census tract where the proposed PBV development will be located.

(2) The site is suitable from the standpoint of facilitating and furthering full compliance with the applicable provisions of Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d(4)) and HUD's implementing regulations at 24 CFR part 1; Title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601-3629) and HUD's implementing regulations at 24 CFR parts 100 through 199; Executive Order 11063 (27 FR 11527; 3 CFR, 1959-1963 Comp., p. 652) and HUD's implementing regulations at 24 CFR part 107. The site must also be suitable from the standpoint of facilitating and furthering full compliance with the applicable provisions of the Americans with Disabilities Act (42 U.S.C. 12131-12134) and implementing regulations (28 CFR part 35), and Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and HUD's

implementing regulations at 24 CFR part 8, including meeting the Section 504 site selection requirements described in 24 CFR 8.4(b)(5).

(3) The site and neighborhood are reasonably free from disturbing noises and reverberations and other dangers to the health, safety, and general welfare of the occupants. The site and neighborhood may not be subject to serious adverse environmental conditions, natural or manmade, that could affect the health or safety of the project occupants, such as dangerous walks or steps; contamination; instability; flooding, poor drainage, septic tank back-ups or sewage hazards; mudslides; abnormal air pollution, smoke or

dust; excessive noise, vibration or vehicular traffic; excessive accumulations of trash; vermin or rodent infestation; or fire hazards.

(c) *PHA PBV Site Selection Policy.*

It is CMHA'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 PHA will limit approval of sites for PBV housing in census tracts that have poverty concentrations of 20 percent or less. However, CMHA may grant exceptions to the 20 percent standard where it 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 in:

A census tract in which the proposed PBV development will be located in a HUD designated Enterprise Zone, Economic Community, Choice Neighborhood, or Renewal Community; A census tract where the concentration of assisted units will be or has decreased because of public housing demolition and HOPE VI redevelopment;

- A census tract in which the proposed PBV development will be located is undergoing significant revitalization as a result of state, local, or federal dollars invested in the area; A census tract where new market rate units are being developed where such market rate units will positively impact the poverty rate in the area.
- A census tract where there has been an overall decline in the poverty rate within the past five years; or
- A census tract where there are meaningful opportunities for educational and economic advancement; or
- The site is determined to meet City or State declared requirements to further revitalization and/or deconcentration goals.

(d) *Existing and Rehabilitated Housing Site and Neighborhood Standards.*

A site for existing or rehabilitated housing must meet the following site and neighborhood standards. The site must:

(1) Be adequate in size, exposure, and contour to accommodate the number and type of units proposed, and adequate utilities and streets must be available to service the site. (The existence of a private disposal system and private sanitary water supply for the site, approved in accordance with law, may be considered adequate utilities.)

(2) Promote greater choice of housing opportunities and avoid undue concentration of assisted people in areas containing a high proportion of low-income persons.

(3) Be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services that are at least equivalent to those typically found in neighborhoods consisting largely of unassisted, standard housing of similar market rents.

(4) Be so located that travel time and cost via public transportation or private automobile from the neighborhood to places of employment providing a range of jobs for lower-income workers is not excessive. While it i

important that housing for the elderly not be totally isolated from employment opportunities, this requirement need not be adhered to rigidly for such projects.

(e) New Construction Site and Neighborhood Standards

A site for newly constructed housing must meet the following site and neighborhood standards:

(1) The site must be adequate in size, exposure, and contour to accommodate the number and type of units proposed, and adequate utilities (water, sewer, gas, and electricity) and streets must be available to service the site.

(2) The site must not be located in an area of minority concentration, except as permitted under paragraph (e)(3) of this section, and 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.

(3) A project may be located in an area of minority concentration only if:

(i) 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 (see paragraphs (e)(3)(iii) through (v) of this section for further guidance on this criterion); or

(ii) The project is necessary to meet overriding housing needs that cannot be met in that housing market area (see paragraph (e)(3)(vi) of this section for further guidance on this criterion).

(iii) As used in paragraph (e)(3)(i) of this section, “sufficient” does not require that in every locality there be an equal number of assisted units within and outside of areas of minority concentration. Rather, application of this standard should produce a reasonable distribution of assisted units each year that, over a period

of several years, will approach an appropriate balance of housing choices within and outside areas of minority concentration. An appropriate balance in any jurisdiction must be determined in light of local conditions

affecting the range of housing choices available for low-income minority families and in relation to the racial mix of the locality's population.

(iv) Units may be considered "comparable opportunities," as used in paragraph (e)(3)(i) of this section, if they have the same household type (elderly, disabled, family, large family) and tenure type (owner/renter); require approximately the same tenant contribution towards rent; serve the same income group; are located in the same housing market; and are in standard condition.

(v) Application of this sufficient, comparable opportunities standard involves assessing the overall impact of HUD-assisted housing on the availability of housing choices for low-income minority families in and outside areas of minority concentration, and must take into account the extent to which the following factors are present, along with other factors relevant to housing choice:

(A) A significant number of assisted housing units are available outside areas of minority concentration.

(B) There is significant integration of assisted housing projects constructed or rehabilitated in the past 10 years, relative to the racial mix of the eligible population.

(C) There are racially integrated neighborhoods in the locality.

(D) Programs are operated by the locality to assist minority families that wish to find housing outside areas of minority concentration.

(E) Minority families have benefited from local activities (*e.g.,* acquisition and write-down of sites, tax relief programs for homeowners, acquisitions of units for use as assisted housing units) undertaken to expand choice for minority families outside of areas of minority concentration.

(F) A significant proportion of minority households has been successful in finding units in non-minority areas under the tenant-based assistance programs.

(G) Comparable housing opportunities have been made available outside areas of minority concentration through other programs.

(vi) Application of the "overriding housing needs" criterion, for example, permits approval of sites that are an integral part of an overall local strategy for the preservation or restoration of the immediate neighborhood and of sites in a neighborhood experiencing significant private investment that is demonstrably improving the economic character of the area (a "revitalizing area"). An

"overriding housing need," however, may not serve as the basis for determining that a site is acceptable, if the only re

son the need cannot otherwise be feasibly met is that discrimination on the basis of race, color, religion, sex, national origin, age, familial status, or disability renders sites outside areas of minority concentration unavailable or if the use of this standard in recent years has had the effect of circumventing the obligation to provide housing choice.

(4) The site must promote greater choice of housing opportunities and avoid undue concentration of assisted people in areas containing a high proportion of low-income people.

(5) The neighborhood must not be one that is seriously detrimental to family life or in which substandard dwellings or other undesirable conditions predominate, unless there is actively in progress a concerted program to remedy the undesirable conditions.

(6) The housing must be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services that are at least equivalent to those typically found in neighborhoods consisting largely of unassisted, standard housing of similar market rents.

(7) Except for housing designed for elderly people, travel time and cost via public transportation or private automobile from the neighborhood to places of employment providing a range of jobs for lower-income workers, must not be excessive.

J. ENVIRONMENTAL REVIEW § 983.56

(a) **HUD Environmental Regulations**

(1) HUD environmental regulations at 24 CFR parts 50 and 58 apply to activities under the PBV program, except as provided in paragraph (a)(2) of this section.

(2) For projects or proposals that were selected in accordance with the site selection standards at § 983.55 in effect on or after June 6, 2024, no environmental review is required to be undertaken before entering into a HAP contract for existing housing, except to the extent a Federal environmental review is required by law or regulation relating to funding other than PBV housing assistance payments.

(b) **Who Performs the Environmental Review?** Under 24 CFR part 58, the unit of general local government within which the project is located that exercises land use responsibility, the county, or the State (the "responsible entity" or "RE"), is responsible for the Federal environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 *et seq.*) and related applicable Federal laws and authorities in accordance with 24 CFR 58.5 and 58.6. If a PHA objects in writing to having the RE perform the Federal environmental review, or if the RE declines to perform it, then HUD may perform the review itself (24 CFR 58.11). 24 CFR part 50 governs HUD performance of the review.

(c) **Notice of Applicability.** When an environmental review is required, if such a review has not been conducted prior to the proposal or project selection date, then the PHA's written notice of proposal or project selection must state that the selection is subject to completion of a favorable environmental review and that the project may be rejected based on the results of the environmental review.

(d) **Environmental Review Limitations.** When an environmental review is required, a PHA may not execute an Agreement or HAP contract with an owner, and the PHA, the owner, and its contractors may not acquire, rehabilitate, convert, lease, repair, dispose of, demolish, or construct real property or commit or expend program or local funds for these activities, until one of the following occurs:

(1) The responsible entity has determined that the activities to be undertaken are exempt under 24 CFR 58.34(a) or categorically excluded and not subject to compliance with environmental laws under 24 CFR 58.35(b);

(2) The responsible entity has completed the environmental review procedures required by 24 CFR part 58, and HUD has approved the PHA's Request for Release of Funds and Certification (form HUD-7015.15). HUD approves the Request for Release of Funds and Certification by issuing a Letter to Proceed or form HUD-7015.16, thereby authorizing the PHA to execute an Agreement or HAP contract, as applicable; or

(3) HUD has performed an environmental review under 24 CFR part 50 and has notified the PHA in writing of environmental clearance.

(e) **Environmental Review Restrictions.** HUD will not issue a Letter to Proceed or form HUD-7015.16 to the PHA or provide environmental clearance if the PHA, the owner, or its contractors have undertaken any of the activities described in paragraph (d) of this section.

(f) **Mitigating Measures.** The PHA must document any mitigating measures or other conditions as provided in 24 CFR part 50 or 58, as applicable, and must complete or require the owner to carry out such measures and conditions.

(g) **PHA Duty to Supply Information.** The PHA must supply all available, relevant information necessary for the RE (or HUD, if applicable) to perform the required environmental review.

K. PHA-OWNED UNITS § 983.57

(a) **Selection of PHA-Owned Units.** The selection of PHA-owned units must be done in accordance with § 983.51(h).

(b) **Independent Entity Functions.** In connection with PHA-owned units:

(1) The independent entity must determine rent to owner, including rent reasonableness and calculating any rent adjustments by an OCAF (where applicable), in accordance with §§ 983.301 through 983.305.

(2) The independent entity must perform unit inspections in accordance with § 983.103(g).

(3) When the owner carries out development activity under § 983.152 or substantial improvement under §§ 983.207(d) or 983.212, the independent entity must review the evidence and work completion certification submitted by the owner in accordance with § 983.155(b) and determine if the units are complete in accordance with § 983.156.

(4) The independent entity must determine whether to approve substantial improvement to units under a HAP contract in accordance with § 983.212.

(c) **Payment to Independent Entity.** The PHA may compensate the independent entity from PHA administrative fees (including fees credited to the administrative fee reserve) for the services performed by the independent entity. The PHA may not use other program receipts to compensate the independent entity for such services. The PHA and the independent entity may not charge the family any fee or charge for the services provided by the independent entity.

L. PHA DETERMINATION PRIOR TO SELECTION § 983.58

(a) **Analysis of Units and Budget.** A PHA must calculate the number of authorized voucher units that it is permitted to project-base in accordance with § 983.6 and determine the amount of budget authority that it has available for project-basing in accordance with § 983.5(b), before it issues a request for proposals in accordance with § 983.51(b)(1), makes a selection based on a previous competition in accordance with § 983.51(b)(2), amends an existing HAP contract to add units in accordance with § 983.207(b), or noncompetitively selects a project in accordance with § 983.51(c).

(b) **Analysis of Impact.** Prior to selecting a project for PBV assistance, a PHA must perform an analysis of the impact if project-basing 50 percent or more of the PHA's authorized voucher units. The analysis should consider the ability of the PHA to meet the needs of the community across its tenant-based and project-based voucher portfolio, including the impact on, among others: families on the waiting list and eligible PBV families that wish to move under § 983.261. The analysis performed by the PHA must be available as part of the public record.

M. UNITS EXCLUDED FROM PROGRAM CAP AND PROJECT CAP § 983.59

(a) ***General.*** For HAP contracts entered into on or after April 18, 2017, the PHA may commit project-based assistance to units that meet the requirements for exclusion in paragraph (b) of this section. Such units do not count toward the program cap or project cap described in §§ 983.6 and 983.54, respectively.

(b) **Requirements for Exclusion of Existing or Rehabilitated Units.** Excluded units must, in the five years prior to the request for proposals (RFP) or the proposal or project selection date in the case of selection without RFP, fall into one of the following categories provided that the units are removed from all categories prior to the effective date of the HAP contract:

(1) The units have received one of the following forms of HUD assistance:

(i) Public Housing Capital or Operating Funds (Section 9 of the 1937 Act);

(ii) Project-Based Rental Assistance (Section 8 of the 1937 Act). Project-based rental assistance under Section 8 includes the Section 8 moderate rehabilitation program, including the single-room occupancy (SRO) program.

(iii) Housing For the Elderly (Section 202 of the Housing Act of 1959).

(iv) Housing for Persons with Disabilities (Section 811 of the Cranston-Gonzalez National Affordable Housing Act);

(v) Rental Assistance Program (RAP) (Section 236(f)(2) of the National Housing Act); or(vi) Flexible Subsidy Program (Section 201 of the Housing and Community Development Amendments Act of 1978).

(2) The units have been subject to a federally required rent restriction under one of the following programs:

(i) The Low-Income Housing Tax Credit program (26 U.S.C. 42).

(ii) Section 515 Rural Rental Housing Loans (42 U.S.C. 1485); or

(iii) The following HUD programs:

(A) Section 236.

(B) Section 221(d)(3) Below Market Interest Rate.

(C) Housing For the Elderly (Section 202 of the Housing Act of 1959).

(D) Housing for Persons with Disabilities (Section 811 of the Cranston-Gonzalez National Affordable Housing Act).

(E) Flexible Subsidy Program (Section 201 of the Housing and Community Development Amendments Act of 1978); or

(iv) Any other program identified by HUD through Federal Register notice subject to public comment.

(c) **Replacement Units.** Newly constructed units developed under the PBV program may be excluded from the program cap and project cap provided the primary purpose of the newly constructed units is or was to replace units that meet the criteria of paragraph (b)(1) or (2) of this section. The newly constructed unit must be located on the same site as the unit it is replacing; however, an expansion of or modification to the prior project's site boundaries as a result of the design of the newly constructed project is acceptable as long as a majority of the replacement units are built back on the site of the original project and any replacement units that are not

located on the existing site are part of a project that shares a common border with, are across a public right of

ay from, or touch that site. In addition, in order for the replacement units to be excluded from the program and project caps, one of the following must be true:

(1) Former residents of the original project must be provided with a selection preference that provides the residents with the right of first occupancy at the PBV newly constructed project when it is ready for occupancy.

(2) Prior to the demolition of the original project, the PBV newly constructed project must have been identified as replacement housing for that original project as part of a documented plan for the redevelopment of the site.

(d) **Unit Size Configuration and Number of Units for Newly Constructed and Rehabilitated Projects.** The unit size configuration of the PBV newly constructed or rehabilitated project may differ from the unit size configuration of the original project that the PBV units are replacing. In addition, the total number of PBV-assisted units may differ from the number of units in the original project. However, only the total number of units in the original project are excluded from the program cap and the project cap. Units that exceed the total number of covered units in the original project are subject to the

program cap and the project cap.

(e) **Inapplicability of Other Program and Project CAP Exceptions.** The 10 percent exception under § 983.6 and the project cap exception under § 983.54(c)(2) are **inapplicable to excluded units under this section.**

N. HOUSING QUALITY STANDARDS § 983.101

CMHA must examine the proposed site before the proposal selection date to determine whether the site complies with the site selection standards in accordance with § 983.55. To qualify as existing housing:

(i) All the proposed contract units in the project either fully comply or substantially comply with HQS on the proposal or project selection date, as determined per § 983.103(a). (The units must fully comply with HQS at the time required by § 983.103(c)). The units substantially comply with HQS if:

(A) The units only require repairs to current components or replacement of equipment and/or materials by items of substantially the same kind to correct deficiencies; and

(B) The PHA determines all deficiencies can reasonably be corrected within a 30-day period, taking into consideration the totality of the deficiencies in the project.

(ii) The PHA determines the project is not reasonably expected to require substantial improvement and the owner certifies it has no plans to undertake substantial improvement from the proposal submission date (for projects subject

to competitive selection) or the project selection date (for projects excepted from competitive selection) through the first two years of the HAP contract.

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

(a) ***HQS Applicability.*** As defined in § 983.3, HQS refers to the minimum quality standards developed by HUD in accordance with 24 CFR 5.703 of this title for housing assisted under the PBV program, including any variations approved by HUD for the PHA under 24 CFR 5.705(a)(3).

(b) ***Requirements for Special Housing Types.*** For special housing types assisted under the PBV program, HQS applies to the PBV program except as specified in 24 CFR part 982, subpart M. Provisions contained within 24 CFR part 982 that are inapplicable to the PBV program pursuant to § 983.2 are also inapplicable to special housing types under the PBV program.

(c) ***Lead-Based Paint Requirements.*** 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.

(d) **HQS Enforcement.** Parts 982 and 983 of this chapter do not create any right of the family or any party, other than HUD or the PHA, to require enforcement of the HQS requirements or to assert any claim against HUD or the PHA for damages, injunction, or other relief for alleged failure to enforce the HQS.

(e) **Additional PHA Quality and Design Requirements.** This section establishes the minimum federal housing quality standards for PBV housing. However, the PHA may elect to establish additional requirements for quality, architecture, or design of PBV housing.

O . HOUSING ACCESSIBILITY FOR PERSONS WITH DISABILITIES § 983.102

(a) **Program Accessibility.** The housing must comply with program accessibility requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR part 8. The PHA shall 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 part 8, subpart C.

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

P. INSPECTING UNITS § 983.103

(a) ***Pre-Selection Inspection.*** If the units to be assisted already exist, the PHA must inspect all units before the proposal or project selection date and must determine if

the project meets the definition of existing housing. If the project is existing housing, the PHA may not execute the HAP contract until all units meet the initial inspection requirements in accordance with paragraph (c) of this section.

(b) ***Initial Inspection of Newly Constructed and Rehabilitated Projects and Units that Underwent Substantial Improvement to be Added to a HAP Contract.*** Following completion of work pursuant to § 983.155, the PHA must complete the following inspection(s), as applicable in accordance with § 983.156:

(1) For rehabilitated housing that is developed prior to the HAP contract term or newly constructed housing, the PHA must inspect each proposed newly constructed and rehabilitated PBV unit before execution of the HAP contract. Each proposed PBV unit must fully comply with HQS prior to HAP contract execution.

(2) For rehabilitated housing that will undergo development activity after HAP contract execution per § 983.157, the PHA must conduct unit inspections in accordance with the requirements of § 983.157.

(3) Inspect each unit that underwent substantial improvement pursuant to §§ 983.207(d) or 983.212. Each PBV unit that underwent substantial improvement must fully comply with HQS prior to the PHA adding the unit to the HAP contract, returning the unit temporarily removed to the HAP contract, allowing re-occupancy of the unit, and resuming housing assistance payments, as applicable.

(c) **Initial Inspection Requirements for Existing Housing** —

(1) **In General.** CMHA will inspect and determine that all of the proposed PBV units fully comply with HQS before entering the HAP contract. CMHA will allow no more than 90 days to elapse between the initial inspection of existing housing and execution of a HAP contract for that unit. The HAP contract must be executed within 60 days of the units passing the initial inspection.

Turnover Inspections. Before providing assistance to a new family in a contract unit, the CMHA must inspect the unit. The PHA must not provide assistance on behalf of a family for a unit that fails to comply fully with HQS.

Periodic Inspections.

(1) At least biennially during the term of the HAP contract, it is CMHA's policy to inspect the contract units in each building, to determine if the contract units and the premises are maintained in accordance with HQS.

Other Inspections.

(1) **Interim Inspections:** When a participant family, neighbor, community member or government official notifies the PHA of a potential deficiency referred to as a "complaint", the following conditions apply:

(i) **Life-Threatening.** If the reported deficiency is life-threatening, the PHA must, within 24 hours, both inspect the housing unit and notify the owner if the life-threatening deficiency is confirmed. The owner must then make the repairs within 24 hours of PHA notification.

(ii) **Non-Life-Threatening.** If the reported deficiency is non-life-threatening, the PHA must, within 15 days, both inspect the unit and notify the owner if the deficiency is confirmed. The owner must then make the repairs within 30 days of the notification from the PHA or within any PHA-approved extension.

(iii) **Extraordinary Circumstances.** In the event of extraordinary circumstances, such as if a unit is within a presidentially declared disaster area, HUD may approve an exception of the 24-hour or the 15-day inspection requirement until such time as an inspection is feasible.

(2) **Follow-up Inspections:** We will conduct follow-up inspections needed to determine if the owner (or, if applicable, the family) has corrected an HQS violation,

(3) **Supervisory Quality Control Inspections***:* In conducting PHA supervisory quality control HQS inspections, the PHA should include a representative sample of both tenant-based and project-based units.

(d) **Inspecting PHA-Owned Units.**

(1) In the case of PHA-owned units, the inspections required under this section will be performed by an independent entity designated in accordance with § 983.57, rather than by the CMHA.

(2) The independent entity must furnish a copy of each inspection report to the PHA.

(3) The PHA must take all necessary actions in response to inspection reports from the independent entity, including exercise of contractual remedies for violation of the HAP contract by the PHA owner.

CMHA will solicit for these services from third-party vendors in accordance with its procurement policy. All services must be performed within HUD's HQS/NSPIRE V requirements. The scope of work, published with the solicitation, CMHA's policies and procedures.

(h) ***Verification Methods.*** When CMHA must verify correction of a deficiency, it may use verification methods other than another on-site inspection. CMHA may accept photographic evidence or other reliable evidence from the owner to verify that a deficiency has been corrected but will complete an on-site inspection of the deficiency correction. If the deficiency is due to a building code violation that

equates to a HQS deficiency, an on-site inspection may not be needed if the posting agency has cleared the orders for the deficiency.

(i) ***Projects with Government Financing.*** In the case of a PBV project financed under a Federal, State, or local housing program that is subject to an alternative inspection, the PHA may rely upon inspections conducted at least triennially to demonstrate compliance with the alternative inspection option under paragraph (c) of this section or the periodic inspection requirement of paragraph (e) of this section, in accordance with its policy established in the PHA Administrative Plan.

Q. REQUIREMENTS FOR REHABILITATE AND NEW CONSTUCTED UNITS

This subpart applies to development activity, as defined in § 983.3, under the PBV program.

R. NATURE OF DEVELOPMENT REQUIREMENTS. § 983.152

(a) **Purpose of Development Activity.** An owner may undertake development activity, as defined at § 983.3, for the purpose of:

(1) Placing a newly constructed or rehabilitated project under a HAP contract; or

(2) For a rehabilitated project that will undergo development activity after HAP contract execution, completing the requirements of the rider in accordance with § 983.157.

(b) **Development Requirements.** Development activity must comply with the requirements of §§ 983.153 through 983.157.

S. DEVELOPMENT REQUIREMENTS. § 983.153

(a) **Environmental Review Requirements.** The development activity must comply with any applicable environmental review requirements at § 983.56.

(b) ***Subsidy Layering Review.***

(1) The PHA may provide PBV assistance only in accordance with the HUD subsidy layering regulations (24 CFR 4.13) and other requirements. A subsidy layering review is required when an owner undertakes development activity and housing assistance payment subsidy under the PBV program is combined with other governmental housing assistance from Federal, State, or local agencies, including assistance such as tax concessions or tax credits. The subsidy layering review is intended to prevent excessive public assistance for the housing 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.

(2) When a subsidy layering review is required, it must occur before a PHA attaches assistance to a project. Specifically, the PHA may not execute an Agreement or HAP contract with an owner until HUD or a housing credit agency approved by HUD has conducted any required subsidy layering review and determined that the PBV assistance is in accordance with HUD subsidy layering requirements.

(3) A further subsidy layering review is not required if HUD's designee has conducted a review in accordance with HUD's PBV subsidy layering review guidelines and that review included a review of PBV assistance.

(4) The owner must disclose to the PHA any change to the information provided for purposes of the subsidy layering review, including the amount of assistance or number of units to be developed, that occurs after the subsidy layering review has been conducted and before all contract units are placed under the HAP contract, in accordance with HUD requirements. A subsidy layering review may be required to determine if such a change would result in excess public assistance to the project, as required by HUD through notification in the Federal Register.

(5) The HAP contract must contain the owner's certification that the project has not received and will not receive (before or during the term of the HAP contract) any public assistance for acquisition, development, or operation of the housing other than assistance disclosed in the subsidy layering review in accordance with HUD requirements, unless the owner discloses additional assistance in accordance with HUD requirements. A subsidy layering review is required for newly constructed or rehabilitated housing under a HAP contract that receives additional assistance, as described in § 983.11(d).

(6) Existing housing is exempt from subsidy layering requirements.

(c) **Labor Standards.**

(1) Labor standards as described in paragraphs (c)(2) of this section apply to development activity. When the PHA exercises its discretion at §§ 983.154(f) or 983.157(a) to allow the owner to conduct some or all development activity while the proposed PBV units are not under an Agreement or HAP contract, the applicable parties must comply with the labor standards in paragraph (c)(2) of this section from the date of proposal submission (for housing subject to competitive selection) or from the date of the PHA's board resolution approving the project-basing of assistance at the project (for housing excepted from competitive selection).

(2) In the case of development involving nine or more contract units (whether or not completed in stages):

(i) The owner and the owner's contractors and subcontractors must pay Davis-Bacon wages to laborers and mechanics employed in development of the housing; and

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

(3) For any project to which labor standards apply, the PHA's written notice to the party that submitted the selected proposal or board resolution approving project-basing of assistance at the specific project, as applicable per § 983.51(f), must state that any construction contracts must incorporate a Davis-Bacon contract clause and the current applicable prevailing wage determination.

(d) **Equal Employment Opportunity.** Development activity is subject to the Federal equal employment opportunity requirements of Executive Orders 11246 as amended (3 CFR, 1964-1965 Comp., p. 339), 11625 (3 CFR, 1971-1975 Comp., p. 616), 12432 (3 CFR, 1983 Comp., p. 198), and 12138 (3 CFR, 1977 Comp., p. 393).

(e) **Accessibility.** As applicable, the design and construction requirements of the Fair Housing Act and implementing regulations at 24 CFR 100.205; the accessibility requirements of Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR part 8, including 8.22 and 8.23; and Title II of the

Americans with Disabilities Act (42 U.S.C. 12131-12134) and implementing regulations at 28 CFR part 35, including §§ 35.150 and 35.151, apply to development activity. A description of any required work item resulting from these requirements must be included in the Agreement (if applicable), as specified in § 983.154(e)(6) or HAP contract (if applicable), as specified in § 983.157(e)(1).

(f) **Broadband Infrastructure.**

(1) Any development activity that constitutes substantial rehabilitation as defined by 24 CFR 5.100 of a building with more than four rental units and where the proposal or project selection date or the start of the development activity while under a HAP contract is after January 19, 2017, must include installation of broadband infrastructure, as this term is defined in 24 CFR 5.100, except where the owner determines and documents the determination that:

(i) The location of the new construction or substantial rehabilitation makes installation of broadband infrastructure infeasible;

(ii) The cost of installing broadband infrastructure would result in a fundamental alteration in the nature of its program or activity or in an undue financial burden; or

(iii) The structure of the housing to be substantially rehabilitated makes installation of broadband infrastructure infeasible.

(2) A description of any required work item resulting from this requirement must be included in the Agreement (if applicable), as specified in § 983.154(e)(7) or HAP contract (if applicable), as specified in § 983.157(e)(2).

(g) **Eligibility to Participate in Federal Programs and Activities.**

(1) An owner or project principal who is on the U.S. General Services Administration list of parties excluded from Federal procurement and non-procurement programs, or who is debarred, suspended subject to a limited denial of participation, or otherwise excluded under 2 CFR part 2424, may not participate in development activity or the rehabilitation of units subject to a HAP contract. Both the Agreement (if applicable) and the HAP contract must include a certification by the owner that the owner and other project principals (including the officers and principal members, shareholders, investors, and other parties having a substantial interest in the project) are not on such list and are not debarred, suspended subject to a limited denial of participation, or otherwise excluded under 2 CFR part 2424.

(2) An owner must disclose any possible conflict of interest that would be a violation of the Agreement (if applicable), the HAP contract, or HUD regulations, in accordance with § 982.161 of this title.

T. DEVELOPMENT AGREEMENT

In the Agreement, the owner agrees to develop the contract units to comply with the HQS/NSPIRE, and CMHA agrees that, upon timely completion of such development in accordance with the terms of the Agreement, CMHA will enter into a HAP contract with the owner for the contract units.

a) **Agreement to Enter into HAP Contract (Agreement)** Except as specified in paragraphs (f) and (g) of this section, the PHA and owner must enter into an Agreement that will govern development activity. In the Agreement, the owner agrees to develop the contract units to comply with HQS, and the PHA agrees that, upon timely completion of such development activity in accordance with the terms of the Agreement, the PHA will enter into an initial HAP contract with the owner for the contract units. The Agreement must cover a single project, except one Agreement may cover multiple projects that each consist of a single-family building.

(b) ***Timing of Agreement.*** The effective date of the Agreement must be on or after the date the Agreement is executed. The Agreement must be executed and effective prior to the commencement of development activity as described in paragraph (d) of this section, except as provided in paragraphs (f) and (g) of this section, and must be in the form required by HUD (see 24 CFR 982.162(b)).

(c) ***Agreement Amendment.*** The PHA and owner may agree to amend the contents of the Agreement described in paragraph (e) of this section by executing an addendum to the Agreement, so long as such amendments are consistent with all requirements of this part 983. The PHA and owner may only execute an addendum affecting a unit prior to the PHA accepting the completed unit.

(d) ***Commencement of Development Activity.*** Development activity must not commence after the date of proposal submission (for housing subject to competitive selection) or the date of the PHA's board resolution approving the project-basing of assistance at the project (for housing excepted from competitive selection) and before the effective date of the Agreement, except as provided in paragraphs (f) and (g) of this section.

(1) In the case of new construction, development activity begins with excavation or site preparation (including clearing of the land).

(2) In the case of rehabilitation, development activity begins with the physical commencement of rehabilitation activity on the housing.

(e) ***Contents of Agreement.*** At a minimum, the Agreement must describe the following features of the housing to be developed and assisted under the PBV program and development activity to be performed:

(1) The site.

(2) The location of contract units on site.

(3) The number of contract units by area (square footage) and number of bedrooms and bathrooms.

(4) The services, maintenance, or equipment to be supplied by the owner without charges in addition to the rent to owner.

(5) The utilities available to the contract units, including a specification of utility services to be paid by the owner (without charges in addition to rent) and utility services to be paid by the tenant.

(6) A description of any required work item necessary to comply with the accessibility requirements of § 983.153(e).

(7) A description of any required work item if the requirement at § 983.153(f) to install broadband infrastructure applies.

(8) Estimated initial rents to owner for the contract units.

(9) A description of the work to be performed under the Agreement:

(i) For rehabilitation, the work description must include the rehabilitation work write-up and, where determined necessary by the PHA, specifications and plans (see paragraph (g) of this section for additional requirements that apply under the option for development activity after HAP contract at 983.157); and

(ii) For new construction, the work description must include the working drawings and specifications.

(10) The deadline for completion of the work to be performed under the Agreement; and

(11) Any requirements the PHA elects to establish in addition to HQS for design, architecture, or quality. The PHA must specify the conditions under which it will require additional housing quality requirements in the Administrative Plan.

(f) **PHA Discretion.** With respect to development activity, the PHA may decide not to use an Agreement or may choose to execute an Agreement after construction or rehabilitation that complied with applicable requirements of § 983.153 has commenced.

(1) In its Administrative Plan, the PHA must explain the circumstances (if any) under which the PHA will enter a PBV HAP contract for newly constructed or rehabilitated housing without first entering into an Agreement and under which the PHA will enter into an Agreement after construction or rehabilitation that complied with applicable requirements of § 983.153 has commenced.

(2) The following conditions apply:

(i) The owner of the project must be able to document its compliance with all applicable requirements of § 983.153 from the date of proposal submission (for housing subject to competitive selection) or from the date of the PHA's board resolution approving the project-basing of assistance at the project (for housing excepted from competitive selection);

(ii) For housing subject to competitive selection, the PHA must confirm prior to the proposal selection date that the owner has complied with all applicable requirements of § 983.153 from the date of proposal submission. For housing excepted from competitive selection, the PHA must confirm prior to executing the Agreement (if applicable) or HAP contract that the owner has complied with all applicable requirements of § 983.153 from the date of the PHA's board resolution approving the project-basing of assistance at the project; and

(iii) The PHA must comply with the notice requirement of § 983.153(c)(3).

Completion of Work. 983.155

(a) **General Requirement.** The owner must submit evidence and certify to the PHA, in the form and manner required by the PHA's Administrative Plan, that development activity under § 983.152 or substantial improvement under §§ 983.207(d) or 983.212 has been completed, and that all such work was completed in accordance with the applicable requirements. The PHA must review the evidence to determine whether the development activity or substantial improvement was completed in accordance with the applicable requirements.

(b) **PHA-Owned Units.** In the case of PHA-owned units, the owner must submit evidence and certify to the independent entity (see § 983.57(b)(3)), in the form and manner required by the PHA's Administrative Plan, that development activity under § 983.152

or substantial improvement under §§ 983.207(d) or 983.212 has been completed, and that all such work was completed in accordance with the applicable requirements. The independent entity must review the evidence to determine whether the development activity or substantial improvement was completed in accordance with the applicable requirements.

PHA Acceptance of Completed Units. 983.156

(a) **Inspection of Units.** After the PHA has received all required evidence of completion and the owner's certification that all work was completed in accordance with the applicable requirements, the PHA must inspect the completed units to determine whether they comply with HUD's HQS (see § 983.103(b)) and any additional design, architecture, or quality requirements specified by the PHA.

(b) **Execution or Amendment of the HAP Contract.** If the PHA determines that the development activity or substantial improvement was completed in accordance with the applicable requirements at § 983.155 and the completed units meet HUD's HQS and any additional design, architecture, or quality requirements specified by the PHA per paragraph (a) of this section, then the PHA must:

(1) For units developed pursuant to § 983.152(a)(1) which will not undergo development activity after HAP contract execution per § 983.157, submit the HAP contract for execution by the owner and execute the HAP contract;

(2) For rehabilitated housing projects for which development activity has commenced prior to HAP contract execution, but which will undergo development activity after HAP contract execution under § 983.157(b), submit the HAP contract for execution by the owner and execute the HAP contract;

(3) For development activity conducted after HAP contract execution, amend the HAP contract rider to designate the completed units as available for occupancy (§ 983.157(f)(1)(ii)) or, if the owner has completed all development activity as provided in the rider, amend the HAP contract to terminate the rider (§ 983.157(d)); or

(4) For units that underwent substantial improvement in order to be added to the HAP contract, amend the HAP contract to add the units to the HAP contract (§ 983.207(d)).

(c) **Staged Completion of Contract Units.** Contract units developed pursuant to § 983.152(a)(1) which will not undergo development activity after HAP contract execution per § 983.157 may be placed under the HAP contract in stages commencing on different dates. In such a case, the PHA must determine separately for each stage whether the development activity was completed in accordance with the applicable requirements per § 983.155 and that the units meet HUD's HQS and any additional design, architecture, or quality requirements specified by the PHA per paragraph (a) of this section. If the first stage is determined compliant, then the PHA must submit the HAP contract for execution by the owner and must execute the HAP contract for PBV rehabilitated housing and newly constructed housing projects. As

each subsequent stage is determined compliant, the PHA and owner must amend the HAP contract to add the units to the HAP contract (see § 983.207(g)).

(d) ***PHA-Owned Units.*** The independent entity must perform the inspection required in paragraph (a) of this section and make the determination(s) required in paragraphs (b) and (c) of this section in the case of PHA-owned units (see § 983.57(b)(3)).

U. HOUSING ASSISTANCE PAYMENT CONTRACT

Purpose and Content of the Agreement to Enter into HAP Contract. 983.202

The PHA must enter into a HAP contract with the owner. Except as provided in this paragraph, a HAP contract shall cover a single project. If multiple projects exist, each project shall be covered by a separate HAP contract. However, a PHA and owner may agree to place multiple projects, each consisting of a single-family building, under one HAP contract. The HAP contract must be in such form as may be prescribed by HUD.

(1) The purpose of the HAP contract is to provide housing assistance payments for eligible families.

(2) The PHA makes housing assistance payments to the owner in accordance with the HAP contract. Housing assistance is paid for contract units leased and occupied by eligible families during the HAP contract term.

HAP Contract Information. § 983.203

The HAP contract must specify:

(a) The total number of contract units by number of bedrooms.

(b) Information needed to identify the site and the building or buildings where the contract units are located. The information must include 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.

(c) Information needed to identify the specific contract units in each building. The information must include the number of contract units in the building, the location of each contract unit, the area of each contract unit, and the number of bedrooms and bathrooms in each contract unit.

(d) Services, maintenance, and equipment to be supplied by the owner without charges in addition to the rent to owner.

(e) Utilities available to the contract units, including a specification of utility services to be paid by the owner (without charges in addition to rent) and utility services to be paid by the tenant.

(f) Features provided to 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 Fair Housing Act, and the Americans with Disabilities Act, as applicable.

(g) The HAP contract term.

(h) The number of contract units under the increased program cap (as described in § 983.6(d)) or excepted from the project cap (as described in § 983.54(c)) which will be set aside for occupancy by families who qualify for such a unit.

(i) The initial rent to owner (for the first 12 months of the HAP contract term); and

(j) Whether the PHA has elected not to reduce rents below the initial rent to owner in accordance with 24 CFR 983.302(c)(2).

Execution of HAP Contract or PHA-Owned Certification. 983.204

(a) ***PHA Inspection of Housing.*** Before execution of the HAP contract, CMHAA must determine that applicable pre-HAP contract HQS requirements have been met in accordance with § 983.103(b) or (c) as applicable. CMH may not execute the HAP contract for any contract unit that does not meet the pre-HAP contract HQS requirements, except as provided in paragraph (c).

(b) **Existing Housing.** For existing housing, the HAP contract must be executed and effective promptly after PHA selection of the owner proposal and PHA determination that the applicable pre-HAP contract HQS requirements have been met.

(c) **Newly Constructed or Rehabilitated Housing.** For newly constructed or rehabilitated housing developed pursuant to § 983.152(a)(1) which will not undergo development activity after HAP contract execution per § 983.157, the HAP contract must be executed and effective promptly after the PHA determines that the housing was completed in accordance with the applicable requirements, HUD's HQS, and any additional design, architecture, or quality requirements specified by the PHA, in accordance with § 983.156(b)(1) or (c). For rehabilitated housing that will undergo development activity after HAP contract execution per § 983.157, the HAP contract must be executed and effective promptly after the requirements of § 983.157(c) are met (all proposed PBV units are added to the contract at this time, including units that do not comply with HQS or that will undergo development activity).

(d) **Effective Date of the PBV HAP Contract.** The effective date of the HAP contract must be on or after the date the HAP contract is executed. The HAP contract must be effective before the effective date of the first lease covering a contract unit occupied by an assisted family, and the PHA may not pay any housing assistance payment to the owner until the HAP contract is effective.

Term of HAP Contract. 983.205

(a) **Initial Term.** The PHA may enter into a HAP contract with an owner for an initial term of up to 20 years for each contract unit. The length of the term of the HAP contract for

any contract unit may not be less than one year, nor more than 20 years. CMHA will negotiate the initial term for each award of PBVs.

(b) **Extension of Term.** The PHA and owner may agree at any time before expiration of the HAP contract to execute one or more extensions of the HAP contract term. The following conditions apply:

(1) Each extension executed must have a term that does not exceed 20 years.

(2) At no time may the total remaining term of the HAP contract, with extensions, exceed 40 years.

(3) Before agreeing to an extension, the PHA must determine that the extension is appropriate to continue providing affordable housing for low-income families or to expand housing opportunities; and

(4) Each extension 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 PHA will consider several factors including, but not limited to:

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

Contract Termination or Expiration and Statutory Notice Requirements. 983.206

(a) **Nonextension by Owner—Notice Requirements.**

(1) Notices required in accordance with this section must be provided in the form prescribed by HUD.

(2) Not less than one year before termination of a PBV HAP contract, the owner must notify the PHA and assisted tenants of the termination.

(3) The term "termination" for applicability of this notice requirement means the expiration of the HAP contract, termination of the HAP contract by agreement of PHA and owner per paragraph (e) of this section, or an owner's refusal to renew the HAP contract.

(4) If an owner fails to provide the required notice, the owner must permit the tenants in assisted units to remain in their units for the required notice period with no increase in the tenant portion of their rent, and with no eviction as a result of an owner's inability to collect an increased tenant portion of rent.

(5) An owner and PHA may agree to extend the terminating contract for a period of time sufficient to provide tenants with the required notice, under such terms as HUD may require.

(b) **Termination or Expiration without Extension—Required Provision of Tenant-Based Assistance.**

Unless a termination or expiration without extension occurs due to a determination of insufficient funding pursuant to paragraph (c)(1) of this section or other extraordinary circumstances determined by HUD, the PHA shall issue each family occupying a contract unit a tenant-based voucher based on the termination or expiration of the contract no fewer than 60 calendar days prior to the planned termination or expiration of the PBV HAP contract. However, the PHA is not required to issue the family a voucher if the PHA has

offered the family an alternative housing option (*e.g.,* an assisted unit in another PBV project), and the family chooses to accept the alternative housing option instead of the voucher. Such a family is not a new admission to the tenant-based program and shall not count toward the PHA's income-targeting requirements at 24 CFR 982.201(b)(2)(i). The voucher issued to the family is the voucher attached to its unit under the expiring or terminating PBV contract. Consequently, if the family vacates the contract unit following the issuance of the tenant-based voucher and prior to the contract termination or expiration date, the PHA must remove the unit from the PBV HAP contract at the time the family vacates the unit. The PBV HAP contract must provide that, if the units continue to be used for rental housing upon termination or expiration without extension of a PBV HAP contract, each assisted family may elect to use its tenant-based assistance to remain in the same project, subject to the following:

(1) The unit must comply with HUD's HQS/NSPIRE conditions as outlined in Chapter 11;

(2) The CMHA must determine or have determined that the rent for the unit is reasonable;

(3) The family must pay its required share of the rent and the amount, if any, by which the unit rent (including the amount allowed for tenant-based utilities) exceeds the applicable payment standard (the limitation at 24 CFR 982.508 regarding maximum family share at initial occupancy shall not apply); and

(4) The owner may not refuse to initially lease a unit in the project to a family that elects to use their tenant-based assistance to remain in the same project, except where the owner will use the unit for a purpose other than a residential rental unit. The owner may not later terminate the tenancy of such a family, except for the following grounds:

(i) The grounds in 24 CFR 982.310 of this title, except paragraphs 24 CFR 982.310(d)(1)(iii) and (iv);

(ii) The owner's desire to use the unit for a purpose other than a residential rental unit; and

(iii) The owner's desire to renovate the unit, subject to the following:

(A) The owner must consider whether a reasonable alternative to terminating the lease exists. If a reasonable alternative exists, the owner must not terminate the lease. The owner must consider the following alternatives:

(*1*) Completing renovations without the family vacating the unit, if the renovations can be completed in a manner that does not result in life-threatening conditions, does not result in deficiencies under HQS that are not corrected within 30 days, and is mutually agreeable to the owner and the family; and

(*2*) Temporarily relocating the family to complete the renovations, if the relocation and renovations can be completed within a single calendar month (beginning no sooner than the first day of a month and ending no later than the last day of the same month) and the family can be relocated to a location and in a manner mutually agreeable to the owner and the family.

(B) If the owner terminates the lease for renovation, the owner must make every reasonable effort to make available and lease the family another unit within the project that meets the tenant-based voucher program requirements; and

(C) If no other unit within the project is available for the family to lease during the renovation period or the family chooses to move from the project during the renovation period, the owner must make every reasonable effort to make available and lease the family a unit within the project upon completion of renovations.

(c) **Termination by PHA.**

(1) The HAP contract must provide that the PHA may terminate the contract for insufficient funding, subject to HUD requirements.

(i) Consistent with the policies in the PHA's Administrative Plan, the PHA has the option of terminating a PBV HAP contract based on “insufficient funding” only if:

(A) The PHA determines in accordance with HUD requirements that it lacks sufficient HAP funding (including HAP reserves) to continue to make housing assistance payments for all voucher units currently under a HAP contract.

(B) The PHA has taken cost-saving measures specified by HUD.

(C) The PHA notifies HUD of its determination and provides the information required by HUD; and

(D) HUD determines that the PHA lacks sufficient funding and notifies the PHA it may terminate HAP contracts as a result.

(2) If the PHA determines that the owner has breached the HAP contract, the PHA may exercise any of its rights or remedies under the HAP contract, including but not limited to contract termination. The provisions of § 983.208 apply for HAP contract breaches involving failure to comply with HQS. For any other contract termination due to breach, paragraph (b) of this section on provision of tenant-based assistance applies.

(d) ***Termination by Owner—Reduction Below Initial Rent.***

If the amount of the rent to owner for any contract unit, as adjusted in accordance with § 983.302, is reduced below the amount of the initial rent to owner, the owner may terminate the HAP contract, upon notice to the PHA no fewer than 90 calendar days prior to the planned termination, and families must be provided tenant-based assistance and may elect to remain in the project in accordance with paragraph (b) of this section. The owner is not required to provide the one-year notice of the termination of the HAP contract to the family and the PHA, as described in paragraph (a) of this section, when terminating the HAP contract due to rent reduction below the initial rent to owner.

(e) **Termination by agreement of PHA and owner.**

The PHA and owner may agree to terminate the HAP contract prior to the end of the term. The owner's notice in paragraph (a) of this section is required prior to termination, and the families must be provided tenant-based assistance and may elect to remain in the project in accordance with paragraph (b) of this section.

HAP Contract Amendments (to add or substitute contract units). 983.207

(a) **Amendment to Substitute Contract Units.** At the discretion of the PHA, the PHA and owner may execute an amendment to the HAP contract to substitute a different unit with the same number of bedrooms in the same project for a previously covered contract unit. Prior to such substitution, the PHA must inspect the proposed substitute unit (the unit must comply with HQS to be substituted) and must determine the reasonable rent for such unit (the rent to owner must be reasonable for the unit to be substituted). The proposed substituted unit may be vacant or, subject to the requirements of paragraph (c) of this section, it may be occupied. The proposed substituted unit may undergo repairs or renovation prior to amending the PBV HAP contract to substitute the unit, as provided in paragraph (d) of this section. The proposed substituted unit must have existed at the time described in paragraph (e) of this section.

(b) ***Amendment to add contract units.*** At the discretion of the PHA, and provided that the total number of units in a project that will receive PBV assistance will not exceed the limitations in § 983.6 or § 983.54, the PHA and owner may execute an amendment to the HAP contract to add PBV units in the same project to the contract, without a new proposal selection. Prior to such addition, the PHA must inspect the proposed added unit (the unit must comply with HQS to be added) and must

determine the reasonable rent for such unit (the rent to owner must be reasonable for the unit to be added).

(1) Added units that qualify for an exclusion from the program cap (as described in § 983.59) or an exception to or exclusion from the project cap (as described in § 983.54(c) and § 983.59, respectively) will not count toward such cap(s).

(2) The anniversary and expiration dates of the HAP contract for the additional units must be the same as the anniversary and expiration dates of the HAP contract term for the PBV units originally placed under HAP contract.

(3) The added unit may be vacant or, subject to the requirements of paragraph (c) of this section, it may be occupied.

(4) The unit may undergo repairs or renovation prior to amending the PBV HAP contract to add the unit, as provided in paragraph (d) of this section.

(5) The added unit must have existed at the time described in paragraph (e) of this section.

(c) **Substituting or adding occupied units.** The PHA may place occupied units on the HAP contract under paragraphs (a) or (b) of this section, subject to the following:

(1) The family occupying the unit must be eligible for assistance per §§ 983.53(a)(3) and 983.251(a),.

(2) The unit must be appropriate for the size of the family occupying the unit under the PHA's subsidy standards.

(3) The family must be selected from the waiting list in accordance with the applicable selection policies; and

(4) The unit may be occupied by a family who was assisted with a tenant-based voucher immediately prior to the unit being placed on the PBV HAP contract. The tenant-based HAP contract for the unit must terminate before the unit may be placed under the PBV HAP contract. The family occupying the unit is not a new admission to the voucher program. The option described in this paragraph (c)(4) is subject to the following conditions:

(i) If the family is in the initial term of the tenant-based lease, the family agrees to mutually terminate the tenant-based lease with the owner and enter into a PBV lease.

(ii) If the initial term of the tenant-based lease has passed or the end of that term coincides with the time at which the unit will be placed on the PBV HAP contract, upon the owner's decision not to renew the tenant-based lease or to terminate the tenant-based lease in accordance with 24 CFR 982.308 or 982.310, respectively, the family agreed to relinquish the tenant-based voucher and enter into a PBV lease.

(d) **Substituting or adding units that underwent repairs or renovation.** A unit that is not under a HAP contract but is in a project with other units that are under a HAP contract may undergo repairs or renovation prior to amending the PBV HAP contract to add or substitute the unit, except in the case of a contract subject to a rider under the rehabilitated housing option for development activity after HAP contract execution in accordance with § 983.157. If such repairs or renovation constitute substantial improvement as defined in § 983.3, then:

(1) The substantial improvement must not proceed prior to the first two years of the effective date of the HAP contract, except in extraordinary circumstances (*e.g.,* the units were damaged by fire, natural disaster, etc.).

(2) The substantial improvement is subject to the Federal equal employment opportunity requirements of Executive Orders 11246 as amended (3 CFR, 1964-1965 Comp., p. 339), 11625 (3 CFR, 1971-1975 Comp., p. 616), 12432 (3 CFR, 1983 Comp., p. 198), and 12138 (3 CFR, 1977 Comp., p. 393).

(3) As applicable, the design and construction requirements of the Fair Housing Act and implementing regulations at 24 CFR 100.205; the accessibility requirements of Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR part 8, including 8.22 and 8.23; and Title II of the Americans with Disabilities Act (42 U.S.C. 12131-12134) and implementing regulations at 28 CFR part 35, including §§ 35.150 and 35.151, apply to substantial improvement.

(4) Any substantial improvement that constitutes substantial rehabilitation as defined by 24 CFR 5.100 of a building with more than four rental units and where the proposal or project selection date or the start of the substantial improvement while under a HAP contract is after January 19, 2017, must include installation of broadband infrastructure, as this term is defined in 24 CFR 5.100, except where the owner determines and documents the determination that:

(i) The location of the substantial rehabilitation makes installation of broadband infrastructure infeasible.

(ii) The cost of installing broadband infrastructure would result in a fundamental alteration in the nature of its program or activity or in an undue financial burden; or

(iii) The structure of the housing to be substantially rehabilitated makes installation of broadband infrastructure infeasible.

(5) An owner or project principal who is on the U.S. General Services Administration list of parties excluded from Federal procurement and non-procurement programs, or who is debarred, suspended subject to a limited denial of participation, or otherwise excluded under 2 CFR part 2424, may not participate in substantial improvement. The HAP contract must include a certification by the owner that the owner and other project principals (including the officers and principal members, shareholders, investors, and other parties having a

substantial interest in the project) are not on such list and are not debarred, suspended subject to a limited denial of participation, or otherwise excluded under 2 CFR part 2424.

(6) An owner must disclose any possible conflict of interest that would be a violation of the HAP contract or HUD regulations, in accordance with § 982.161 of this title.

(7) The requirements for additional assistance after HAP contract at § 983.11(d) apply.

(8) Section 983.155, Completion of work, applies.

(9) Paragraphs (a), (b)(4), and (d) of § 983.156, PHA acceptance of completed units, apply.

(e) **Restriction on substituting or adding newly built units.** Units may only be added to the HAP contract or substituted for a previously covered contract unit if one of the following conditions applies:

(1) The units to be added or substituted existed at the time of HAP contract execution;

(2) In the case of a project completed in stages, the units to be added or substituted existed at the time of PHA acceptance of the last completed unit(s) per § 983.156(c); or

(3) A unit, office space, or common area within the interior of a building containing contract units existed at the time described in paragraph (e)(1) or (2) of this section, as applicable, and is reconfigured without impacting the building envelope, subject to paragraph (d) of this section, into one or more units to be added or substituted.

(f) ***Administrative Plan requirement.*** The PHA must describe in the Administrative Plan the circumstances under which it will add or substitute contract units, and how those circumstances support the goals of the PBV program.

(g) ***Staged completion of contract units.*** Even if contract units are placed under the HAP contract in stages commencing on different dates, there is a single annual anniversary for all contract units under the HAP contract. The annual anniversary for all contract units is the annual anniversary date for the first contract units placed under the HAP contract. The expiration of the HAP contract for all the contract units completed in stages must be concurrent with the end of the HAP contract term for the units originally placed under HAP contract.

(h) ***Amendment to merge or bifurcate HAP contracts.*** HUD may establish a process allowing the PHA and owner to agree to merge two or more HAP contracts for PBV assistance on the same project, or to bifurcate a HAP contract, by Federal Register notice subject to public comment.

Condition of Contract Units. § 983.208

(a) Owner maintenance and operation.

(1) The owner must maintain and operate the contract units and premises in accordance with the HQS, including performance of ordinary and extraordinary maintenance.

(2) The owner must provide all the services, maintenance, equipment, and utilities specified in the HAP contract with the PHA and in the lease with each assisted family.

(3) At the discretion of the PHA, the HAP contract may also require continuing owner compliance during the HAP contract term with additional housing quality requirements specified by the PHA (in addition to, but not in place of, compliance with HUD's HQS/NSPIRE). Such additional requirements may be designed to assure continued compliance with any design, architecture, or quality requirement specified by the PHA (§ 983.204(c)). The PHA must specify the conditions under which it will require additional housing quality requirements in the Administrative Plan.

(b) **Enforcement of HQS.**

(1) The PHA must vigorously enforce the owner's obligation to maintain contract units in accordance with HUD's HQS/NSPIRE. If the owner fails to maintain the dwelling unit in accordance with HQS/NSPIRE, the PHA must take enforcement action in accordance with this section.

(2) The unit is in noncompliance with HQS/NSPIRE if:

(i) The PHA or other inspector authorized by the State or local government determines the unit has HQS deficiencies based upon an inspection.

(ii) The agency or inspector notifies the owner in writing of the unit HQS/NSPIRE deficiencies; and

(iii) The unit HQS deficiencies are not remedied within the following timeframes:

(A) For life-threatening deficiencies, the owner must correct the deficiency within 24 hours of notification.

(B) For other deficiencies, the owner must correct the deficiency within 30 calendar days of notification (or any reasonable PHA-approved extension).

(3) In the case of an HQS/NSPIRE deficiency that the PHA determines is caused by the tenant, any member of the household, or any guest or other person under the tenant's control, other than any damage resulting from ordinary use, the PHA may waive the owner's responsibility to remedy the violation. Housing assistance payments to the owner may not be withheld or abated if the owner responsibility has been waived. However, the PHA may terminate assistance to a family

because of an HQS/NSPIRE breach beyond damage resulting from ordinary use caused by any member of the household or any guest or other person under the tenant's control, which may result in removing the unit from the HAP contract.

(4) In the case of an HQS/NSPIRE deficiency that is caused by fire, natural disaster, or similar extraordinary circumstances, the PHA may permit the owner to undertake substantial improvement in accordance with § 983.212. However, so long as the contract unit with deficiencies is occupied, the PHA must withhold or abate housing assistance payments and remove units from or terminate the HAP contract as described in this section.

(5) In the case of a project that is undergoing development activity after HAP contract execution per § 983.157, the remedies of paragraph (d) of this section do not apply to units designated as unavailable for occupancy during the period of development activity in accordance with the rider. However, in the case of any contract unit with deficiencies that is occupied, the PHA must withhold or abate housing assistance payments and remove units from or terminate the HAP contract as described in this section.

(c) **Family Obligation.**

(1) The family may be held responsible for a breach of the HQS/NSPIRE that is caused by any of the following:

(i) The family fails to pay for any utilities that the owner is not required to pay for, but which are to be paid by the tenant.

(ii) The family fails to provide and maintain any appliances that the owner is not required to provide, but which are to be provided by the tenant; or

(iii) Any member of the household or guest damages the dwelling unit or premises (damages beyond ordinary wear and tear).

(2) If the PHA has waived the owner's responsibility to remedy the violation in accordance with paragraph (b)(3) of this section, the following applies:

(i) If the HQS breach caused by the family is life-threatening, the family must take all steps permissible under the lease and State and local law to ensure the deficiency is corrected within 24 hours of notification.

(ii) For other family-caused deficiencies, the family must take all steps permissible under the lease and State and local law to ensure the deficiency is corrected within 30 calendar days of notification (or any PHA-approved extension).

(3) If the family has caused a breach of the HQS, the PHA must take prompt and vigorous action to enforce the family obligations. The PHA may terminate assistance for the family in accordance with 24 CFR 982.552.

(d) ***PHA Remedies.*** These remedies apply when HQS/NSPIRE deficiencies are identified as the result of an inspection other than a pre-selection, initial, or turnover

inspection. (See § 983.103 generally, and see § 983.103(c) in particular for PHA enforcement actions related to the initial HQS?NSPIRE inspection for existing housing). The PHA must identify in its Administrative Plan the conditions under

which it will withhold HAP and the conditions under which it will abate HAP or terminate the HAP contract for units other than the unit with HQS/NSPIRE deficiencies.

(1) A PHA may withhold HAP for an individual unit that has HQS/NSPIRE deficiencies once the PHA has notified the owner in writing of the deficiencies. If the unit is brought into compliance during the applicable cure period (within 24 hours from notification for life-threatening deficiencies and within 30 days from notification (or other reasonable period established by the PHA for non-life-threatening deficiencies), the PHA:

(i) Must resume assistance payments; and

(ii) Must provide assistance payments to cover the time period for which the assistance payments were withheld.

(2)

(i) The PHA must abate the HAP, including amounts that had been withheld, for the PBV unit with deficiencies if the owner fails to make the repairs within the applicable cure period (within 24 hours from notification for life-threatening deficiencies and within 30 days from notification (or other reasonable period established by the PHA) for non-life-threatening deficiencies).

(ii) The PHA may choose to abate payments for all units covered by the HAP contract due to a contract unit's noncompliance with the HQS, even if some of the contract units continue to meet HQS/NSPIRE.

(iii) If a PHA abates the HAP for a unit, the PHA must notify the family and the owner that it is abating payments and that if the unit with deficiencies does not meet HQS within 60 days after the determination of noncompliance (or a reasonable longer period established by the PHA), the PHA will either terminate the HAP contract or remove the unit with deficiencies from the HAP contract, and any family residing in a unit that does not comply with HQS will have to move if the family wishes to receive continued assistance.

(3) An owner may not terminate the tenancy of any family due to the withholding or abatement of assistance. During the period that assistance is abated, the family may terminate the tenancy by notifying the owner. The PHA must promptly issue the family a tenant-based voucher to move.

(4) If the owner makes the repairs and the unit complies with HQS/NSPIRE within 60 days (or a reasonable longer period established by the PHA) of the notice of abatement, the PHA must recommence payments to the owner if the unit is still occupied by an assisted family. The PHA does not make any payments for the unit to the owner for the period of time that the payments were abated.

(5) If the owner fails to make the repairs within 60 days (or a reasonable longer period established by the PHA) of the notice of abatement, the PHA must either remove the unit from the HAP contract or terminate the HAP contract in its entirety. The PHA must issue the family whose unit will be removed or all families residing in contract units, if the PHA is terminating the HAP contract, a tenant-based voucher to move at least 30 days prior to the removal of the unit from the HAP contract or termination of the HAP contract. A family may elect to remain in the project in accordance with § 983.206(b) if the project contains a unit that meets the requirements of that section, with priority given to families who will remain in the same unit if there are insufficient units available to accommodate all families that wish to remain.

(i) The PHA must give any family residing in a unit that is either removed from the HAP contract or for which the HAP contract is terminated under this paragraph (d) due to a failure to correct HQS/NSPIRE deficiencies at least 90 days or a longer period as the PHA determines is reasonably necessary following the termination of the HAP contract or removal of the unit from the HAP contract to lease a unit with tenant-based assistance.

(ii) If the family is unable to lease a new unit within the period provided by the PHA under paragraph (d)(6)(i) of this section and the PHA owns or operates public housing, the PHA must offer, and, if accepted, provide the family a selection preference for an appropriate-size public housing unit that first becomes available for occupancy after the time period expires.

(iii) PHAs may assist families relocating under this paragraph (d) in finding a new unit, including using up to 2 months of the withheld and abated assistance payments for costs directly associated with relocating to a new unit, including security deposits, temporary housing costs, or other reasonable moving costs as determined by the PHA based on their locality. PHAs must assist families with disabilities in locating available accessible units in accordance with 24 CFR 8.28(a)(3). If the PHA uses the withheld and abated assistance payments to assist with the family's relocation costs, the PHA must provide security deposit assistance to the family as necessary. If the family receives security deposit assistance from the PHA for the new unit, the PHA may require the family to remit the security deposit returned by the owner of the new unit at such time that the lease is terminated, up to the amount of the security deposit assistance provided by the PHA for that unit. The PHA must in

lude in its Administrative Plan the policies it will implement for this provision.

(e) ***Maintenance and Replacement—Owner's Standard Practice.*** Maintenance and replacement (including redecoration) must be in accordance with the standard practice for the building concerned as established by the owner.

(f) ***Applicability.*** This section is applicable to HAP contracts executed on or after or extended on or after June 6, 2024. For purposes of this paragraph, a HAP contract is extended the earlier of the effective date of the next extension period or the date the PHA and owner agree to the next extension. For all other HAP contracts, § 983.208 as in effect on June 5, 2024, remains applicable. However, the PHA and

owner may agree to apply this section to a HAP contract executed before June 6, 2024, prior to extension.

Owner Responsibilities. § 983.209

By execution of the HAP contract, the owner certifies that at such execution and at all times during the term of the HAP contract:

(a) The owner is maintaining the premises and all contract units in accordance with HUD's HQS under the requirements of this part 983.

(b) The owner is providing all the services, maintenance, equipment, and utilities as agreed to under the HAP contract and the leases with assisted families.

(c) Each contract unit for which the owner is receiving housing assistance payments is leased to an eligible family referred by the PHA or selected from the owner-maintained waiting list in accordance with § 983.251, and the lease is in accordance with the HAP contract and HUD requirements.

(d) To the best of the owner's knowledge, the members of the family reside in each contract unit for which the owner is receiving housing assistance payments, and the unit is the family's only residence, except as provided in §§ 983.157(g)(6)(ii) and 983.212(a)(3)(ii).

(e) 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 unless needed as a reasonable accommodation under Section 504, the Fair Housing Act, or the Americans with Disabilities Act (ADA), for a household member who is a person with disabilities.

(f) The amount of the housing assistance payment is the correct amount due under the HAP contract.

(g) The rent to owner for each contract unit does not exceed rents charged by the owner for other comparable unassisted units.

(h) Except for the housing assistance payment and the tenant rent as provided under the HAP contract, the owner has not received and will not receive any payment or other consideration (from the family, the PHA, HUD, or any other public or private source) for rental of the contract unit.

(i) The family does not own or have any interest in the contract unit. The certification required by this section does not apply in the case of an assisted family's membership in a cooperative.

Removal of Unit from HAP Contract Based on a Family's Increased Income. § 983.211

(a) **Removal of a unit based on a family's increased income.** Units occupied by families whose income has increased during their tenancy resulting in the total tenant payment equaling the gross rent shall be removed from the HAP contract 180 days following the last housing assistance payment on behalf of the family. CMHA will complete this through execution on a Contract Amendment.

(b) **Reinstatement or Substitution of HAP Contracts.** If the project is fully assisted, a PHA may reinstate the unit removed under *paragraph (a)* of this section to the HAP contract after the ineligible family vacates the property. If the project is partially assisted, a PHA may substitute a different unit for the unit removed under *paragraph (a)* of this section to the HAP contract when the first eligible substitute becomes available. A reinstatement or substitution of units under the HAP contract, in accordance with this paragraph, must be permissible under § 983.207(b) or (a), respectively. CMHA will complete this through execution on a Contract Amendment.

(c) **Additional Requirements.** The anniversary and expirations dates of the reinstated or substituted unit must be the same as all other units under the HAP contract (*i.e.,* the annual anniversary and expiration dates for the first contract units placed under the HAP contract). Families must be selected in accordance with program requirements under § 983.251 of this part.

Substantial Improvement to Units Under a HAP Contract. § 983.212

(a) **Substantial Improvement to Units Under a HAP Contract.** The owner may undertake substantial improvement on a unit currently under a HAP contract, except a contract subject to a rider under the rehabilitated housing option for development activity after HAP contract execution in accordance with § 983.157, if approved to do so by the PHA. The owner may request PHA approval no earlier than the effective date of the HAP contract. The following conditions apply:

(1) The PHA may approve the substantial improvement only if one of the following conditions apply:

(i) The unit has been damaged by fire or natural disaster, or other extraordinary circumstances exist which require a unit previously compliant with HQS to urgently undergo substantial improvement. For this purpose, “extraordinary circumstances” are unforeseen events that are not the fault of the owner. The PHA may provide approval for substantial improvement resulting from the damage or extraordinary circumstances described in this paragraph (a)(1)(i) after the owner submits the request.

(ii) The owner requests to engage in substantial improvement that will commence following the first two years of the effective date of the HAP contract. The PHA may provide approval for substantial improvement occurring as described in this paragraph (a)(1)(ii) after the owner submits

the request, but no earlier than twenty-one months after the effective date of the HAP contract.

(2) The owner's request must include a description of the substantial improvement proposed to be undertaken and the length of time, if any, the owner anticipates that the unit, including items and components within the primary and secondary means of egress, common features, and systems equipment as described by 24 CFR 5.703(a)(2), will not meet HQS. The PHA must not approve as substantial improvement, under this section, an owner's request to demolish a building containing contract units and newly construct replacement units (see requirements for contract termination at § 983.206 and requirements for newly constructed housing in this part 983).

(3) If the unit is occupied and will not meet HQS/NSPIRE during any part of the period of the substantial improvement, the owner's request must include a description of the owner's plan to house the family during the period the unit will not meet HQS/NSPIRE. The PHA must not approve the substantial improvement unless the owner's plan complies with one of the following requirements:

(i) The owner must complete the substantial improvement without the family vacating the unit if the PHA reasonably expects that the owner can complete the substantial improvement in a manner that:

(A) Does not result in life-threatening deficiencies.

(B) Does not result in any other deficiencies under the HQS that are not corrected within 30 days; and

(C) Is mutually agreeable to the owner and the family.

(ii) If the conditions for in-place substantial improvement in paragraph (a)(3)(i) of this section cannot be achieved, the owner must temporarily relocate the family to complete the substantial improvement if:

(A) The PHA reasonably expects that the owner can complete the relocation and substantial improvement within a single calendar month (beginning no sooner than the first day of a month and ending no later than the last day of the same month); and

(B) The family can be relocated to a location and in a manner mutually agreeable to the owner and the family; and

(iii) If the conditions for in-place substantial improvement in paragraph (a)(3)(i) of this section and temporary relocation in paragraph (a)(3)(ii) of this section cannot be achieved, the following protocol for lease termination and relocation applies:

(A) If there are contract units within the project will meet HQS during the period of substantial improvement and that are vacant or expected to become vacant at the time of the planned lease termination, the PHA must refer the family to the owner for occupancy of an appropriate-size contract unit. If the family accepts the offered unit, the owner must provide the family with a reasonable time to move to the offered unit, must pay the family's reasonable moving expenses, must execute a lease with the family for the offered unit to be effective at the time of the family's move, and must terminate the lease for the family's original unit at the time of the family's move. The owner must terminate the family's lease if the family rejects the offered unit; however, the PHA must first offer the family a different unit or

tenant-based assistance under paragraph (a)(3)(iii)(B) of this section if needed as a reasonable accommodation under Section 504, the Fair Housing Act, or the Americans with Disabilities Act (ADA), for a household member who is a person with disabilities. The PHA must consider other family requests for a different unit or tenant-based assistance under paragraph (a)(3)(iii)(B) of this section;

(B) If no other contract unit within the project is available for the family to lease during the period of substantial improvement, the PHA must issue the family a tenant-based voucher. However, the PHA is not required to issue the family a voucher if the PHA has offered the family an alternative housing option (*e.g.,* an assisted unit in another PBV project), and the family chooses to accept the alternative housing option instead of the voucher. The PHA may also issue the family a tenant-based voucher to accommodate the family's need or request as provided in paragraph (a)(3)(iii)(A) of this section. The PHA

must issue the voucher no fewer than 90 calendar days prior to the planned lease termination in the case of substantial improvement pursuant to paragraph (a)(1)(ii) of this section. The PHA must issue the voucher as soon as practicable in the case of substantial improvement pursuant to paragraph (a)(1)(i) of this section. If the family is eligible and willing to request a voucher to move in accordance with § 983.261, the PHA must issue the family the voucher to move under that section. If the family is not eligible or is unwilling to request a voucher to move under § 983.261, the PHA must remove the family's unit from the PBV HAP contract and issue the family its voucher to move with tenant-based assistance and subsequently add a unit back to the PBV HAP contract at such time that the unit is ready for occupancy. The PHA must extend the voucher term until the family either leases a unit with the tenant-based voucher or accepts a contract unit, whichever occurs first; and

(C) If the family moves from the project during the period of substantial improvement, the PHA must offer the family the option to return to the project with PBV assistance, if the family is eligible for PBV assistance, following completion of substantial improvement at the project. The PHA, or owner in the case of an absolute selection preference for occupancy in the project.

(4) The PHA must abate housing assistance payments for a unit beginning at the time the unit has any deficiency under HUD's HQS during the period of substantial improvement. The timing for the PHA to begin withholding and abatement specified in § 983.208(d) does not apply to deficiencies occurring during the period of substantial improvement. When all deficiencies in the unit are corrected, the PHA must recommence payments to the owner if the unit is still occupied by an assisted family, subject to paragraphs (a)(5) and (b)(1) of this section. Additionally, the PHA must not pay vacancy payments during the period of substantial improvement.

(5) The terms of the PHA approval must be recorded in an addendum to the HAP contract. The PHA may choose to temporarily remove vacant units from the PBV HAP contract during the time the units will not meet HQS during the substantial improvement. If the PHA temporarily removes a unit, the PHA reinstates the unit in accordance with § 983.207(b). Owner failure to complete the substantial improvement as approved shall be a breach of the HAP contract and the PHA may exercise any of its rights or remedies under the HAP contract, including but not limited to contract termination pursuant to § 983.206(c)(2).

(b*) Applicable Requirements.*

(1) Substantial improvement undertaken on units that are currently under a HAP contract is subject to the Federal equal employment opportunity requirements of Executive Orders 11246 as amended (3 CFR, 1964-1965 Comp., p. 339), 11625 (3 CFR, 1971-1975 Comp., p. 616), 12432 (3 CFR, 1983 Comp., p. 198), and 12138 (3 CFR, 1977 Comp., p. 393).

(2) As applicable, the design and construction requirements of the Fair Housing Act and implementing regulations at 24 CFR 100.205; the accessibility requirements of Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR part 8, including 8.22 and 8.23; and Title II of the Americans with Disabilities Act (42 U.S.C. 12131-12134) and implementing regulations at 28 CFR part 35, including §§ 35.150 and 35.151, apply to substantial improvement undertaken on units that are currently under a HAP contract.

(3) Any substantial improvement undertaken on units that are currently under a HAP contract that constitutes substantial rehabilitation as defined by 24 CFR 5.100 of a building with more than four rental units and where the proposal or project selection date or the start of the substantial improvement while under a HAP contract is after January 19, 2017, must include installation of broadband infrastructure, as this term is defined in 24 CFR 5.100, except where the owner determines and documents the determination that:

(i) The location of the substantial rehabilitation makes installation of broadband infrastructure infeasible;

(ii) The cost of installing broadband infrastructure would result in a fundamental alteration in the nature of its program or activity or in an undue financial burden; or

(iii) The structure of the housing to be substantially rehabilitated makes installation of broadband infrastructure infeasible.

(4) An owner or project principal who is on the U.S. General Services Administration list of parties excluded from Federal procurement and non-procurement programs, or who is debarred, suspended subject to a limited denial of participation, or otherwise excluded under 2 CFR part 2424, may not participate in substantial improvement undertaken on units subject to a HAP contract. The HAP contract must include a certification by the owner that the owner and other project principals (including the officers and principal members, shareholders, investors, and other parties having a substantial interest in the project) are not on such list and are not debarred, suspended subject to a limited denial of participation, or otherwise excluded under 2 CFR part 2424.

(5) An owner must disclose any possible conflict of interest that would be a violation of the HAP contract or HUD regulations, in accordance with § 982.161 of this title.

(6) The requirements for additional assistance after HAP contract at § 983.11(d) apply to substantial improvement undertaken on units that are currently under a HAP contract.

(7) Section 983.155, Completion of work, applies to substantial improvement undertaken on units that are currently under a HAP contract.

(8) Section 983.156(a), Inspection of units, and (d), PHA-owned units, apply to substantial improvement undertaken on units that are currently under a HAP contract.

(c) **PHA-owned units.** For PHA-owned units, the independent entity must determine whether to approve the PHA proposal to undertake substantial improvement as provided in paragraph (a) of this section, including making the determinations in paragraphs (a)(3)(i) and (a)(3)(ii)(A) when the owner will undertake substantial improvement in a unit currently occupied by an assisted family, as applicable (see § 983.57(b)(4)). The independent entity must approve the proposal if:

(1) The proposed substantial improvement meets one of the conditions of paragraph (a)(1) of this section;

(2) The description of the substantial improvement does not include plans to demolish a building containing contract units and newly construct replacement units; and

(3) The plan to house each family during the period that family's unit will not meet HQS complies with the requirements of paragraph (a)(3).

V. OCCUPANCY

How Participants are Selected. § 983.25

(a) Who may receive PBV assistance?

(1) The PHA may select families who are participants in the PHA's tenant-based voucher program and families who have applied for admission to the voucher program or the PBV specific wait list.

(2) Except for voucher participants (determined eligible at original admission to the voucher program), the PHA may only select families determined eligible for admission at commencement of PBV assistance, using information received and verified by the PHA within a period of 60 days before commencement of PBV assistance. For all families, the PHA must determine the total tenant payment for the family is less than the gross rent, such that the unit will be eligible for a monthly HAP. CMHA will not enter into an agreement for assistance otherwise.

(3) The protections for victims of domestic violence, dating violence, sexual assault, or stalking in 24 CFR part 5, subpart L, apply to admission to the project-based program.

(4) A PHA may not approve a tenancy if the owner (including a principal or other interested party) of a unit is the parent, child, grandparent, grandchild, sister, or brother of any member of the family, unless the PHA determines that approving the unit would provide reasonable accommodation under Section 504, the Fair Housing Act, or the Americans with Disabilities Act (ADA), for a household member who is a person with disabilities.

(b) **Protection of in-Place Families.**

(1) To minimize displacement of in-place families, if an in-place family is determined to be eligible prior to placement of the family's unit on the HAP contract, the in-place family must be placed on the PBV waiting list (if the family is not already on the list) and given an absolute selection preference. If the PHA's waiting list for PBV assistance is not a project-specific waiting list, the PHA must refer the family to the applicable project owner for an appropriate-size PBV unit in the specific project.

(2) If the in-place family is a tenant-based voucher participant, program eligibility is not re-determined. However, the PHA must determine that the total tenant payment for the family is less than the gross rent for the unit, such that the unit will be eligible for a monthly HAP, and the PHA may deny or terminate assistance for the grounds specified in 24 CFR 982.552 and 982.553.

(i) During the initial term of the lease under the tenant-based tenancy, an in-place tenant-based voucher family may agree, but is not required, to mutually terminate the lease with the owner and enter into a lease and tenancy under the PBV program. If the family chooses to continue the tenant-based assisted tenancy, the unit may not be added to the PBV HAP contract. The owner may not terminate the lease for other good cause during the initial term unless the owner is terminating the tenancy because of something the family did or failed to do in accordance with 24 CFR 982.310(d)(2). The owner is expressly prohibited from terminating the tenancy during the initial term of the lease based on the family's failure to accept the offer of a new lease or revision, or for a business or economic reason.

(ii) If, after the initial term, the owner chooses not to renew the lease or terminates the lease for other good cause (as defined in 24 CFR 982.310(d)) to end the tenant-based assisted tenancy, the family would be required to move with continued tenant-based assistance or relinquish the tenant-based voucher and enter into a new lease to receive PBV assistance in order to remain in the unit.

(4) Admission of in-place families is not subject to income-targeting under 24 CFR 982.201(b)(2)(i).

(c) **Selection from Waiting List.**

(1) Applicants who will occupy PBV units must be selected from the waiting list for the PBV program.

(2) The PHA must identify in the Administrative Plan which of the following options it will use to structure the waiting list for the PBV program:

(i) The PHA may use a separate, central, waiting list comprised of more than one, or all,.

PBV Projects

CMHA will maintain and use a separate wait list for each PBV project using the policies described in Chapters 3, 4 and 5 of the Administrative Plan. Some of the wait list may offer a preference(s) as part of its tenant selection process, those preferences and projects are listed in Chapters 3, 4 and 5 of this Administrative Plan. The owner of each project/property will qualify applicant families for rental suitability for their units. CMHA will ensure that the family is eligible for the voucher program in accordance with program rules and regulations.

(ii) The PHA may use the same waiting list for both tenant-based assistance and some or all PBV projects; or

(iii) The PHA may use separate waiting lists for PBV units in individual projects or buildings (or for sets of such units). This option may be used in combination with the option in paragraph (c)(2)(i) or (ii) of this section. The PHA must specify the name of the PBV project in the Administrative Plan. The PHA may permit the owner to maintain such waiting lists (see paragraph (c)(7) of this section for more information).

(5) For any of the options under paragraph (c)(2) of this section, the PHA may establish in its Administrative Plan any preferences for occupancy of particular units including the name of the project(s) and the specific preferences that are to be used by project. Criteria for occupancy of units (*e.g.,* elderly families) may also be established; however, selection of families must be done through an admissions preference (4) The PHA may merge the waiting list for PBV assistance with the PHA waiting list for admission to another assisted housing program.

(6) Where applicable, the PHA may place families referred by the PBV owner on its PBV waiting list.

(7) If the PHA chooses to use a separate waiting list for admission to PBV units under paragraphs (c)(2)(i) and (iii) of this section, the PHA must offer to place applicants who are listed on the waiting list for tenant-based assistance on the waiting list for PBV assistance (including owner-maintained PBV waiting lists).

(8) CMHA has not chosen this option but PHAs using separate waiting lists for individual projects or buildings, as described in paragraph (c)(2)(iii) of this section, may establish in their Administrative Plan that owners will maintain such waiting lists. PHAs may choose to use owner-maintained PBV waiting lists for specific owners or projects. PHAs may permit an owner to maintain a single waiting list across multiple projects owned by the owner. Under an owner-maintained waiting list, the owner is responsible for carrying out responsibilities including, but not limited to, processing changes in applicant information, removing an applicant's name from the waiting list, opening and closing the waiting list.

PHAs must identify in their Administrative Plans the name of the project(s), the oversight procedures the PHA will use to ensure owner-maintained waiting lists are administered properly and in accordance with program requirements, and the approval process of an owner's waiting list policy (including any preferences). Where a PHA allows for owner-maintained waiting lists, all the following apply:

(i) The owner must develop and submit a written owner waiting list policy to the PHA for approval. The owner waiting list policy must include policies and procedures concerning waiting list management and selection of applicants from the project's waiting list, including any admission preferences, procedures for removing applicant names from the waiting list, and procedures for closing and reopening the waiting list. The owner must receive approval from the PHA of its owner waiting list policy in accordance with the process established in the PHA's Administrative Plan. The owner's waiting list policy must be incorporated in the PHA's Administrative Plan.

(ii) The owner must receive approval from the PHA for any preferences that will be applicable to the project. The PHA will approve such preferences as part of its approval of the owner's waiting list policy. Each project may have a different set of preferences. Preferences must be consistent with the PHA Plan and listed in the owner's waiting list policy.

(iii) The owner is responsible for opening and closing the waiting list, including providing public notice when the owner opens the waiting list in accordance with 24 CFR 982.206. If the owner-maintained waiting list is open and additional applicants are needed to fill vacant units, the owner must give public notice in accordance with the requirements of 24 CFR 982.206 and the owner waiting list policy.

(iii) The applicant may apply directly at the project, or the applicant may request that the PHA refer the applicant to the owner for placement on the project's waiting list. The PHA must disclose to the applicant all the PBV projects available to the

applicant, including the projects' contact information and other basic information about the project.

(iv) Applicants already on the PHA's waiting list must be permitted to place their names on the project's waiting lists.

(vi) At the discretion of the PHA, the owner may make preliminary eligibility determinations for purposes of placing the family on the waiting list, and preference eligibility determinations. The PHA may choose to make this determination rather than delegating it to the owner.

(vii) If the PHA delegated the preliminary eligibility and preference determinations to the owner, the owner is responsible for notifying the family of the owner's determination not to place the applicant on the waiting list and a determination that the family is not eligible for a preference. In such a case, the owner is responsible to provide the notice at 24 CFR 982.554(a) of this title. The PHA is then responsible for conducting the informal review.

(viii) Once an owner selects the family from the waiting list, the owner refers the family to the PHA who then determines the family's final program eligibility. The owner may not offer a unit to the family until the PHA determines that the family is eligible for the program.

(ix) All HCV waiting list administration requirements that apply to the PBV program (24 CFR part 982, subpart E, other than 24 CFR 982.201(e), 982.202(b)(2), and 982.204(d)) apply to owner-maintained waiting lists.

(x) The PHA is responsible for oversight of owner-maintained waiting lists to ensure that they are administered properly and in accordance with program requirements, including but not limited to nondiscrimination and equal opportunity requirements under the authorities cited at 24 CFR 5.105(a). The owner is responsible for maintaining complete and accurate records as described in 24 CFR 982.158. The owner must give the PHA, HUD, and the Comptroller General full and free access to its offices and records concerning waiting list management, as described in 24 CFR 982.158(c). HUD may undertake investigation to determine whether the PHA or owner is in violation of authorities and, if unable to reach a voluntary resolution to correct the violation, take an enforcement action against either the owner or the PHA, or both.

(8) Not less than 75 percent of the families admitted to a PHA's tenant-based and project-based voucher programs during the PHA fiscal year from the PHA waiting list shall be extremely low-income families. The income-targeting requirements at 24 CFR 982.201(b)(2) apply to the total of admissions to the PHA's project-based voucher program and tenant-based voucher program during the PHA fiscal year

from the PHA waiting list (including owner-maintained PBV waiting lists) for such programs.

(9) Families who require particular accessibility features for persons with disabilities must be selected first to occupy PBV units with such accessibility features (see 24 CFR 8.26, 8.27, and 100.202). Also see § 983.260. The PHA shall have some mechanism for referring to accessible PBV units a family that includes a person with a mobility or sensory impairment.

(d) **Preference for Services Offered.** In selecting families, PHAs (or owners in the case of owner-maintained waiting lists) may give preference to families who qualify for voluntary services, including disability-specific services, offered at a particular project, consistent with the PHA Plan and Administrative Plan.

(1) The prohibition on granting preferences to persons with a specific disability at 24 CFR 982.207(b)(3) continues to apply.

(2) Families must not be required to accept the particular services offered at the project nor shall families be required to provide their own equivalent services if they decline the project's services.

(3) In advertising the project, the owner may advertise the project as offering services for a particular type of disability; however, the preference must be provided to all applicants who qualify for the voluntary services offered in conjunction with the assisted units.

(e) **Offer of PBV Assistance or Owner's Rejection.**

(1) If a family refuses the PHA's offer of PBV assistance or the owner rejects a family for admission to the owner's PBV units, the family's position on the PHA waiting list for tenant-based assistance is not affected regardless of the type of PBV waiting list used by the PHA.

(2) The impact (of a family's rejection of the offer or the owner's rejection of the family) on a family's position on the PBV waiting list will be determined as follows:

(i) If a central PBV waiting list is used, the PHA's Administrative Plan must address the number of offers a family may reject without good cause before the family is removed from the PBV waiting list and whether the owner's rejection will impact the family's place on the PBV waiting list.

(ii) If a project-specific PBV waiting list is used, the family's name is removed from the project's waiting list connected to the family's rejection of the offer without good cause or the owner's rejection of the family. The family's position on any other project-specific PBV waiting list is not affected.

(iii) The PHA must define “good cause” for purposes of paragraphs (e)(2)(i) and (ii) of this section in its Administrative Plan. The PHA's definition of good cause must include, at minimum, that:

(A) The family determines the unit is not accessible to a household member with a disability or otherwise does not meet the member's disability-related needs.

(B) The unit has HQS deficiencies.

(C) The family is unable to accept the offer due to circumstances beyond the family's control (such as hospitalization, temporary economic hardship, or natural disaster); and

(D) The family determines the unit presents a health or safety risk to a household member who is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, as provided in part 5, subpart L of this title.

CMHA defines *good cause* as the items listed in 2 (iii) A-D along with the following:

- The family's failure to respond to communications from the owner regarding unit offers; and
- The family's inability to qualify for the selected property based the owner's tenant selection plan.

(3) None of the following actions may be taken against an applicant solely because the applicant has applied for, received, or refused an offer of PBV assistance:

(i) Refuse to list the applicant on the PHA waiting list for tenant-based assistance or any other available PBV waiting list. However, the PHA (or owner in the case of owner-maintained waiting lists) is not required to open a closed waiting list to place the family on that waiting list.

(ii) Deny any admission preference for which the applicant is currently qualified.

(iii) Change the applicant's place on the waiting list based on preference, date, and time of application, or other factors affecting selection from the waiting list.

(iv) Remove the applicant from the waiting list for tenant-based voucher assistance.

PHA Information for Accepted Family. § 983.252

(a) **Oral Briefing.** When a family accepts an offer of PBV assistance, the PHA must give the family an oral briefing.

(1) The briefing must include information on the following subjects:

(i) A description of how the program works;

(ii) Family and owner responsibilities; and

(iii) Family right to move.

(2) The PHA must take appropriate steps to ensure effective communication in accordance with 24 CFR 8.6 and 28 CFR part 35, subpart E, and must provide information on the reasonable accommodation process.

(b) **Information Packet.** The PHA must give the family a packet that includes information on the following subjects:

(1) How the PHA determines the total tenant payment for a family.

(2) Family obligations under the program; and

(3) Information on Federal, State, and local equal opportunity laws, the contact information for the Section 504 coordinator, a copy of the housing discrimination complaint form, and information on how to request a reasonable accommodation or modification under Section 504, the Fair Housing Act, and the Americans with Disabilities Act.

(4) PHA subsidy standards, including when the PHA will consider granting exceptions to the standards as allowed by 24 CFR 982.402(b)(8), and when exceptions are required as a reasonable accommodation for a person with disabilities under Section 504, the Fair Housing Act, or the Americans with Disabilities Act; and

(5) Family right to move.

(c) **Statement of Family Responsibility.** The PHA and family must sign the statement of family responsibility.

(d) **Providing Information for Persons with Limited English Proficiency.** The PHA must take reasonable steps to ensure meaningful access by persons with limited English proficiency in accordance with obligations and procedures contained in Title VI of the Civil Rights Act of 1964, and HUD's implementing regulation at 24 CFR part 1. Executive Order 13166, and HUD's *Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons* (72 FR 2732) or successor authority.

Leasing of Contract Units. § 983.253

(a) **Owner Selection of Tenants.**

(1) During the term of the HAP contract, the owner must lease contract units only to eligible families selected from the waiting list for the PBV program in accordance with § 983.251 of this part.

(2) The owner is responsible for adopting written tenant selection policies and/or 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 perform the lease obligations. The policies and procedures must be compliant to all federal fair housing laws and requirements.

(3) An owner must promptly notify in writing any rejected applicant of the grounds for any rejection. The owner must provide a copy of such rejection notice to the PHA.

(4) The owner must comply with 24 CFR part 5, subpart L (Protection for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking).

(b) **Size of Unit.** The contract unit leased to each family must be appropriate for the size of the family under the PHA's subsidy standards.

(c) The protections for victims of domestic violence, dating violence, sexual assault, or stalking in 24 CFR part 5, subpart L, apply to tenant screening.

Vacancies. § 983.254

(a) **Filling Vacant Units.**

(1) The PHA and the owner must make reasonable good-faith efforts to minimize the likelihood and length of any vacancy in a contract unit. However, contract units in a rehabilitated housing project undergoing development activity after HAP contract execution that are not available for occupancy in accordance with § 983.157(e)(5) are not subject to this requirement.

(i) If an owner-maintained waiting list is used, in accordance with § 983.251, the owner must promptly notify the PHA of any vacancy or expected vacancy in a contract unit and refer the family to the PHA for final eligibility determination. The PHA must make every reasonable effort to make such final eligibility determination within 30 calendar days.

(ii) If a PHA-maintained waiting list is used, in accordance with § 983.251, the owner must promptly notify the PHA of any vacancy or expected vacancy in a contract unit, and the PHA must, after receiving the owner notice, make every reasonable effort to promptly refer a sufficient number of families for the owner to fill such vacancies within 30 calendar days.

(2) The owner must lease vacant contract units only to families determined eligible by the PHA.

(b) **Reducing Number of Contract Units.** If any contract units have been vacant for a period of 120 days or more since owner notice of vacancy, as required in paragraph (a) of this section, and notwithstanding the reasonable good-faith efforts of the PHA and the owner to fill such vacancies, the PHA may give notice to the owner amending the HAP contract to reduce the number of contract units by subtracting the number of contract units (by number of bedrooms) that have been vacant for such period. Reduction in units on a contract will be via a HAP Contract Addendum.

CMHA will not conduct screenings for a family's rental suitability only program eligibility.

Tenant Screening. § 983.255

(a) **PHA Option.**

(1) The PHA has no responsibility or liability to the owner or any other person for the family's behavior or suitability for tenancy. However, the PHA may opt to screen applicants for family behavior or suitability for tenancy and may deny admission to an applicant based on such screening.

(2) The PHA must conduct tenant screening of applicants in accordance with policies stated in the PHA Administrative Plan.

(b) **Owner Responsibility.**

(1) The owner is responsible for screening and selection of the family to occupy the owner's unit.

(2) The owner is responsible for screening families on the basis of their tenancy histories. An owner may consider a family's background with respect to such factors as:

(i) Payment of rent and utility bills.

(ii) Caring for a unit and premises.

(iii) Respecting the rights of other residents to the peaceful enjoyment of their housing.

(iv) Drug-related criminal activity or other criminal activity that is a threat to the health, safety, or property of others; and

(v) Compliance with other essential conditions of tenancy.

(c) **Providing tenant Information to Owner.**

(1) The PHA must give the owner:

(i) The family's current and prior address (as shown in the PHA records); and

(ii) The name and address (if known to the PHA) of the landlord at the family's current and any prior address.

(2) When a family wants to lease a dwelling unit, the PHA may offer the owner other information in the PHA possession about the family, including information about the tenancy history of family members or about drug trafficking and criminal activity by family members.

(3) The PHA must give the family a description of the PHA policy on providing information to owners.

(4) The PHA policy must be stated in the Administrative Plan and provide that the PHA will give the same types of information to all owners.

(d) The protections for victims of domestic violence, dating violence, sexual assault, or stalking in 24 CFR part 5, subpart L, apply to tenant screening.

Lease. § 983.256

(a) **Tenant's Legal Capacity.** 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.

(b) **Form of Lease**

(1) The tenant and the owner must enter a written lease for the unit. The lease must be executed by the owner and the tenant.

(2) If the owner uses a standard lease form for rental to unassisted tenants in the locality or the premises, the lease must be in such standard form, except as provided in paragraph (b)(4) of this section. If the owner does not use a standard lease form for rental to unassisted tenants, the owner may use another form of lease, such as a PHA model lease.

(3) In all cases, the lease must include a HUD-required tenancy addendum. The tenancy addendum must include, word-for-word, all provisions required by HUD.

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

(c) **Required Information.** The lease must specify all of the following:

(1) The names of the owner and the tenant.

(2) The unit rented (address, apartment number, if any, and any other information needed to identify the leased contract unit).

(3) The term of the lease (initial term and any provision for renewal).

(4) The amount of the tenant rent to owner. The tenant rent to owner is subject to change during the term of the lease in accordance with HUD requirements.

(5) A specification of what services, maintenance, equipment, and utilities are to be provided by the owner; and

(6) The amount of any charges for food, furniture, or supportive services.

(d) **Tenancy Addendum**

(1) The tenancy addendum in the lease shall state:

(i) The program tenancy requirements (as specified in this part);

(ii) The composition of the household as approved by the PHA (names of family members and any PHA-approved live-in aide).

(2) All provisions in the HUD-required tenancy addendum must be included in the lease. The terms of the tenancy addendum shall prevail over other provisions of the lease.

(e) ***Changes in Lease***

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

(2) The owner must notify the PHA in advance of any proposed change in lease requirements governing the allocation of tenant and owner responsibilities for utilities. Such changes may be made only if approved by the PHA and in accordance with the terms of the lease relating to its amendment. The PHA must redetermine reasonable rent, in accordance with § 983.303(c), based on any change in the allocation of responsibility for utilities between the owner and the tenant, and the redetermined reasonable rent shall be used in calculation of rent to owner from the effective date of the change.

(f) **Term of Lease**

(1) The initial lease term must be for at least one year.

(2) The lease must provide for automatic renewal after the initial term of the lease. The lease may provide either:

(i) For automatic renewal for successive definite terms (e.g., month-to-month or year-to-year); or

(ii) For automatic indefinite extension of the lease term.

(3) The term of the lease terminates if any of the following occurs:

(i) The owner terminates the lease for good cause.

(ii) The tenant terminates the lease.

(iii) The owner and the tenant agree to terminate the lease.

(iv) The PHA terminates the HAP contract; or

(v) The PHA terminates assistance for the family.

(g) **Lease Provisions Governing Absence from the Unit** The lease may specify a maximum period of family absence from the unit that may be shorter than the maximum period permitted by PHA policy. (PHA termination-of-assistance actions due to family absence from the unit are subject to 24 CFR 982.312, except that the

unit is not terminated from the HAP contract if the family is absent for longer than the maximum period permitted.)

Owner Termination of Tenancy and Eviction. § 983.257

24 CFR 982.310 of this title applies with the exception that 24 CFR 982.310(d)(1)(iii) and (iv) does not apply to the PBV program. (In the PBV program, "good cause" does not include a business or economic reason or desire to use the unit for an individual, family, or non-residential rental purpose.) In addition, the owner may terminate the tenancy in accordance with the requirements related to lease terminations for development activity on units under a HAP contract as provided in § 983.157(g)(6)(iii) and for substantial improvement to units under a HAP contract as provided in § 983.212(a)(3)(iii). 24 CFR 5.858 through 5.861 on eviction for drug and alcohol abuse and 24 CFR part 5, subpart L (Pr **21 - 62** or Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking) apply to the PBV program.

Continuation of Housing Assistance Payments. § 983.258

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

Security Deposit: Amounts Owed by Tenant. § 983.259

(a) ***Security Deposit Permitted.*** The owner may collect a security deposit from the tenant. This option will be an arrangement between the tenant and the owner.

(b) ***Amount of Security Deposit.*** The PHA must prohibit the owner from charging assisted tenants security deposits in excess of private market practice, or in excess of amounts charged by the owner to unassisted tenants.

(c) ***Use of Security Deposit.*** When the tenant moves out of the 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 which the tenant owes under the lease.

(d) ***Security Deposit Reimbursement to Owner.*** 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.

The owner must give the tenant a written list of all items charged against the security deposit and the amount of each item in accordance with local and/or state law. After deducting the amount used to reimburse the owner, the owner must promptly refund the full amount of the balance to the tenant. If the security deposit does not cover the

amount owed by the tenant under the lease, the owner may seek to collect the balance from the tenant. The PHA has no liability or responsibility for payment of any amount owed by the family to the owner.

(e) ***Insufficiency of Security Deposit.*** If the security deposit is not sufficient to cover amounts the tenant owes under the lease, the owner may seek to collect the balance from the tenant. However, the PHA has no liability or responsibility for payment of any amount owed by the family to the owner.

Overcrowded, Under-Occupied, and Accessible Units. § 983.260

(a) ***Family Occupancy of Wrong-Size or Accessible Unit.***

(1) The PHA subsidy standards determine the appropriate unit size for the family size and composition.

(2) If the PHA determines that a family is occupying a wrong-size unit, or a unit with accessibility features that the family does not require and the unit is needed by a family that requires the accessibility features (see 24 CFR 8.27), the PHA must:

(i) Within 30 days from the PHA's determination, notify the family and the owner of this determination; and

(ii) Within 60 days from the PHA's determination, offer the family continued housing assistance, pursuant to paragraph (b) of this section.

CMHA will notify the family and the owner of the family's need to move based on the occupancy of a wrong-size or accessible unit within a prompt period of the PHA's determination and remedy.

(b) ***PHA Offer of Continued Assistance.***

(1) The PHA policy on continued housing assistance must be stated in the Administrative Plan and may be in the form of:

(i) PBV assistance in an appropriate-size unit (in the same project or in another project);

(ii) Other project-based housing assistance (*e.g.,* by occupancy of a public housing unit);

(iii) Tenant-based rental assistance under the voucher program; or

(iv) Other comparable tenant-based rental assistance.

(2) If no continued housing assistance as described in paragraph (b)(1) of this section is available, the PHA must remove the wrong-size or accessible unit from the HAP contract to make voucher assistance available to issue the family a tenant-based voucher. Section 983.206(b) does not apply to families issued a tenant-based voucher under the circumstance described in this paragraph (b)(2).

(c) ***PHA Termination of Housing Assistance Payments.***

(1) If the PHA offers the family the opportunity to receive tenant-based rental assistance under the voucher program:

(i) The PHA must terminate the housing assistance payments for a wrong-sized or accessible unit at the earlier of the expiration of the term of the family's voucher (including any extension granted by the PHA) or the date upon which the family vacates the unit.

(ii) If the family does not move out of the wrong-sized unit or accessible unit by the expiration date of the term of the family's voucher, the PHA must remove the unit from the HAP contract.

(2) If the PHA offers the family another form of continued housing assistance (other than tenant-based rental assistance under the voucher program), in accordance with paragraph (b)(1) of this section, the PHA must terminate the housing assistance payments for the wrong-sized or accessible unit and remove the unit from the HAP contract when:

(i) In the case of an offer by the PHA of PBV assistance or other project-based housing assistance in an appropriate-size unit, the family does not accept the offer and does not move out of the PBV unit within a reasonable time as determined by the PHA, not to exceed 90 days. The family may request and the PHA may grant one extension not to exceed up to an additional 90 days to accommodate the family's efforts to locate affordable, safe, and geographically proximate replacement housing.

(ii) In the case of an offer by the PHA of PBV assistance or other project-based housing assistance in an appropriate size unit, the family accepts the offer but does not move out of the PBV unit within a reasonable time as determined by the PHA, not to exceed 90 days.

(iii) In the case of an offer by the PHA of other comparable tenant-based rental assistance, the family either accepts or does not accept the offer but does not move out of the PBV unit within a reasonable time as determined by the PHA, not to exceed 90 days. The family may request and the PHA may grant one extension not to exceed up to an additional 90 days to accommodate the family's efforts to locate, affordable, safe, and geographically proximate replacement housing.

(d) **Reinstatement.** The PHA may reinstate a unit removed under paragraph (b)(2), (c)(1)(ii), or (c)(2) of this section to the HAP contract after the family vacates the property, in accordance with § 983.207(b).

Family Right to Move. § 983.261

(a) **Termination of Assisted Lease After One Year.** The family may terminate the assisted lease at any time after one year of PBV assistance. The family must give

the owner advance written notice of intent to vacate (with a copy to the PHA) in accordance with the lease.

(b) **Continued Assistance.** If the family has elected to terminate the lease in accordance with paragraph (a) of this section, the PHA must offer the family the opportunity for continued tenant-based rental assistance. The PHA must specify in the Administrative Plan whether it will offer families assistance under the voucher program or other comparable tenant-based rental assistance. If voucher assistance is offered to the family and the search term expires, the PHA must issue the voucher to the next eligible family.

(c) **Contacting the PHA.** Before providing notice to terminate the lease under *paragraph (a)* of this section, a family must contact the PHA to request a voucher or comparable tenant-based rental assistance if the family wishes to move with continued assistance. If a voucher or other comparable tenant-based rental assistance is not immediately available to the family upon the family's request to the PHA, the PHA must give the family priority to receive the next available opportunity for continued tenant-based rental assistance. The PHA must describe in its Administrative Plan its policies and procedures for how the family must contact the PHA and how the PHA documents families waiting for continued tenant-based rental assistance.

(d) **Termination of Assisted Lease Before One Year.** If the family terminates the assisted lease before one year of PBV assistance, the family relinquishes the opportunity for continued tenant-based assistance under this section.

(e) **Notice Exclusion.** When the family or a member of the family is or has been the victim of domestic violence, dating violence, sexual assault, or stalking, as provided in 24 CFR part 5, subpart L, and the move is needed to protect the health or safety of the family or family member, the family is not required to give the owner advance written notice or contact the PHA under paragraph (a) and (c), respectively, of this section before moving from the unit. Additionally, when any family member has been the victim of a sexual assault that occurred on the premises during the 90-calendar-day period preceding the family's request to move, the family is not required to give the owner advance written notice or contact the PHA under paragraph (a) and (c), respectively, of this section before moving from the unit. A PHA may not terminate the assistance of a family due to a move occurring under the circumstances in this paragraph (e) and must offer the family the opportunity for continued tenant-based assistance if the family had received at least one year of PBV assistance prior to moving.

(f) **Emergency Transfer Plans.** In the case of a move due to domestic violence, dating violence, sexual assault, or stalking, as provided in 24 CFR part 5, subpart L, PHAs must describe policies for facilitating emergency transfers for families with PBV assistance in their Emergency Transfer Plan, consistent with the requirements in 24 CFR 5.2005(e), including when the victim has received PBV assistance for less than one year and is not eligible for continued assistance under § 983.261(b).

When the victim of domestic violence, dating violence, sexual assault, or stalking has lived in the unit for less than one year, CMHA will provide several options for continued assistance. The PHA will first try to transfer the participant to another PBV unit in the

same development or transfer to a different development where the PHA has PBV units. The PHA will expedite the administrative processes in this case in an effort to conduct the transfer as quickly as possible. If no units are available for an internal transfer, or if there is reasonable cause to believe that such a transfer would put the victim in jeopardy, the participant may receive continued assistance through an external transfer to either tenant-based rental assistance (HCV) or assistance in the PHA's public housing program. Such a decision will be made by the PHA based on the availability of tenant-based vouchers and/or vacancies in public housing units. Such families must be selected from the waiting list for the applicable program.

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

(g) **Family Break-Up.** If a family break-up results from an occurrence of domestic violence, dating violence, sexual assault, or stalking as provided in 24 CFR part 5, subpart L (Protection for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking), the PHA must ensure that the victim retains assistance in accordance with 24 CFR 982.315(a)(2).

Moving with Continued Assistance under Choice Mobility

If the family wishes to move with continued tenant-based assistance under choice mobility, the family must contact CMHA to request the rental assistance prior to providing notice to terminate the lease. If the family terminates the lease in accordance with lease requirements, CMHA is required to offer the family the opportunity for continued tenant-based assistance, in the form of a voucher or other comparable tenant-based rental assistance. If a voucher or other comparable tenant-based assistance is not immediately available, the PHA must give the family priority to receive the next available opportunity for continued tenant-based assistance. Families are eligible to move with continued assistance under choice mobility after 12 months of occupancy and who are considered to be *in good standing* with the project-based property. If the family terminates the assisted lease before the end of the first year, the family relinquishes the opportunity for continued tenant-based assistance.

Occupancy of Units Under the Increased Program CAP and Project CAP Excepted Units. § 983.262

(a) ***General.*** Pursuant to § 983.6(a), a PHA may commit project-based assistance to no more than 20 percent of its authorized voucher units at the time of commitment. There are certain units eligible for an increased program cap as described in § 983.6(d). Pursuant to § 983.54(a), the PHA may not select a proposal to provide PBV assistance or place units under an Agreement or a HAP contract in excess of the project cap. There are certain exceptions to the project cap as described in § 983.54(c). This section provides more detail on the occupancy requirements of both

the excepted units from the project cap under § 983.54(c)(2) and units under the increased program cap under § 983.6(d).

(b) **Requirements Applicable to Both Excepted Units and Units Under an Increased Program CAP.**

(1) The unit must be occupied by a family who meets the applicable exception.

(2) The family must be selected from the waiting list for the PBV program through an admissions preference (see § 983.251).

(3) Once the family vacates the unit, the unit must be made available to and occupied by a family that meets the applicable exception.

(4) The PHA must specify in its Administrative Plan which of the options below the PHA will take if a unit is no longer qualified for its excepted status or the increased program cap:

(i) Substitute the unit for another unit if it is possible to do so in accordance with § 983.207(a), so that the overall number of excepted units or units under the increased program cap in the project is not reduced. A PHA may, in conjunction with such substitution, add the original unit to the HAP contract if it is possible to do so in accordance with § 983.207(b), including that such addition does not cause the PHA to exceed the program cap or become non-compliant with the project cap.

(ii) Remove the unit from the PBV HAP contract. In conjunction with the removal, the PHA may provide the family with tenant-based assistance, if the family is eligible for tenant-based assistance. The family and the owner may agree to use the tenant-based voucher in the unit; otherwise, the family must move from the unit with the tenant-based voucher. If the family later vacates the unit, the PHA may add the unit to the PBV HAP contract in accordance with § 983.207.

(iii) Change the unit's status under the project cap or program cap, as applicable, provided that the change does not cause the PHA to exceed the program cap or become non-compliant with the project cap.

(c) **Requirements for Units Under the Increased Program CAP** —

(1) **Homeless Family.** A unit qualifies under the increased program cap at § 983.6(d)(1)(i) if the family meets the definition of homeless under Section 103 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11302), included in 24 CFR 578.3, at the time the family first occupies the unit.

(2) **Veteran Family.** A unit qualifies under the increased program cap at § 983.6(d)(1)(ii) if the family is comprised of or includes a veteran (a person who served in the active military, naval, air, or space service, and who was discharged or released therefrom) at the time the family first occupies the unit.

(3) **Supportive Housing for Persons with Disabilities or Elderly Persons.** The following applies to the increased program cap category at § 983.6(d)(1)(iii):

(i) A disabled or elderly member of the family must be eligible for one or more of the supportive services at the time the family first occupies the unit. The member of the family may choose not to participate in the services.

(ii) The PHA must state in its Administrative Plan whether it will allow a family that initially qualified for supportive housing for persons with disabilities or elderly persons to continue to reside in a unit, where through circumstances beyond the control of the family (*e.g.,* death of the elderly family member or family member with a disability or long term or permanent hospitalization or nursing care), the elderly family member or family member with a disability no longer resides in the unit. In this case, the unit may continue to count under the increased program cap

category for as long as the family resides in that unit. However, the requirements of § 983.260, concerning wrong-sized units, apply. If the PHA chooses not to exercise this discretion, the unit no longer counts under the increased program cap category and, if the family is not required to move from the unit as a result of § 983.260, the PHA may use one of the options described in paragraph (b)(4) of this section.

(4) **Units for Family Unification Program (FUP) youth.** See paragraph (e) of this section for requirements relating to the increased program cap category at § 983.6(d)(2).

(d) **Requirements for Project CAP Excepted Units** —

(1) **Elderly Family.** A unit under the project cap exception category at § 983.54(c)(2)(i) must be occupied by an elderly family, as defined in 24 CFR 5.403. The PHA must state in its Administrative Plan whether it will allow a family that initially qualified for occupancy of an excepted unit based on elderly family status to continue to reside in a unit, where through circumstances beyond the control of the family (*e.g.,* death of the elderly family member or long term or permanent hospitalization or nursing care), the elderly family member no longer resides in the unit. In this case, the unit may continue to count as an excepted unit for as long as the family resides in that unit. However, the requirements of § 983.260, concerning wrong-sized units, apply. If the PHA chooses not to exercise this discretion, the unit is no longer considered excepted and, if the family is not required to move from the unit as a result of § 983.260, the PHA may use one of the options described in paragraph (b)(4) of this section.

(2) **Disabled Family.** The same provisions of paragraph (d)(1) of this section apply to units previously excepted based on disabled family status under a HAP contract in effect prior to April 18, 2017.

(3) **Supportive Services.** The following applies under the project cap exception category at § 983.54(c)(2)(iii):

(i) A unit is excepted if any member of the family is eligible for one or more of the supportive services even if the family chooses not to participate in the services.

(ii) If any member of the family chooses to participate and successfully completes the supportive services, the unit continues to be excepted for as long as any member of the family resides in the unit, even if the members that continue to reside in the unit are ineligible during tenancy for all available supportive services.

(iii) The unit loses its excepted status only if the entire family becomes ineligible during the tenancy for all supportive services available to the family. This provision does not apply where any member of the family has successfully completed the supportive services under paragraph (c)(2) of this section.

(iv) A family cannot be terminated from the program or evicted from the unit because they become ineligible for all supportive services during the tenancy.

(4) **Units for FUP Youth.** See paragraph (e) of this section for requirements relating to the increased project cap exception category at § 983.54(c)(2)(ii).

(e) **Requirements for Units for FUP Youth Under the Increased Program CAP and Project CAP Exception.** The following applies under the project cap exception category at § 983.54(c)(2)(ii) and the increased program cap category at § 983.6(d)(2):

(1) A unit is excepted from the project cap or qualifies under the increased program cap, as applicable, if the unit is occupied by an eligible youth receiving FUP assistance.

(2) The youth must vacate the unit once the FUP assistance has expired. The unit loses its excepted status or no longer qualifies under the increased program cap, as applicable, if the youth does not move from the unit upon the expiration of the FUP assistance.

W. RENT TO OWNER

Determining the Rent to Owner. § 983.301

(a) **Initial and Redetermined Rents.**

(1) The amount of the initial and redetermined rent to owner is determined in accordance with this section and § 983.302.

(2) The amount of the initial rent to owner is established at the beginning of the HAP contract term. For rehabilitated or newly constructed housing, the Agreement states the estimated amount of the initial rent to owner, but the actual amount of the initial rent to owner is established at the beginning of the HAP contract term.

(3) The rent to owner is also redetermined in accordance with § 983.302.

(b) **Amount of Rent to Owner.** Except for certain tax credit units as provided in paragraph (c) of this section, the rent to owner must not exceed the lowest of:

(1) An amount determined by the PHA in accordance with the Administrative Plan not to exceed 110 percent of the applicable fair market rent (or the amount of any applicable exception payment standard) for the unit bedroom size minus any utility allowance;

(2) The reasonable rent; or

(3) The rent requested by the owner.

(c) ***Rent to owner for certain tax credit units.***

(1) This paragraph (c) applies if:

(i) A contract unit receives a low-income housing tax credit under the Internal Revenue Code of 1986 (see 26 U.S.C. 42)

(ii) The contract unit is not located in a qualified census tract;

(iii) In the same building, there are comparable tax credit units of the same unit bedroom size as the contract unit and the comparable tax credit units do not have any form of rental assistance other than the tax credit; and

(iv) The tax credit rent exceeds the applicable fair market rental (or any exception payment standard) as determined in accordance with paragraph (b) of this section.

(2) In the case of a contract unit described in paragraph (c)(1) of this section, the rent to owner must not exceed the lowest of:

(i) An amount determined by the PHA in accordance with the Administrative Plan, not to exceed the tax credit rent minus any utility allowance.

(ii) The reasonable rent; or

(iii) The rent requested by the owner.

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

(4) A "qualified census tract" is any census tract (or equivalent geographic area defined by the Bureau of the Census) in which:

(i) At least 50 percent of households have an income of less than 60 percent of Area Median Gross Income (AMGI); or

(ii) Where the poverty rate is at least 25 percent and where the census tract is designated as a qualified census tract by HUD.

(d) **Rent to Owner for Other Tax Credit Units.** Except in the case of a tax-credit unit described in paragraph (c)(1) of this section, the rent to owner for all other tax credit units may be determined by the PHA pursuant to paragraph (b) of this section.

(e) **Reasonable Rent.** The PHA shall determine the reasonable rent in accordance with § 983.303. The rent to the owner for each contract unit may at no time exceed the reasonable rent, except in cases where the PHA has elected within the HAP contract not to reduce rents below the initial rent to owner and, upon redetermination of the rent to owner, the reasonable rent would result in a rent below the initial rent. If the PHA has not elected within the HAP contract to establish the initial rent to owner as the rent floor, the rent to owner shall not at any time exceed the reasonable rent.

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

(f) **Use of FMRs and Utility Allowance Schedule in Determining the Amount of Rent to Owner.**

(1) When determining the initial rent to owner, the CMHA will use the most recently published FMR in effect and the utility allowance schedule in effect at execution of the HAP contract. At its discretion, CMHA may use the amounts in effect at any time during the 30-day period immediately before the beginning date of the HAP contract.

(2) When redetermining the rent to owner, CMHA will use the most recently published FMR and the PHA utility allowance schedule in effect at the time of redetermination. At its discretion, CMHA may use the amounts in effect at any time during the 30-day period immediately before the redetermination date.

(3)

(i) For PBV projects that are not located in a designated SAFMR area under 24 CFR 888.113(c)(1), or for PBV projects not located in a ZIP code where the PHA has opted in under 24 CFR 888.113(c)(3), any exception payment standard amount approved under 24 CFR 982.503(d)(2)-(4) applies for purposes of paragraphs (b)(1) and (c)(1)(iv) of this section. HUD will not approve a different payment standard amount for use in the PBV program.

(ii) For PBV projects that are located in a designated SAFMR area under 24 CFR 888.113(c)(1), or for PBV projects located in a ZIP code where the PHA has opted in under 24 CFR 888.113(c)(3), an exception payment standard amount approved under 24 CFR 982.503(d)(3)-(4) will apply for purposes of paragraphs (b)(1) and (c)(1)(iv) of this section only if the PHA has adopted a

policy applying SAFMRs to its PBV program and met all other requirements in accordance with 24 CFR 888.113(h).

(4) HUD may establish a process allowing PHAs to adopt project-specific utility allowances by notification in the Federal Register subject to public comment. Absent the establishment of such a project-specific utility allowance, the PHA's utility allowance schedule as determined under 24 CFR 982.517(b)(2)(i) or (ii) applies to both the tenant-based and PBV programs.

(5) The PHA must continue to use the applicable utility allowance schedule for the purpose of determining the initial rent to owner and redetermining the rent to owner for contract units, as outlined in this 24 CFR 983.301, regardless of whether the PHA approves a higher utility allowance as a reasonable accommodation for a person with disabilities living in a contract unit (see 24 CFR 982.517(e)).

(g) **PHA-Owned Units.** For PHA-owned PBV units, the initial rent to owner and the annual redetermination of rent at the annual anniversary of the HAP contract will be determined by the independent entity approved by HUD in accordance with § 983.57. CMHA must use the rent to owner established by the independent entity.

Redetermination of Rent to Owner. § 983.302

(a) **Requirement to Redetermine the Rent to Owner.** The PHA must redetermine the rent to the owner:

(1) When there is a 10 percent decrease in the published FMR.

(2) Upon the owner's request consistent with requirements established in the PHA's Administrative Plan. The Administrative Plan must specify any advance notice the owner must give the PHA and the form the request must take; or

(3) At the time of the automatic adjustment by an operating cost adjustment factor (OCAF) in accordance with paragraph (b)(3).

(b) **Rent Increase.**

(1) An owner may receive an increase in the rent to owner during the term of a HAP contract. Any such increase will go into effect at the annual anniversary of the HAP contract. (Provisions for special adjustments of contract rent pursuant to 42 U.S.C. 1437f(c)(2)(B) do not apply to the voucher program.)

(2) A rent increase may occur through automatic adjustment by an operating cost adjustment factor (OCAF) or as the result of an owner request for such an increase. A rent increase as the result of an owner request must be determined by the PHA pursuant to § 983.301(b) or (c), as applicable. A rent increase through an adjustment by an OCAF is likewise subject to § 983.301(b) or (c), as applicable, except there is no rent request by the owner to take into account since the PHA redetermines the rent automatically under that option.

(3) By agreement of the parties, the HAP contract may provide for rent adjustments using an operating cost adjustment factor (OCAF) established by the Secretary pursuant to Section 524(c) of the Multifamily Assisted Housing Reform and Affordability Act of 1997 at each annual anniversary of the HAP contract. OCAFs are established by the Secretary and published annually in the Federal Register. The provisions in the following paragraphs apply to a contract that provides rent adjustments using an OCAF:

(i) The contract may require an additional increase up to an amount determined by the PHA pursuant to § 983.301(b) or (c), as applicable, if requested by the owner in writing, periodically during the term of the contract.

(ii) The contract shall require an additional increase up to an amount determined by the PHA pursuant to § 983.301(b) or (c), as applicable, at the point of contract extension, if requested by the owner in writing.

(4) If the HAP contract does not provide for automatic adjustment by an OCAF, then an owner who wishes to receive an increase in the rent to owner must request such an increase at the annual anniversary of the HAP contract by written notice to the PHA.

(5) The PHA must establish the length of the required notice period for any rent increase that requires a written request from the owner. The written request must be submitted as required by the PHA (*e.g.,* to a particular mailing address or email address).

(6) The PHA may not approve and the owner may not receive any increase of rent to owner until and unless the owner has complied with all requirements of the HAP contract, including compliance with the HQS (except that HQS compliance is not required for purposes of this provision for units undergoing development activity that complies with § 983.157 or substantial improvement that complies with § 983.212). The owner may not receive any retroactive increase of rent for any period of noncompliance.

(c) **Rent Decrease**

(1) If the HAP contract provides for rent adjustments by an OCAF and there is a decrease in the fair market rent, tax credit rent, or reasonable rent that requires a decrease to the rent to owner (see paragraph (b)(2)), the rent to owner must be decreased. If the HAP contract does not provide for adjustment by an OCAF and there is a decrease in the rent to owner, as established in accordance with § 983.301, the rent to owner must be decreased, regardless of whether the owner requests a rent adjustment.

(2) At any time during the term of the HAP contract, the PHA may elect within the HAP contract to not reduce rents below the initial rent to owner. Where a PHA makes such an election, the rent to owner shall not be reduced below the initial rent to owner, except:

(i) To correct errors in calculations in accordance with HUD requirements.

(ii) If additional housing assistance has been combined with PBV assistance after the execution of the initial HAP contract and a rent decrease is required pursuant to § 983.153(b); or

(v) If a decrease in rent to owner is required based on changes in the allocation of responsibility for utilities between the owner and the tenant.

CMHA has elected under its policy to not reduce the rent to owner below the initial rent to owner with the exceptions listed above under (2) i, ii and iii.

(d) **Notice of Change in Rent to Owner.** Whenever there is a change in rent to owner, the PHA must provide written notice to the owner specifying the amount of the new rent to owner (as determined in accordance with §§ 983.301 and 983.302). The PHA notice of the rent change in rent to owner constitutes an amendment of the rent to owner specified in the HAP contract.

(e) **Contract Year and Annual Anniversary of the HAP Contract.**

(1)The 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.

(2) The annual anniversary of the HAP contract is the first day of the first calendar month after the end of the preceding contract year. The adjusted rent to the owner applies for the period of 12 calendar months from the annual anniversary of the HAP contract.

(3) The annual anniversary of the HAP contract for contract units completed in stages must follow § 983.207(g).

Reasonable Rent [24 CFR 983.303]

(a) **Comparability Requirement.** At all times during the term of the HAP contract, the rent to the owner for a contract unit may not exceed the reasonable rent as determined by the PHA, except that where the PHA has elected in the HAP contract to not reduce rents below the initial rent under the initial HAP contract, the rent to owner shall not be reduced below the initial rent in accordance with § 983.302(c)(2).

(b) **Redetermination.** The PHA must redetermine the reasonable rent:

(1) Whenever there is a 10 percent 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 in effect 1 year before the contract anniversary.

(2) Whenever the PHA approves a change in the allocation of responsibility for utilities between the owner and the tenant.

(3) Whenever the HAP contract is amended to add a contract unit or substitute a different contract unit in the same building or project.

(4) Whenever the PHA accepts a completed unit after development activity that is conducted after HAP contract execution (see § 983.156(b)(3)); and

(5) Whenever there is any other change that may substantially affect the reasonable rent.

(c) **How to Determine Reasonable Rent.**

(1) The reasonable rent of a contract unit must be determined by comparison to rent for other comparable unassisted units.

(2) In determining the reasonable rent, the PHA must consider factors that affect market rent, such as:

(i) The location, quality, size, unit type, and age of the contract unit; and

(ii) Amenities, housing services, maintenance, and utilities to be provided by the owner.

(3) The reasonable rent determination must be based on the condition of the assisted unit at the time of the determination and not on anticipated future unit conditions.

(d) **Comparability Analysis.**

(1) For each unit, the PHA comparability analysis must use at least three comparable units in the private unassisted market, which may include comparable unassisted units in the premises or project.

(2) The PHA must retain a comparability analysis that shows how the reasonable rent was determined, including major differences between the contract units and comparable unassisted units.

(3) The comparability analysis may be performed by PHA staff or by another qualified person or entity. A person or entity that conducts the comparability analysis and any PHA staff or contractor engaged in determining the housing assistance payment based on the comparability analysis may not have any direct or indirect interest in the property.

(e) **Owner Certification of Comparability.** By accepting each monthly housing assistance payment from the PHA, the owner certifies that the rent to owner is not more than rent charged by the owner for comparable unassisted units in the premises. The owner must give the PHA information requested by the PHA on rents charged by the owner for other units in the premises or elsewhere.

(f) **Determining Reasonable Rent for PHA-Owned Units.**

(1) For PHA-owned units, the amount of the reasonable rent must be determined by an independent entity in accordance with § 983.57, rather than by the PHA. The reasonable rent must be determined in accordance with this section.

(2) The independent entity must furnish a copy of the independent entity determination of reasonable rent for PHA-owned units to the PHA.

Other Subsidy: Effect on Rent to Owner. § 983.304

(a) **General.** In addition to the rent limits established in accordance with § 983.301 and 24 CFR 982.302, the following restrictions apply to certain units.

(b) **HOME.** For units assisted under the HOME program, rents may not exceed rent limits as required by the HOME program (24 CFR 92.252).

(c) **Subsidized Projects.**

(1) This paragraph (c) applies to any contract units in any of the following types of federally subsidized project:

(i) An insured or non-insured Section 236 project.

(ii) A formerly insured or non-insured Section 236 project that continues to receive Interest Reduction Payment following a decoupling action.

(iii) A Section 221(d)(3) below market interest rate (BMIR) project.

(iv) A Section 515 project of the Rural Housing Service.

(v) Any other type of federally subsidized project specified by HUD.

(2) The rent to owner may not exceed the subsidized rent (basic rent) as determined in accordance with requirements for the applicable federal program listed in paragraph (c)(1) of this section.

(d) **Combining Subsidy.** Rent to owner may not exceed any limitation required to comply with HUD subsidy layering requirements. See § 983.55.

(e) **Other Subsidy: Rent Reduction.** To comply with HUD subsidy layering requirements, at the direction of HUD or its designee, a PHA shall reduce the rent to owner because of other governmental subsidies, including tax credits or tax exemptions, grants, or other subsidized financing.

(f) **Prohibition of Other Subsidy.** For provisions that prohibit PBV assistance to units in certain types of subsidized housing, see § 983.54.

Rent to Owner: Effect of Rent Control and Other Rent Limits. § 983.305

In addition to the limitation to 110 percent of the FMR in § 983.301(b)(1), the rent reasonableness limit under §§ 983.301(b)(2) and 983.303, the rental determination provisions of § 983.301(f), the special limitations for tax credit units under § 983.301(c), and other rent limits under this part, the amount of rent to owner also may be subject to rent control or other limits under local, state, or federal law.

W. Payment to Owner

§ 983.351 PHA Payment to Owner for Occupied Unit.

(a) **When Payments are Made.**

(1) During the term of the HAP contract, the PHA shall make housing assistance payments to the owner in accordance with the terms of the HAP contract. The payments shall be made for the months during which a contract unit is leased to and actually occupied by an eligible family.

(2) Except for discretionary vacancy payments in accordance with § 983.352, the PHA may not make any housing assistance payment to the owner for any month after the month when the family moves out of the unit (even if household goods or property are left in the unit).

(b) **Monthly Payment.** Each month, the PHA shall make a housing assistance payment to the owner for each contract unit that complies with the HQS and is leased to and occupied by an eligible family in accordance with the HAP contract.

(c) **Calculating Amount of Payment.** The monthly housing assistance payment by the PHA to the owner for a contract unit leased to a family is the rent to owner minus the tenant rent (total tenant payment minus the utility allowance).

(d) **Prompt Payment.** The housing assistance payment by the PHA to the owner under the HAP contract must be paid to the owner on or about the first day of the month for which payment is due, unless the owner and the PHA agree on a later date.

(e) **Owner Compliance with Contract.** To receive housing assistance payments in accordance with the HAP contract, the owner must comply with all the provisions of the HAP contract. Unless the owner complies with all the provisions of the HAP contract, the owner does not have a right to receive housing assistance payments.

Vacancy Payment. § 983.352

(a) **Payment for Move-Out Month.** If an assisted family moves out of the unit, the owner may keep the housing assistance payment payable for the calendar month when the family moves out ("move-out month"). However, the owner may not keep the payment if the PHA determines that the vacancy is the owner's fault.

(b) **Vacancy Payment at PHA Discretion.**

(1) At the discretion of the PHA, the HAP contract may provide for vacancy payments to the owner (in the amounts determined in accordance with paragraph (b)(2) of this section) for a PHA-determined period of vacancy extending from the beginning of the first calendar month after the move-out month for a period not exceeding two full months following the move-out month. The PHA must include in its Administrative Plan the PHA's policy on the conditions under which it will allow vacancy payments in a HAP contract, the duration of the payments, amount of vacancy payments it will make to an owner, and the required form and manner of

requests for vacancy payments, in accordance with paragraph (b)(4) of this section.

(2) The vacancy payment to the owner for each month of the maximum two-month period will be determined by the PHA and cannot exceed the monthly rent to owner under the assisted lease, minus any portion of the rental payment received by the owner (including amounts available from the tenant's security deposit). Any vacancy payment may cover only the period the unit remains vacant.

(3) The PHA may make vacancy payments to the owner only if:

(i) The owner gives the PHA prompt, written notice certifying that the family has vacated the unit and containing the date when the family moved out (to the best of the owner's knowledge and belief).

(ii) The owner certifies that the vacancy is not the fault of the owner and that the unit was vacant during the period for which payment is claimed.

(iii) The owner certifies that it has taken every reasonable action to minimize the likelihood and length of vacancy; and

(iv) The owner provides any additional information required and requested by the PHA to verify that the owner is entitled to the vacancy payment.

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

Tenant Rent; Payment to Owner. § 983.353

(a) **PHA Determination.**

(1) The tenant rent is the portion of the rent to owner paid by the family. The PHA determines the tenant rent in accordance with HUD requirements.

(2) Any changes in the amount of the tenant rent will be effective on the date stated in a notice by the PHA to the family and the owner.

(b) **Tenant Payment to Owner.**

(1) The family is responsible for paying the tenant rent (total tenant payment minus the utility allowance).

(2) The amount of the tenant rent as determined by the PHA is the maximum amount the owner may charge the family for rent of a contract unit. The tenant rent is payment for all housing services, maintenance, equipment, and utilities to be provided by the owner without additional charge to the tenant, in accordance with the HAP contract and lease.

(3) The owner may not demand or accept any rent payment from the tenant in excess of the tenant rent as determined by the PHA. The owner must immediately return any excess payment to the tenant.

(4) The family is not responsible for payment of the portion of the rent to owner covered by the housing assistance payment under the HAP contract. The owner may not terminate the tenancy of an assisted family for nonpayment of the PHA housing assistance payment.

(c) **Limit of PHA Responsibility.**

(1) The PHA is responsible only for making housing assistance payments to the owner on behalf of a family in accordance with the HAP contract. The PHA is not responsible for paying the tenant rent, or for paying any other claim by the owner.

(2) The PHA may not use housing assistance payments or other program funds (including any administrative fee reserve) to pay any part of the tenant rent or to pay any other claim by the owner. The PHA may not make any payment to the owner for any damage to the unit, or for any other amount owed by a family under the family's lease or otherwise.

(d) **Utility Reimbursement.**

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

(2) The PHA must describe in its Administrative Plan its policies on paying the utility reimbursement directly to the family or directly to the utility supplier.

(3) If the PHA chooses to pay the utility supplier directly, the PHA must notify the family of the amount paid to the utility supplier.

In accordance with CMHA's policy, it will make utility allowance reimbursement payments to the family.

Other Fees and Charges. § 983.354

(a) **Meals and Supportive Services.**

(1) Except as provided in paragraph (a)(2) of this section, the owner may not require the tenant or family members to pay charges for meals or supportive services. Non-payment of such charges is not grounds for termination of tenancy.

(2) In assisted living developments receiving project-based assistance, owners may charge tenants, family members, or both for meals or supportive services. These charges may not be included in the rent to owner, nor may the value of meals and supportive services be included in the calculation of reasonable rent. Non-

payment of such charges is grounds for termination of the lease by the owner in an assisted living development.

(b) ***Other Charges by Owner.*** The owner may not charge the tenant or family members extra amounts for items customarily included in rent in the locality or provided at no additional cost to unsubsidized tenants in the premises.

Chapter 23

The Rental Assistance Demonstration Program (RAD)

OVERVIEW AND HISTORY OF THE RAD PROGRAM

The Rental Assistance Demonstration (RAD) program was authorized in 2012 in order to assess the effectiveness of converting public housing, moderate rehabilitation properties, and units under the rent supplement and rental assistance payments programs to long-term, project-based Section 8 rental assistance. The program's four primary objectives are to:

- Preserve and improve public and other assisted housing.
- Standardize the administration of the plethora of federally subsidized housing programs and rules. The conversions are intended to promote operating efficiency by using a Section 8 project-based assistance model that has proven successful and effective for over 30 years. In other words, RAD aligns eligible properties more closely with other affordable housing programs.
- Attract private market capital for property renovations. Through the use of this model, properties may be able to leverage private debt and equity to make capital repairs.
- Increase tenant mobility opportunities.

Under the first component, a PHA with public housing units may submit an application to HUD to convert some or all their public housing units to long-term, project-based Section 8 HAP contracts under either:

- Project-based rental assistance (PBRA) under HUD's Office of Multifamily Housing Programs.
- Project-based vouchers (PBVs) under HUD's Office of Public and Indian Housing (PIH).

With respect to public housing, the focus of RAD is housing preservation, as stated above, and, specifically, moving public housing projects to the PBV or PBRA platform in order more readily to leverage capital investment in the projects while minimizing any effects on residents in place at the time of the conversion. Many of the differences between the traditional PBV program and the RAD PBV program grow out of RAD's focus on preservation. For example:

- As part of the RAD application process, HUD considers a project's capital needs and whether project rents will be sufficient to address immediate capital needs, sustain operations over time, and fund a reserve for replacement 6 adequate to address long-term capital needs. Following conversion, owners of RAD PBV–assisted projects are required to make regular deposits to the reserve for replacement. There are no such HUD requirements in the traditional PBV program.

- RAD PBV contracts must be renewed unless otherwise directed or approved by HUD; for example, in the case of a transfer of assistance following conversion.

- Under the traditional PBV program, a contract may be terminated or simply not extended upon expiration.

- An owner may remove a unit from a RAD PBV HAP contract following conversion only with prior HUD approval. In the traditional PBV program, HUD approval to remove a unit is not required to remove a unit from a contract.

This chapter will focus on public housing conversions to the PBV program under RAD. In order to distinguish between requirements for public housing conversion under RAD and PBV units under the standard PBV program, we will refer to the standard PBV program and the RAD PBV program. The standard PBV program follows many of the same regulations as the tenant-based HCV program, but not all of them, and the RAD PBV program follows many of the same regulations as the standard PBV program, but not all of them.

Unless otherwise specified in this chapter, CMHA's polies and procedures governing the Project Based Voucher program will apply.

A. APPLICABLE REGULATIONS

On the whole, the regulations for both the standard and RAD PBV programs generally follow the regulations for the tenant-based HCV program found at 24 CFR Part 982. However, important parts of the tenant-based regulations do not apply to the project-based program. 24 CFR Part 983 outlines the sections of 24 CFR Part 982 that are not applicable to the project-based program. For the RAD PBV program, Congress authorized HUD to waive certain statutory and regulatory provisions or establish alternative requirements from the standard PBV program. These provisions are identified in Notice PIH 2019-23 (issued September 5, 2019). Any non-RAD PBV units located in the covered project are subject to the same waivers and alternative requirements where noted in Notice PIH 2019-23 and in this policy. Otherwise, all regulatory and statutory requirements for the standard PBV program in 24 CFR Part 983 and Section 8(o)(13) of the Housing Act of 1937, and all applicable standing and subsequent Office of Public and Indian Housing (PIH) notices and guidance, including related handbooks, apply to RAD PBV. This includes environmental review, Davis-Bacon, and fair housing requirements. RAD is authorized by the Consolidated and Further Continuing Appropriations Act of 2012 (Public Law 112-55, approved November 18, 2011), as amended by the Consolidated Appropriations Act of 2014 (Public Law 113-76, approved January 17, 2014), the Consolidated and Further Continuing Appropriations Act of 2015 (Public Law 113-235, approved December 6, 2014), the Consolidated Appropriations Act of 2016 (Public Law 114-113, approved December 18, 2015), the Consolidated Appropriations Act, 2017 (Public Law 115-31, approved May 5, 2017), and section 237 of Title II, Division L, Transportation, Housing and Urban Development, and Related Agencies, of the Consolidated Appropriations Act, 2018 (Public Law 115-141, approved March 23, 2018) collectively, the "RAD Statute."

Requirements specific to the RAD program may be found in the following:

- Generally, public housing projects converting assistance under RAD are bound by the terms of the notice in effect at the time of closing.
- Except with respect to changes in the project eligibility and selection criteria, not included in this policy, which are effective after a 30-day comment period.
- Except with respect to changes in the project eligibility and selection criteria, not included in this policy, which were effective after a 30-day comment period.
    - RAD Quick Reference Guide for Public Housing Converting to PBV Assistance (6/20)
    - RAD Welcome Guide for New Awardees: RAD 1st Component (3/15)

B. EQUAL OPPORTUNITY REQUIREMENTS [24 CFR 983.8; 24 CFR 5.105; Notice PIH 2016-17]

RAD conversions are governed by the same civil rights authorities that govern HUD-assisted activities in general. These authorities prohibit discrimination and impose affirmative obligations on HUD program participants. PHAs must comply with all applicable fair housing and civil rights laws, including but not limited to the Fair Housing Act, Title VI of the Civil Rights Act of 1964, and Section 504 of the Rehabilitation Act of 1973, when conducting relocation planning and providing relocation assistance. For example, people with disabilities returning to the RAD project may not be turned away or placed on a waiting list due to a lack of accessible units. Their need for an accessible unit must be accommodated. See the RAD Fair Housing, Civil Rights, and Relocation Notice [Notice PIH 2016-17] for more information.

C. TRANSFERS OF ASSISTANCE

Under the traditional PBV program, a PBV HAP contract may not be transferred from one property to another. RAD allows for transfers of assistance47 under three scenarios: as part of conversion, post-conversion, or if HUD terminates the HAP contract at one project as the result of a default of the RAD use agreement or HAP contract.

If an owner intends to transfer assistance as part of the RAD conversion, then this information must be included in the PHA's Five-Year Annual, or MTW Plan and must be consistent with the Consolidated Plan. In addition, the owner must include a brief narrative in its financing plan, describing the plans for the project.

D. RAD PBV HAP CONTRACT

The RAD PBV program employs contracts and closing documents that differ from those used in the traditional PBV program. The RAD contracts and closing documents are available on the RAD Resource Desk. The RAD PBV HAP contract is based on the traditional PBV HAP Contract for New Construction or Rehabilitation, with modifications to reflect RAD-specific requirements. Unlike in the traditional PBV program, HUD reviews and approves the RAD PBV HAP contract prior to its execution.

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

The RAD PBV program uses the PBV HAP contract for new construction or rehabilitated housing (Form HUD-52530A), as modified by the RAD rider (Form HUD-52621). For closings on or after January 1, 2018, HUD incorporated the RAD rider directly into the standard PBV HAP contract. For closing that occurred prior to January 1, 2018, the RAD rider must be attached to the PBV HAP contract. The distinction between "existing housing" and "rehabilitated and newly constructed housing" is overridden by RAD requirements.

The project must also have an initial RAD use agreement. All public housing RAD conversion properties financed with LIHTC are also required to include an LIHTC rider. Execution and Effective Date of the HAP Contract [RADBlast! 7/11/16] RAD PBV projects do not employ an Agreement to Enter into a Housing Assistance Payments (AHAP) contract like in the standard PBV program. Rather, when the conditions of the CHAP and the RCC are met and the conversion has closed, the PHA executes the HAP contract.

Project owners may select the effective date of the HAP contract as the first day of either of the two months following the complete closing.

The initial term of the HAP contract may not be for less than 15 years and may be for a term of up to 20 years upon the request of the owner and with approval of the administering voucher agency. Upon expiration of the initial term of the contract, and upon each renewal term of the contract, the owner **must** accept each offer to renew the contract, for the prescribed number and mix of units, either on the site of the project subject to the expiring contract or, upon request of the project owner and subject to PHA and HUD approval, at another site through a future transfer of assistance. Contracts are subject to the terms and conditions applicable at the time of each offer and further subject to the availability of appropriations for each year of each such renewal. To implement this provision, HUD is waiving section 8(o)(13)(F) of The United States Housing Act of 1937, which permits a minimum term of one year, as well as 24 CFR 983.205(a), which governs the contract term

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

CMHA may not make any HAP payment to the owner for a contract unit during any period in which the unit does not comply with HQS. If CMHA determines that a contract unit does not comply with HQS, the PHA may exercise any of its remedies under the HAP contract,

for any or all the contract units. Available remedies include termination of housing assistance payments, abatement or reduction of housing assistance payments, reduction of contract units, and termination of the HAP contract.

1. Parties to the RAD PBV HAP Contract

As in the traditional PBV program, the RAD PBV HAP contract is signed by the project owner and the Contract Administrator. The Contract Administrator cannot be the same legal entity as the project owner (because a party may not enter into a contract with itself). Options available to the Contract Administrator include establishing a separate legal entity to sign the contract as the project owner. The separate legal entity may be a private person, partnership, or entity (including a cooperative), a non-profit entity, a PHA (other than the Contract Administrator), or other public entity that has the legal right to lease or sublease the dwelling units subject to the HAP contract. Alternatively, the project owner may enter into a contract with a separate legal entity (for example, a management company), providing that entity with the right to lease or sublease the dwelling units, and the Contract Administrator may sign the RAD PBV HAP contract with that separate legal entity.

2. Definition of "Project"

Units may be placed under one PBV HAP contract only if the units are in a single building or multiple buildings that meet the PBV definition of a "project."49 Buildings that do not meet the PBV definition of a project may not be placed under a single PBV HAP contract. Single-family, scattered-site projects are an exception; they may be placed under a single PBV HAP contract. The RAD Notice employs a broader definition of a project for purposes of RAD transactions. Under RAD, a project is defined as "a structure or group of structures that in HUD's determination are appropriately managed as a single project.

3. PHA Administering Contract

The RAD Notice uses the term "Contract Administrator" to refer to the voucher agency that executes a RAD PBV HAP contract with a project owner and administers the RAD PBV HAP contract. The Contract Administrator will receive an increment of voucher units under its Annual Contributions Contract (ACC) with HUD. The Contract Administrator may be:

- The same PHA as the PHA that is converting its public housing funding to RAD PBV assistance (i.e., a combined agency that, either directly or through an affiliate, administers an HCV program and public housing; see subsection 3.1 for a discussion of RAD PBV HAP contract signatories); or
- A voucher agency other than the PHA that is converting its public housing funding. Typically, this will occur if the PHA that is converting its public housing funding does not administer a voucher program or is unwilling to administer the RAD PBV HAP contract for the Covered Project. In either case, the PHA must identify in its RAD application the Contract Administrator that will administer the RAD PBV HAP contract. If requested, the local HUD Office of Public Housing will provide an applicant PHA with a list of voucher agencies that have jurisdictional authority to administer the contract. If there is no such agency —

or if there is such an agency but that agency is unwilling to administer the RAD PBV HAP contract — then the applicant PHA may want to consider converting its public housing to PBRA. If HUD selects the project for conversion, then the applicant PHA must submit a signed letter from the Contract Administrator evidencing that agency's willingness to administer the RAD PBV HAP contract.

4. Amendments to the HAP Contract

i. Floating Units

Upon request of the owner to the voucher agency that will administer the project, HUD will permit assistance to float among units within the project that are the same bedroom size. The unit to which assistance is floated must be comparable to the unit being replaced in quality and amenities. If the PHA chooses to float units, units are not specifically identified on the HAP contract, rather the HAP contract must specify the number and type of units in the property that are RAD PBV units. The property must maintain the same number and type of RAD units from the time of the initial HAP contract execution forward.

ii. **Reduction in HAP Contract Units**

Project owners are required to make available for occupancy by eligible tenants the number of assisted units under the terms of the HAP contract. The PHA may not reduce the number of assisted units without written HUD approval. Any HUD approval of a PHA's request to reduce the number of assisted units under contract is subject to conditions that HUD may impose. If units are removed from the HAP contract because a new admission's TTP comes to equal or exceed the gross rent for the unit and if the project is fully assisted, the PHA must reinstate the unit after the family has vacated the property. If the project is partially assisted, the PHA may substitute a different unit for the unit on the HAP contract in accordance with 24 CFR 983.207, or where the development has "floating" units.

Under RAD, a Contract Administrator must meet the threshold and planning requirements described below.

E. THRESHOLD REQUIREMENT

In order to be eligible to administer a RAD PBV HAP contract, a voucher agency must be classified as a Standard or High Performer under the Section Eight Management Assessment Program (SEMAP). If a voucher agency is classified as Troubled, then it must be making substantial progress under the Corrective Action Plan, and HUD must have determined that the factors resulting in the voucher agency's Troubled status will not affect its capacity to carry out a successful conversion under this Demonstration.

F. PLANNING REQUIREMENTS

A voucher agency that will administer a RAD PBV HAP contract must first establish a PBV program, which involves amending its PHA Plan and Administrative Plan. The program must be in place as soon as possible following issuance of a RAD CHAP contract. The local HUD field office will flag the project on the RAD Resource Desk if the

Contract Administrator has not taken these steps to establish a PBV program; that flag must be cleared prior to closing. Appendix II to Notice PIH 2017–21 addresses the PHA Plan and Administrative Plan requirements specific to a PHA that will administer a traditional PBV HAP contract. These requirements apply to a RAD PBV HAP Contract Administrator, as well; in some instances, the RAD requirements differ from those of the traditional program, as described below.

PHA Plan requirements. In the case of a Contract Administrator that is the same PHA as the PHA that is converting its public housing funding to RAD PBV assistance, the project-specific PHA Plan requirements (location of the units, the number of units that will be project-based at the site, the work that will be done at the project or site) may be met via their inclusion in the PHA's RAD-related amendment to the PHA Plan.

As with the traditional PBV program, any preferences that a Contract Administrator intends to adopt for a RAD PBV project must be consistent with the Contract Administrator's PHA Plan. For example, the Converting Project may be subject to an elderly housing designation under the public housing program. Since there is no such designation in the PBV program, the Contract Administrator may effectuate the same outcome only through the adoption of a site-specific preference, as discussed in paragraph 2.4.1. If the adoption of such preferences constitutes a significant amendment to the PHA's Plan, then the PHA must publish its amended PHA Plan for comment prior to adoption. Administrative Plan requirements. With respect to the Administrative Plan requirements, not all of the items listed in Appendix II to Notice PIH 2017–21 apply to the RAD PBV program.

Specifically, the procedures for owner submission and selection of PBV proposals (subparagraph (1)(a) of Appendix II) do not apply to RAD PBV projects, which are never subject to competitive selection requirements, nor does the requirement apply to describe a PHA's standard for deconcentrating poverty and expanding housing and economic opportunities (subparagraph (1)(b) of Appendix II).

In addition to identifying in its Administrative Plan how it will establish and maintain RAD PBV waiting lists, the Contract Administrator must identify how it will transition families from a Converting Project's public housing waiting list (subparagraph (1)(c) of Appendix II). CMHA will maintain separate wait list for each RAD PBV property in accordance to Chapters 3,4, & 22 of this plan.

Families who were living in the Converting Project prior to conversion are eligible to remain in the unit, and the unit will remain under the RAD PBV HAP contract, even if the family's total tenant payment (TTP) equals or exceeds the gross rent. Going forward, otherwise-qualified families whose TTP exceeds a unit's gross rent will be ineligible for admission to a RAD PBV unit in a Covered Project; the Contract Administrator must state in its Administrative Plan how it will handle such families (see paragraph 5.4.2, below).

Tenants in place at the time of RAD conversion are not subject to rescreening; CMHA will apply the screening policies contained in its Administrative Plan to future admissions (subparagraph (1)(d) of Appendix II).

Families who were in place at the time of conversion who reside in an under-occupied unit as described in subsection 3.3 may remain in place, but CMHA will not pay HAP for

such families, and future admissions will be subject to CMHA's policies regarding wrong-size units (subparagraph (1)(e) of Appendix II).

CMHA's policy on vacancy payments described under the regular PBV program (subparagraph (1)(f) of Appendix II) will apply to RAD PBV units.

For families who will be temporarily relocated to unassisted units during any rehabilitation or construction that takes place following execution of the RAD PBV HAP contract, the Administrative Plan must specify the criteria under which such families are eligible for admission to the Contract Administrator's voucher program (see subparagraph 5.1.1.b).

Under paragraph (2) of Appendix II, subparagraph (c), regarding cost-saving measures in the event of insufficient funding, applies to RAD PBV units.

Paragraph (7) of Appendix II, regarding a PHA's definition of a project, applies to RAD PBV units (see subsection 3.2).

The remaining subparagraphs do not apply for the following reasons:

- Subparagraph (a) regarding the PBV project cap does not apply to RAD PBV units (which are exempt from the project cap);
- The requirement to describe its intent to add units without a competition to an existing RAD PBV HAP contract does not apply (subparagraph (b)), because a Contract Administrator may not add units to a RAD PBV HAP contract (unless the units being added were previously removed from the RAD PBV HAP contract, for example because a family admitted to a Converted Project increased its income such that its TTP equaled or exceeded the gross rent, in which case the Contract Administrator must reinstate the unit aft
- r the family has moved from the unit);
- Since the competitive award of RAD PBV units is not a requirement, a Contract Administrator is not required to describe the work it will do at a project in order to be exempt from the requirement to award units through a competitive process (subparagraph (d)); and
- Since RAD PBV units are excepted from the program cap, a Contract Administrator need not define "veteran" in order to except units that are made available to house veterans (subparagraph (e)).

Finally, the Administrative Plan of a PHA that will administer a RAD PBV HAP contract must include the following:

- RAD's resident procedural rights.
- Whether the agency has adopted a voucher inventory turnover cap on Choice-Mobility moves.
- A description of preferences, restrictions, or geographic residency preferences that the Contract Administrator will employ in admitting families to a RAD PBV unit.
- An HCV selection preference for any families for which the PHA will be using HCVs for relocation; and

- A description of the PHA's policies with respect to the phase-in of tenant rent increases.

For the Administration of the RAD PBV units, CMHA will follow the regular PBV policies listed in this Plan.

G. PHA PARTNERSHIPS

RAD provides an option for two or more PHAs to "coordinate efforts and pool resources or capacity." Significant upfront planning will be required for any PHA interested in taking advantage of this option. See Section 1.5.L of the RAD Notice, which describes the option in detail and provides an example of how such a partnership might work.

H. PHA-OWNED UNITS

Under the PBV program, if the Contract Administrator is also the project owner and the units owned by the Contract Administrator meet the statutory definition of "PHA-owned units," then certain contract administration duties must be performed either by the unit of general local government or by a HUD-approved independent entity. The same is true for RAD PBV units; however, for RAD PBV units, the functions that are required to be performed by an independent entity are limited to conducting inspections and setting rents, including determining rent amounts as adjusted by an operating cost adjustment factor. CMHA's policy for PHA Owned units under the regular PBV program will be followed.

Under RAD, if a Contract Administrator asserts that a project does not meet the PBV definition of "PHA-owned units," then the Contract Administrator must provide to the local HUD field office a certification from counsel stating as much. The local HUD field office will review the certification in conjunction with local HUD counsel and will upload the certification (if accepted) to the RAD Resource Desk. If a certification has not been provided prior to closing and the local HUD field office does not see an independent entity listed in the RAD Resource Desk, then the project will be flagged. The flag must be cleared prior to closing.

PBV Percentage Limitation

Covered projects do not count against the maximum amount of assistance a PHA may utilize for the PBV program, which under the standard PBV program is set at 20 percent of the authorized units allocated to a PHA under the HCV program. To implement this provision, HUD is waiving section 8(o)(13)(B) of the 1937 Act as well as 24 CFR 983.6.

Unit Cap Limitation

When HUD published REV-3 of Notice PIH 2012-32, the cap on the number of assisted units in each project was eliminated. Under the standard PBV program the cap is set at the greater of 25 units or 25 percent of the units in the project. HUD is waiving this requirement, and projects governed by Notice PIH 2019-23 and Notice PIH 2012-32, REV-3 have no cap on the number of units that may receive PBV assistance in a project.

However, for projects that are governed by REV-2 of Notice PIH 2012-32, the cap on the number of PBV units in the project is increased to 50 percent. In these projects,

however, provided units met certain exception criteria, the PHA may have converted a larger number of units to RAD PBV. For projects governed by the requirements of Notice PIH 2012-32, REV-2 only, the following language applies:

- In general, the PHA may not 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 50 percent of the number of dwelling units (assisted or unassisted) in the project. However, PHAs may exceed the 50 percent limitation when units in the project are occupied by elderly and/or disabled families or families that will receive supportive services. These units are known as "excepted units" and do not count toward the project cap.

- For projects governed by the requirements of Notice PIH 2012-32, REV-2 choosing to include excepted units, additional policy decisions may be required.

I. OWNERSHIP OR CONTROL

The RAD statute requires that a Covered Project be owned or controlled by a public or not-for-profit entity. HUD will allow ownership of a Covered Project to be transferred to a tax credit entity controlled by a for-profit entity to facilitate the use of tax credits only if HUD determines that the PHA or a not-for-profit entity will preserve its interest in the property.

Note that a Contract Administrator may meet RAD's ownership and control requirement without having an ownership interest that meets the statutory definition of PHA-owned. Direct questions about ownership to your attorney and/or local HUD counsel.

J. OWNER RESPONSIBILITIES

This section addresses RAD PBV owner responsibilities.

1. RAD-Specific Requirements

Unlike owners of projects assisted under the traditional PBV program, owners of units assisted under a RAD PBV HAP contract must:

- Maintain commercially available property and liability insurance at all times.
- Receive HUD approval prior to refinancing or restructuring permanent debt.
- Establish an interest-bearing reserve for replacement account and make initial and annual deposits to it.
- Annually prepare and submit to the Contract Administrator's board of directors for approval an operating budget for the Covered Project.

Additional project management functions are described below.

2. Withdrawals from the Reserve for Replacement

Unlike the owner of a traditional PBV project, the owner of a RAD PBV project must maintain a reserve for replacement account. If the RAD PBV project has financing insured by the Federal Housing Administration (FHA), then the replacement reserves

must be maintained in accordance with the FHA Regulatory Agreement. For all other transactions, replacement reserves must be maintained in a bank account or similar instrument, as approved by HUD, where funds will be held by the project owner or mortgagee and may be drawn from the reserve account and used subject to HUD guidelines.

An owner that wishes to withdraw funds from the reserve for replacement account to address extraordinary maintenance and repair or replacement of capital items need not obtain the Contract Administrator's approval if the need for such maintenance, repair, or replacement is anticipated and identified in the project's capital needs assessment. A withdrawal for any other purpose requires prior approval by the Contract Administrator. HUD Handbook 4350.1 REV-1 (Section 4-9) provides guidance on expenses that may be paid from the reserve for replacement. The local HUD field office can provide additional guidance.

An owner must maintain records detailing the purpose and amount of each withdrawal from the reserve for replacement account for the prior five-year period. HUD reserves the right to review this record, and may restrict withdrawals from the reserve for replacement account and take other enforcement actions if an owner is found to have used funds for ineligible expenses.

An owner must secure annual confirmation from the Contract Administrator's board of directors that the project has made the required reserve for replacement deposits in accordance with the RCC.

3. Access to Surplus Cash

As in the traditional PBV program, the uses of surplus cash from a RAD PBV project are not restricted. In other words, HUD places no restrictions on surplus cash that is shown to be available in a project's year-end financial statements. Such surplus cash is considered to be non-federal. It may be, however, that the use of such cash is limited to certain purposes under state or local law, for example if the owner is a not-for-profit corporation required to use such cash for mission-related purposes.

4. SUBSIDY LAYERING REQUIREMENTS [Notice PIH 2019-23; Notice PIH 2012-32, REV-3; Notice PIH 2012-32, REV-2]

For projects governed by Notice PIH 2019-23, the following language applies:

• In the case of a PHA that will no longer have ACC units as a result of the pending or simultaneous closing or have less than 50 units remaining and have initiated procedures to dispose of their final ACC units, there is no restriction on the amount of public housing funds that may be contributed to the covered project or projects though the conversion. However, the PHA must estimate and plan for outstanding liabilities and costs and must follow Notice PIH 2016-23 or successor notice regarding the administrative activities required to terminate the ACC if it has no plans to develop additional public housing.

• In the case where the PHA will continue to maintain other units in its inventory under a public housing ACC, a contribution of operating funds to the covered project that exceeds the average amount the project has held in operating reserves over the past

three years will trigger a subsidy layering review under 24 CFR 4.13. Similarly, any contribution of capital funds, including Replacement Housing Factor (RHF) or Demolition Disposition Transitional Funding (DDTF), will trigger a subsidy layering review. Notwithstanding the subsidy layering review, PHAs should be mindful of how the capital funds or operating reserves used in the financing of its RAD properties may impact the physical and financial health of properties that will remain in its public housing inventory.

- Following execution of the HAP contract, PHAs are authorized to use operating and capital funds to make HAP payments for the remainder of the first calendar year in which the HAP contract is effective. Otherwise, a PHA may not contribute public housing program funds to the covered project unless those funds have been identified in the RCC and converted at closing for Section 8 RAD purposes.

For projects governed by Notice PIH 2012-32, REV-3, the following language applies:

- In the case of a PHA that is converting all of its ACC units, there is no restriction on the amount of public housing funds that may be contributed to the covered project at closing; the PHA may convey all program funds to the covered projects. In order to cover the cost of administrative activities required to terminate the ACC, once it no longer has units under the ACC and has no plans to develop additional public housing, the PHA may: - Designate that a reserve associated with the project be available to fund any public housing closeout costs (such as an operating deficit reserve or a specific PHA closeout reserve). Any funds not needed for public housing closeout costs would remain in such reserve or may be transferred to another reserve associated with the project (such as the replacement reserve). Thereafter, these funds may be used at the project pursuant to the authorized use of the applicable reserve; or - Retain funds under the public housing program for this purpose. However, HUD will recapture any public housing funds that a PHA does not expend for closeout costs.
- In the case where the PHA will continue to maintain other units in its inventory under a public housing ACC, a contribution of operating funds to the covered project that exceeds the average amount the project has held in operating reserves over the past three years will trigger a subsidy layering review under 24 CFR 4.13. Similarly, any contribution of capital funds, including Replacement Housing Factor (RHF) or Demolition Disposition Transitional Funding (DDTF), will trigger a subsidy layering review. Notwithstanding the subsidy layering review, PHAs should be mindful of how the capital funds or operating reserves used in the financing of its RAD properties may impact the physical and financial health of properties that will remain in its public housing inventory.
- In addition, following execution of the HAP contract, PHAs are authorized to use operating and capital funds to make HAP payments for the remainder of the first calendar year in which the HAP contract is effective. Otherwise, a PHA may not contribute public housing program funds to the covered project unless such funding has been identified in the approved financing plan and included in the approved “sources and uses” attached to the RCC.

For projects governed by the requirements of Notice PIH 2012-32, REV-2, the following language applies:

- In the case of a PHA that is converting all of its ACC units, there is no restriction on the amount of public housing funds that may be contributed to the covered project

at closing; the PHA may convey all program funds to the covered project. HUD will recapture any public housing funds that a PHA has not expended once it no longer has units under ACC. In the case where the PHA will continue to maintain other units in its inventory under a public housing ACC, a contribution of operating funds to the covered project that exceeds the average amount the project has held in operating reserves over the past three years will trigger a subsidy layering review under 24 CFR 4.13. Similarly, any contribution of capital funds, including Replacement Housing Factor (RHF) or Demolition Disposition Transitional Funding (DDTF), will trigger a subsidy layering review. Notwithstanding the subsidy layering review, PHAs should be mindful of how the capital funds or operating reserves used in the financing of its RAD properties may impact the physical and financial health of properties that will remain in its public housing inventory.

Site Selection Standards Notice PIH 2019-23; Notice PIH 2016-17]

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

To facilitate the uniform treatment of residents and units, any non-RAD PBV units located in the same project are subject to the terms of this provision.

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

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

Environmental Review [Notice PIH 2019-23; Environmental Review Requirements for RAD Conversions, March 2019]

HUD cannot approve an applicant's financing plan submission unless and until the required environmental review has been completed for the applicant's proposed conversion project and found to meet environmental review requirements. Environmental documents must be submitted no later than the applicant's financing plan. HUD will not issue a RAD Conversion Commitment (RCC) if the project plan does not meet the environmental review requirements described in Attachment 1A of Notice PIH 2019-23. Once an awardee has submitted an application for a specific project, they may not make any choice limiting actions before the completion of the environmental review.

K. DESIGNATED HOUSING

Both the traditional PBV program and the RAD PBV program lack an option akin to what is known in the public housing program as "designated housing." This means that a housing designation will not carry over as the project's funding is converted. A project that is designated for occupancy by elderly families or families that include a person with a

disability — or a mix of such families — may nonetheless go through a RAD conversion and maintain its occupancy. The Contract Administrator has options for accomplishing this outcome. For example:

- the Contract Administrator may establish a site-based waiting list for the Covered Project and adopt a selection preference that reflects the desired occupancy; or
- the Contract Administrator may forego establishing a site-based waiting list for the Covered Project and instead establish a PBV-wide waiting list while also establishing a preference for the occupancy of units in the Covered Project.

CMHA's preferences are listed in Chapters 3 & 4 of this plan. The owner will follow their Tenant Selection Plan to determine eligibility for a particular project.

L. DWELLLING UNITS

CMHA will follow the policies outlined in the regular PBV program chapter in this plan regarding the inspection of RAD PBV Units.

M. LEASE REQUIREMENTS

As in the traditional PBV program, the lease used for participants in the RAD PBV program must meet the requirements spelled out in 24 C.F.R. §983.256 and in the HUD-required Tenancy Addendum.

In addition:

- The lease between an owner and a tenant residing in a RAD PBV–assisted unit must include RAD's resident procedural rights.
- Leases for residents who will remain in place (i.e., who will not be relocated solely as a result of conversion) must have an effective date that is the same date as the effective date of the RAD PBV HAP contract (the lease may be executed before the effective date of the RAD PBV HAP contract, but it must have the same effective date as that contract.)
- For any family admitted following conversion, the lease must specify what will happen if the family elects to remain in its unit after increasing its income such that it requires zero HAP.

Specifically, the lease must make clear how the tenant rent will be calculated, and it must address the transition to a new lease.

- **Tenant Rent.** Per the RAD Use Agreement, the owner may charge a rent that does not exceed 30 percent of 80 percent of the area median income.
- **Transition to a New Lease.** If a unit is removed from the RAD PBV HAP contract, then the lease terminates automatically, as stated in the tenancy addendum, as though the RAD PBV HAP contract had been terminated. The tenant must be offered a new lease, which must reflect the new tenant rent.

A tenant in this circumstance is no longer a program participant and therefore no longer benefits from any of the rights or protections specific to RAD, or to the PBV program. For

example, that the family no longer has a right to move with a tenant-based voucher. Should the family subsequently lose employment, the owner may choose to reduce the family's rent, but if the family wishes to be admitted to the HCV/PBV program, then it must be admitted through the waiting list like any other applicant.

N. RELOCATION REQUIREMENTS

For projects that apply for conversion of assistance under the First Component of RAD and will convert November 10, 2016 or later, the following applies [Notice PIH 2016-17]:

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

- Relocation assistance provided to residents will vary depending on the length of time relocation is required. Residents must be properly notified in advance of relocation requirements in accordance with RAD program rules and Uniform Relocation Act (URA) requirements, and other requirements which may be applicable such as Section 104(d) of the Housing and Community Development Act of 1974, as amended. Sample informing notices are provided in Appendices 2–5 of Notice PIH 2014-17. A written relocation plan is required if the RAD conversion involves permanent relocation (including a move in connection with a transfer of assistance) or temporary relocation anticipated to last longer than a year. While the PHA is not required to have a written relocation plan for temporary relocation lasting one year or less, HUD strongly encourages PHAs to prepare one. Appendix II of Notice PIH 2016-17 contains recommended contents for a relocation plan.

- In addition, PHAs must undertake a planning process that complies with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), although not all relocations under RAD will trigger requirements under URA. URA statute and implementing regulations may be found at 49 CFR Part 24. The obligation due to relocating residents under RAD are broader than URA relocation assistance and payments.

- Any residents that may need to be temporarily relocated to facilitate rehabilitation or construction will have a right to return to either: a) a unit at the development once rehabilitation or construction is completed, provided the resident's household is not underhoused; or b) a unit in the development which provides the same major features as the resident's unit in the development prior to the implementation of the RAD conversion.

- Where the transfer of assistance to a new site is warranted and approved, residents of the converting development will have the right to reside in an assisted unit at the new site once rehabilitation or construction is complete.

- If the PHA's proposed plans for conversion would preclude a resident from returning to the development, the resident must be given an opportunity to comment and/or object to such plans. PHAs must alter the project plans to accommodate the resident's right to return to the development if the resident would be precluded from returning to the development.

- Examples of project plans that may preclude a resident from returning to the development include, but are not limited to:

    - Changes in the development's bedroom distribution that decrease the size of the units, resulting in the resident being under-housed;
    - The resident cannot be accommodated in the remaining assisted units due to a reduction in the number of assisted units at the development;
    - Income limit eligibility requirements associated with the LIHTC program or another program; and
    - Failure to provide a reasonable accommodation, in violation of applicable law, where reasonable accommodation may include installation of accessibility features that are needed by the resident.

- Residents of a development undergoing conversion that would be precluded from returning to the development may voluntarily accept a PHA or owner's offer to permanently relocate to alternative housing, and thereby waive their right to return to the development after rehabilitation or construction is completed. In this event, the PHA must secure the resident's written consent to a voluntary permanent relocation in lieu of returning to the development. PHAs are prohibited from employing any tactics to pressure residents into relinquishing their right to return or accepting other housing options. Additionally, a PHA may not terminate a resident's lease if the PHA fails to obtain the resident's consent and the resident seeks to exercise the right to return.

- In the case of multi-phase RAD transactions, the resident has a right to return to the development or to other converted phases of the development that are available for occupancy at the time the resident is eligible to exercise their right of return. Generally, the resident's right to return must be accommodated within the development associated with the resident's original unit, however, the PHA may treat multiple converted developments on the same site as one for purposes of right to return. Should the PHA seek to have the resident exercise the right to return at a future phase, the PHA must secure the resident's consent in writing.

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

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

However, for projects that applied for conversion prior to November 10, 2016, the following applies [Notice PIH 2014-17]:

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

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

  Relocation Act (URA) requirements. Sample informing notices are provided in Appendices 2–5 of Notice PIH 2014-17. While the PHA is not required to have a written relocation plan, HUD strongly encourages PHAs to prepare one. Appendix I of Notice PIH 2014-17 contains recommended contents for a relocation plan.

  - In addition, PHAs must undertake a planning process that complies with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), although not all relocations under RAD will trigger requirements under URA. URA statute and implementing regulations may be found at 49 CFR Part 24.
  - Any residents that may need to be temporarily relocated to facilitate rehabilitation or construction will have a right to return to an assisted unit at the development once rehabilitation or construction is completed. Where the transfer of assistance to a new site is warranted and approved, residents of the converting development will have the right to reside in an assisted unit at the new site once rehabilitation or construction is complete. Residents of a development undergoing conversion of assistance may voluntarily accept a PHA or owner's offer to permanently relocate to another assisted unit, and thereby waive their right to return to the development after rehabilitation or construction is completed.

O. MOVING with CONTINUED ASSISTANCE UNDER CHOICE MOBILITY (RAD)

If the family wishes to move with continued tenant-based assistance under choice mobility, the family must contact CMHA to request the rental assistance prior to providing notice to terminate the lease. If the family terminates the lease in accordance with lease requirements, CMHA is required to offer the family the opportunity for continued tenant-based assistance, in the form of a voucher or other comparable tenant-based rental assistance. If a voucher or other comparable tenant-based assistance is not immediately available, the PHA must give the family priority to receive the next available opportunity for continued tenant-based assistance. Families are eligible to move with continued assistance under choice mobility after 12 months of occupancy and considered to be *in good standing* with the project owner. If the family terminates the assisted lease before the end of the first year, the family relinquishes the opportunity for continued tenant-based assistance.

P. TRANSFERS OF ASSISTANCE

Under the traditional PBV program, a PBV HAP contract may not be transferred from one property to another. RAD allows for transfers of assistance47 under three scenarios: as part of conversion, post-conversion, or if HUD terminates the HAP contract at one project as the result of a default of the RAD use agreement or HAP contract. If an owner intends to transfer assistance as part of the RAD conversion, then this information must be included in the PHA's Five-Year, Annual, or MTW Plan and must be consistent with the Consolidated Plan. In addition, the owner must include a brief narrative in its financing plan, describing the plans for the project.

- meal service adequate to meet nutritional need.
- housekeeping aid.
- personal assistance.
- transportation services.
- health-related services.
- case management.
- childcare.
- educational and employment services.
- job training.
- counseling; or
- other services designed to help the recipient live in the community as independently as possible.

Content: This section overrides 24 §CFR 983.205(a) and (b) only with respect to the length of the initial term and the extension of the term of the HAP contract. Otherwise, all of the other requirements of those regulations remain in effect, including the requirement on the timing of extensions following the initial extension of the contract term. (The timing of when extensions of the term may be approved is described in detail below.)

(1) **Initial Term.** As of April 18, 2017, a PHA may enter into a new PBV HAP contract with an owner with an initial term of up to 20 years. As was the case previously, the length of the initial term of the HAP contract may not be less than one year.

(2) **Maximizing the Initial Term.** For any PBV HAP contract that is still within the initial term, the PHA and the owner may mutually agree to extend the contract for up to the maximum initial term of 20 years.

For example, if the HAP contract has an initial term of 15 years with an effective date of January 1, 2015, the initial term of the contract ends on December 31, 2029. At any time before the end of the initial term, the PHA and owner may mutually agree to extend the initial term for an additional 5 years to reach the 20-year maximum initial term. For instance, in this example the PHA and owner may extend the initial term to December 31, 2034, provided they do so no later than December 31, 2029.

However, if the HAP contract is no longer in the initial term, the PHA and owner *cannot* extend the initial term, although they may enter into an extension beyond the initial term (see below).

Assume the PHA and owner entered into a HAP contract with a 10-year initial contract term on January 1, 2000. The initial term ended on December 31, 2009. During the initial term, the PHA and owner extended the contract term for 10 additional years. As a result, the HAP contract remains in effect until December 31, 2019. In this case, the PHA and owner are not able to extend the initial term of this HAP contract to 20 years because the contract already is beyond the initial term. (However, the PHA and owner may mutually agree to further extend the current 10-year extension as discussed below.)

(3) **Extension of the term.** The PHA may extend the term of the contract for up to 20years at any time during the initial HAP contract term, provided the PHA determines an extension is appropriate to continue providing affordable housing for low-income families.

The PHA may extend the term multiple times at any time during the term of the contract, provided that extension beyond the initial term does not exceed 20 years, cumulatively. (See examples below.)

(4) **Subsequent Extensions Beyond 20 Years**. A PHA may further extend the HAP contract beyond 20 years from the end of the initial term as long as the following conditions are met:

(a) The PHA must determine such extension is appropriate to continue providing affordable housing for low-income families or to expand housing opportunities;

(b) This determination must be made no earlier than 24 months prior to the expiration of the HAP contract.

(c) The term of the new extension may not exceed 20 years.

Regardless of the length of the extension, all such extensions must meet these same conditions.

(5) **PHA Owned Units.** In the case of PHA-owned units, any changes to the term of an initial HAP contract or any contract extension must be agreed upon by the PHA and the independent entity, in accordance with 24 CFR §983.59.

(6) **Initial Term and Extension Examples.** The following examples are intended to illustrate a number of common scenarios regarding HAP contract initial terms and extensions.

Scenario 1

The PHA and owner wish to enter into a new PBV HAP contract effective January 1, 2018, for the maximum time period that is permitted under the PBV program. The maximum contract term that the PHA may commit is 40 years.

Contract	Term	Start Date	End Date	Notes
Initial Term	20 yrs	1/1/18	12/31/37	Maximum 20-Year Term.
Extension	20 yrs	1/1/38	12/31/58	PHA may Extend at Any Time Before 12/31/37.
Total Term	40 yrs	1/1/18	12/31/58	Any Further Extension may not be Determined Prior to 12/31/56 (24 Months prior to Expiration Date of the 20- Year Extension.)

Scenario 2

HAP contract is currently in effect with the following term:

Current Term	Term	Start Date	End Date	Comments
Initial Term	15 yrs	1/1/16	12/31/30	PHA and Owner Entered into a 15-Year Initial Term, which was the maximum initial term at the
Extension	15 yrs	1/1/31	12/31/45	PHA and Owner Have Previously Agreed to 15 Year
Total Term	30 yrs	1/1/16	12/31/45	Contract is a Pre-HOTMA – Maximum Term of 30 Years.

Following the implementation of the HOTMA provision, for example in July 2017, the PHA and owner mutually agreed to extend this contract's initial term and the extension to the maximum term that is permitted under HOTMA

.Revised Term	Term	Start Date	End Date	Comments
Initial Term	20 yrs	1/1/16	12/31/35	Because the HAP Contract is still in the initial term, the initial term may be adjusted. It is now the Maximum 20 Years
Extension	20 yrs	1/1/36	12/31/55	PHA and Owner also revised the length of the Existing Extension to the 20 Years
Total Term	40 yrs	1/1/16	12/31/55	Contract is at Post-HOTMA Maximum Term of 40 Years. PHA may consider Further Extension but not Until 12/31/53.

Scenario 3

The HAP contract has the following terms.

Current Term	Term	Start Date	End Date	Comments
Initial Term	10 yrs	1/1/05	12/31/14	Initial Term is Over.
Extension	15 yrs	1/1/15	12/31/29	PHA and owner have previously agreed to 15 Years
Total Term	25 yrs	1/1/05	12/31/29	Contract is currently for 25 Years.

Following the implementation of the HOTMA provision, the PHA decides it wants to extend the contract so that the term is 40 years. However, the PHA cannot extend the initial term since it has already been completed. The PHA is also limited to extending the contract beyond the initial term to no more than 20 years at the present time. The maximum term the PHA could provide at this time is 30 years, with the understanding that the PHA will consider further extending the contract when the contract is within 24 months of the revised expiration date.

Revised Term	Term	Start Date	End Date	Comments
Initial Term	10 yrs	1/1/05	12/31/14	No change – the initial term is already over and may not be extended.
Extension	20 yrs	1/1/15	12/31/34	After April 18, 2017, the PHA and owner have now increased the extension from 15 years to the maximum of 20 years beyond the end of the initial
Total Term	30 yrs	1/1/05	12/31/34	Contract has maximum term of 30 years.

Future Extension	May not exceed 20 Years	1/1/35	TBD	PHA may consider further extension no earlier than 12/31/32 (24 month requirement).

Scenario 4

The PHA enters into a new HAP contract effective 1/1/18 for the maximum 20-year initial term. The PHA wishes to extend the contract but for no more than 10 years at a time.

Contract Term	Term	Start Date	End Date	Comments
Initial Term	20 yrs	1/1/18	12/31/37	
Potential Extension #1	10 yrs	1/1/38	12/31/47	PHA may approve this first extension any time before the initial term expires on 12/31/37.
Potential Extension #2	10 yrs	1/1/48	12/31/57	PHA may approve this second extension any time before the first extension expires on
Potential Extension #3	10 yrs	1/1/58	12/31/67	PHA may not make the determination to approve this extension earlier than 12/31/55 (24 months prior to the expiration of the previous extension), because any further extension will exceed

Contract Term	Term	Start Date	End Date	Comments
Potential Extension #4	10 yrs	1/1/68	12/31/77	PHA may not make the determination to approve this future extension earlier than 12/31/65 (24 months prior to the expiration of the previous extension), because the contract is now more than 20 years beyond the end of the initial term.

Once the extension beyond the initial term has reached 20 years, cumulatively, the PHA may not further extend the contract without first determining if such extension is appropriate to continue providing affordable housing for low-income families or to expand housing opportunities, and the PHA may not make that determination more than 24 months prior to the expiration of the previous extension. In this example, the PHA must fulfill that requirement starting with the 3rd potential extension, since the combination of the first and second extensions (each for 10 years) have reached the 20-year maximum.

CHAPTER 24
Family Self-Sufficiency
[24 CFR 984]

PHILOSPHY

The overall goal of the Family Self Sufficiency (FSS) Program is to promote economic self-sufficiency to program participants through partnerships with Social Service Providers in Hamilton County.

POLICY

Family Self Sufficiency staff will work with participating families to identify their strengths and barriers. Together they will establish goals that lay the foundation for the families to achieve economic self-sufficiency.

A. FSS PROGRAM OBJECTIVES

The Cincinnati Metropolitan Housing Authority's FSS program seeks to help families make program toward economic security by supporting the family's efforts to:

- Increase their earned income.
- Build financial capability.
- Achieve their financial goals

The overall plan of the FSS Program is to achieve the following objectives:

- Introduce FSS to all families who are eligible to participate with the understanding that the commitment to change "begins from within."
- Implement a needs assessment to identify each family's strengths and barriers. Establish interim goals that lay the foundation for the final goals of economic self-sufficiency of each family joining FSS.
- CMHA's standards for completion of the FSS Contract of Participation include:
- To become independent of TANF assistance.
- To be in good standing with no current or anticipated debt to either the Housing Choice Voucher (HCV) Program or the Landlord.
- To seek and maintain suitable employment based on the skills, education and job training of that individual and available job opportunities in the area.
- To complete the Individual Service Plan goals set by the participant.
- Establish interagency partnerships to achieve high quality and comprehensive delivery service to all members of a family with long-term results.

The FSS Coordinators will meet with the FSS participants on an annual basis to review goals and to assess the accountability of the families and the agencies involved but will contact the participant throughout the year to ensure any potential issues are resolved or assistance is provided prior to the expiration of the Contract of Participation.

B. FAMILY OBJECTIVES

The plan for the family participating in FSS is to achieve the following objectives:

- Begin to recognize the connection between self-perceptions and self-imposed limitations. By learning that thoughts can shape and form one's life, the prescription for success is to "begin within."
- Achieve a greater level of self-discipline, self-esteem and self-motivation by accepting responsibility for decisions and actions.
- Demonstrate commitment and accountability to the Individual Training and Services Plan in which both goals and barriers are assessed.

C. OUTREACH PROCEDURES

Recruiting must remain an ongoing effort. FSS is not a one-time "take it or leave it" offer. The entire staff is encouraged to promote FSS during daily contact with families. FSS staff will conduct outreach that will provide HCV program participants information and an opportunity to participate with the FSS program.

The Cincinnati Metropolitan Housing Authority will conduct widespread outreach to encourage enrollment in the FSS program. Outreach effort will include the activities identified through the check boxes below:

Outreach Methods	Details, including frequency
Posting information about FSS on the Cincinnati Metropolitan Housing Authority's website	Monthly
Posting FSS program flyers in locations likely to be seen by eligible families	Monthly
Providing information about the FSS program during scheduled reexaminations	Annually
Providing information about the FSS program at voucher orientation sessions	Bi-monthly
Holding well-publicized information sessions about FSS	Monthly
Facebook	Monthly
Twitter	Monthly
Instagram	Monthly
Other – EnVision Centers	Monthly

D. RECRUITMENT OF PARTICIPANTS

After the initial Briefing that offers FSS, the Housing Specialist will also offer FSS to every HCV Program tenant (other than Mod. Rehab. tenants) during their initial enrollment, recertification, interim, and/or transfer. Family Self- Sufficiency staff will explain the benefits of the program to each potential FSS participant who wishes to meet with FSS staff to learn more about the program. The FSS program will also be explained to interested HCV Program tenants who call and express an interest in learning more about the program. If the tenant desires to enroll in the program, he/she will meet with a Family Self Sufficiency staff person to complete the Family Self-Sufficiency Assessment Form. The FSS Contract will be explained and completed during the face-to-face interview. The FSS staff will attend various community events providing information about the program including holding monthly informational sessions for HCV and Asset Management program participants.

E. SELECTION OF PARTICIPANTS

Housing assistance shall not be delayed to an applicant for Asset Management or HCV Program on the basis that the applicant elects not to participate in FSS at the time it is introduced. Because both current participants and those who attend briefings represent all minority and non-minority groups, there is no attempt to recruit or exclude any person on the basis of race, color, sex, religion, creed, national or ethnic origin, age, to actual or perceived sexual orientation, gender identity, familial or marital status, handicap or disability. Families will be from current HCV Program participants as well as from Project Based Assistance. Only families participating in HCV Program's Moderate Rehabilitation Program are excluded from signing FSS Contracts.

F. ELIGIBILITY FOR FSS

Every effort is made to promote the FSS concept to those least likely to participate as well as those already involved in FSS type activities. By using a self-select approach, the emphasis is for families to express a commitment to change by joining FSS.

G. ELIGIBILITY FACTORS

Families (including individuals) who qualify for any bedroom size will be eligible.

CMHA may screen families for interest, and motivation to participate in the FSS program, provided that the factors utilized by the PHA are those which solely measure the family's interest, and motivation to participate in the FSS program. Permissible motivational screening may include assigning certain tasks which indicate the family's willingness to undertake the obligations which may be imposed by the FSS contract of participation. (CFR 984.203)

In the event a family joined FSS and then left the Asset Management or HCV Program, later, if they return to the HCV Program, the family may be eligible to rejoin the FSS Program after a period of 12 months (from the date they left FSS) for good cause. Good Cause means circumstances beyond the control of the FSS family as determined by the PHA such as:

- Death of immediate family member.
- Serious illness of participant or immediate family member
- Involuntary loss of employment

In this situation, no monies in escrow from the previous contract are transferable.

In the event a family does not complete their FSS Contract and remains on the HCV Program, the family may be eligible to rejoin the FSS Program after a period of 12 months (from the date the FSS contract expired) for good cause (as defined above).

If a family previously joined the FSS Program, did not meet its obligations and was terminated from FSS, the family may be denied future participation in FSS.

H. MOTIVATIONAL FACTORS

The Cincinnati Metropolitan Housing Authority will not use any motivational screening factors to measure a family's interest and motivation to participate in the FSS program.

I. INFORMATION ASSESSMENT

The FSS staff person will review the Assessment Form with the enrollee to identify client strengths and determine areas of interest. The FSS staff person will evaluate current client support systems and possible educational and training needs. With the FSS focus of achieving economic self-sufficiency through employment and continued career development, FSS staff will identify support services that may reduce the dependency of low-income families on welfare assistance and on HCV Program.

The topics, which will be explored in the Family Self-Sufficiency Assessment Form, are: Child/Dependent Care, Social Systems, Health, Legal Issues, Understanding and improving credit, Budgeting, Transportation, Housing, Education/Training and Employment. These categories have been identified as areas upon which families begin the process of setting goals and developing an individual plan by which to become self-sufficient. Resources and referrals will be provided to FSS participants based upon areas of need identified on the Assessment Form.

J. GOAL DEVELOPMENT AND PLANNING

With supportive counseling from FSS staff, each participant will be asked to work with FSS to develop an Individual Training and Services Plan by learning to set SMART goals, a goal-setting strategy developed by other professional coaches that meet the following standards:

Specific – Identify the exact goal the family wants to achieve so the staff can help to breakdown what steps are involved, including possible available community resources.

Measurable – The goal must be concise so that progress can be determined and evaluated.

Attainable – The goal must be achievable within a set time frame.

Realistic – The goal must be practical and have a positive impact on the present or future economic status of the family.

Targeted – A clear goal encourages focus and follow through.

The FSS staff person will assist the family to break down their long-term goals into manageable steps.

In the first year of the FSS Contract, the family will be asked to identify 1-2 specific goals in order to start to accomplish the long-range goals of self-sufficiency. Sub-goals will be identified as active steps to lead to the goal to be accomplished during the first year. The participant will receive a copy of the Individual Training and Services Plan and the FSS Contract. The FSS staff person will explain the requirement to meet with FSS staff on an annual basis in order to review completion of their annual goals. The annual review for FSS will likely coincide with the family's annual recertification.

K. ANNUAL REVIEW

The Family Self-Sufficiency staff will review both HUD's mandatory goals to successfully complete the program and the specific goals relevant to the family as listed on the Individual Training and Services Plan. In addition, the family will be provided with a statement that indicates the balance of the current escrow account.

The participant’s goals will be reviewed and the family will work with FSS staff to set goals for the following year. The participant will have an opportunity to amend their goals at the discretion of the FSS staff. The FSS staff person will again assist the participant to set goals that are sufficiently specific and concrete so that the goals are measurable. Available resources will be provided as necessary. During the Annual Review, the participant will also complete the HUD 50058 FSS Addendum. The participant will be reminded to return the following year to update and review goals until the contract expires or the family completes the FSS

Contract (whichever occurs first). The participant will receive a detailed breakout of their escrow account at their annual review.

CMHA will send written notification of the FSS annual review appointment to the participant. The appointment should coordinate with the Asset Management or HCV recertification appointment. If a participant fail to attend the annual review appointment, CMHA will notify them in writing of a rescheduled time. If the participant fails to come into the rescheduled appointment or notify the FSS coordinator to make arrangements within 10 days of date of the re-schedule letter, CMHA will:

Send the family notice of termination from the FSS program.

Exceptions to these policies may be made by the FSS Coordinator if the family is able to document an emergency situation that prevented them from completing the annual review or if requested as a reasonable accommodation for a person with disability.

FSS staff will contact participants throughout their contract to ensure they are on target to meet their goals. FSS participants are also encouraged to contact FSS staff throughout the contract, if assistance is needed, in obtaining an established goals or assistance in obtaining linkages to social service providers.

L. INCENTIVES -INCLUDING ESCROW CLARIFICATION

To encourage participation in FSS, every effort will be made to collaborate with other agencies, companies and persons to identify resources that will benefit or enhance a family's life as they progress toward the goal of economic self-sufficiency.

Incentives may include:

Identifying volunteer activities in the community relevant to the family's goals.

Resume service (by referral).

Internet access to search for jobs, scholarships and other information.

Making job referrals and also references for those families the FSS staff comes to know.

Scholarship opportunities, including writing letters of recommendation.

Assistance in completion of various applications for school enrollment and/or funds.

The Cincinnati Metropolitan Housing Authority will allow for interim disbursement on a case-by-case basis:

Families may request an interim disbursement from escrow account once the FSS family has fulfilled as lease one interim goal, in order to pay for specific goods or services that will help the family make progress toward achieving the goal in its Individual Training and Service Plan (ITSP). Request may be made in writing. Requests may be made through the term of the Contract of Participation. Examples of potentially eligible activities include, but are not limited to, payment for post-secondary education, job training, credit repair, small business start-up costs, job start-up expenses, and transportation to/from a place of employment. A determination of whether the family qualifies for the requested interim disbursement will be made on a case-by-case basis by the FSS Supervisor and an administrative staff representative of the CMHA. The FSS Supervisor will first explore options for services and in-kind donations from partners, which must be exhausted before all request for an interim disbursement will be approved. The family may request up to 50% of their total current escrow balance is at the time of the request.

M. CONSEQUENCES OF NONCOMPLIANCE WITH FSS CONTRACT OF PARTICIPATION

Families are required to meet with FSS staff on an annual basis in order to review progress and/or completion of the most recent annual goals listed on the Individual Training and Services Plan. A staff person will assess the FSS participant's current situation to set short-term goals with the family for the next twelve months. These short-term goals will be summarized on the Individual Training and Services Plan as part of the family's FSS Contract. The following corrective actions will be taken in order of progression to determine if the FSS Contract will remain in effect:

The offer to counsel the family to update interim goals and review what activities or services would be appropriate.

- Notification in writing that supportive services will be withheld until the family initiates or follows through on activities consistent with the FSS goal.

Notification in writing of our intention to terminate the FSS Contract will include the right to an informal hearing.

Penalties for FSS action to terminate FSS Contract include:

- Termination of supportive services.
- Forfeiture of amount in FSS escrow savings account. CMHA has final discretion to award or withdraw participants' escrow funds.
- Family would not be eligible to rejoin FSS Program for a period of 12 months and then only if the family can demonstrate that they are ready to commit to FSS goals and objectives.

CMHA will not terminate Asset Management or HCV Program assistance as a consequence of termination of the FSS Contract of Participation. Family may continue to receive HCV Program subsidies according to the terms of the Voucher and Lease/Contract in effect.

FSS and the family may mutually agree to terminate the FSS Contract. The same terms apply as listed under penalties.

If the FSS family owes any money to CMHA's HCV or Asset Management program, the forfeited FSS account shall be reduced by that amount to pay the debt. Any deductions made from the account for amounts due to CMHA will be made before interest is distributed.

N. PORTABILITY OF FSS CONTRACT AND ESCROW ACCOUNT

The family must comply with the family obligations under the HCV program and live in the jurisdiction of the PHA that enrolled the family in the FSS program at least 12 months from the effective date of the contract, unless the initial PHA approves the family's request to move outside its jurisdiction under portability. If eligible for portability, CMHA may take one of the following actions:

As the initial PHA, CMHA may permit the family to continue to participate in our FSS Program if the family demonstrates it can meet its FSS goals and responsibilities in its new location. This option is available when the voucher is administered by the receiving PHA. Cooperation of the receiving PHA is needed to confirm accuracy of deposits CMHA would make in the escrow account.

As the initial PHA, CMHA may permit early completion of the FSS Contract by the family due to the complexity of maintaining the escrow account and the difficulty in coordinating services for families who do not live within our jurisdiction.

As the initial PHA, CMHA may terminate the FSS Contract in cases where the family cannot fulfill its obligations in the new location, or if the receiving PHA does not allow the family to participate in its FSS Program. In either of these cases, the family would forfeit the funds in the escrow account.

As the receiving PHA, CMHA may absorb the FSS Contract when the Voucher is absorbed. Any monies in the escrow savings account would be transferred from the initial PHA to the receiving PHA.

It is the responsibility of the family to notify the FSS staff in writing of their plans to port. Failure to do so may result in termination from the FSS program and forfeiture of any escrow monies.

O. CONTRACT COMPLETION

The Family Self-Sufficiency staff will review the family's status relative to the goals listed in the Individual Training and Services Plan and the HUD mandated goals in the FSS Contract to determine whether the family has successfully completed the FSS Contract. All participants will be asked to complete an Exit Survey.

Participants who have funds in the escrow account will also complete the Application for Withdrawal of Escrow Accounts form. Upon review of the request for escrow funds, the Family Self-Sufficiency staff will determine whether to recommend that the escrow funds be released to the family. The staff will process the request for payment of escrow for those participants who have achieved CMHA's standards for completion of the FSS Contract (listed on page one). This is accomplished by working with the family to set annual goals in the Individual Training and Services Plan that encourage the family to move toward personal and program goals of self- sufficiency.

P. CONTRACT EXTENSIONS

The initial contract term is five years. The contract may be extended, in writing, and at the family's request, for up to two additional years for good cause. Good cause means circumstances beyond the control of the FSS family, as determined by the PHA such as:

•Serious illness

•Involuntary loss of employment

The PHA should only grant extensions in rare circumstances that are beyond the control of the family, and which prevent completion of the ITSP.

Termination of employment for non-performance by the FSS head is not justification for a contract extension.

PHA's may extend the contract to allow families to meet the interim goal of being welfare free at least 12 consecutive months prior to expiration of the contract.

During an extension the family continues to have FSS amount credited to the escrow account.

Once the FSS Coordinators receive the request in writing it will be reviewed and determined if the request falls within the above guideline. A determination will be given back to the client in writing and document in the system and file. The FSS coordinator has the right to ask for supporting documentation.

At the completion of the FSS contract, if the family has an outstanding debt with CMHA, they will be notified in writing that the escrow balance will be lowered by the amount of the balance of the debt.

Q. NETWORKING IN THE COMMUNITY

An FSS program goal is to serve as a connector for families to provide community services rather than to serve in the role of traditional case manager. For this reason, it is important to develop a support network of those agencies that have the common purpose of providing supportive services to enable families to achieve self-sufficiency.

R. ACTIVITIES

In furtherance of both FSS recruiting and networking efforts, FSS will participate in a variety of community activities that promote the concept of FSS.

S. PROGRAM COORDINATING COMMITTEE (PCC)

Ohio Means Jobs Cincinnati, formerly Super Jobs is the designated one-stop service delivery provider for the Workforce Investment Act (WIA) services for Cincinnati and Hamilton County. Our participation in this group is beneficial to both our families and to FSS staff. We are able to build relationships with local agencies and job providers. This connection allows us to more effectively refer FSS participants to supportive services and job opportunities that help families to achieve their self-sufficiency goals. Participation in Ohio Means Jobs meetings also serves as our Program Coordinating Committee. We regularly send a representative from FSS to attend these meetings.

T. COORDINATION OF SERVICES

Services and activities under the FSS Program will be coordinated with relevant community services (including training, education and childcare) in order to avoid duplication of services and activities.

U. DATA TO BE MAINTAINED

Significant contacts (including letters, policies, guidelines, and documents) will be maintained in accordance with CMHA's Record Retention Policy. These documents include the following:

- The FSS Note Screen and/or FSS file.
- Number of families who enter and/or leave FSS. Contracts of

  Participation.

- Individual Training and Services Plan (goals).FSS Statement of Family Obligations.
- 50058 FSS addendum information escrow account information.

V. FINAL GOAL FOR EACH FAMILY WHO JOINS FSS

The head of each FSS family will seek and maintain suitable employment and become and remain independent of TANF prior to the end of the FSS Contract.

Definition of "seeking and maintaining employment" - Head of FSS family must apply for employment, attend job interviews and otherwise follow through on employment opportunities.

Definition of "suitable employment" - A determination of suitable employment shall be made by CMHA based on the skills, education, and job training of the individual that has been designated the head of the FSS family, and based on the available job opportunities within the Hamilton County metropolitan area.

Verification of welfare free status (as currently defined by HUD) must be provided prior to final withdrawal of escrow account funds.

A statement from the most recent HCV landlord to confirm family's good standing, as well as review of whether any debt is posted by the HCV program.

The participants must be working consecutive three months prior to graduation from the program in order to qualify for his or her escrow.

The purpose of this document is to provide guidance on Early Contract Completion of the Family Self – Sufficiency Program and Requesting Escrow Balance Funds. This guide ensures that the Early Completion of the Family Self – Sufficiency Contract of Participation terms and conditions are in accordance with the US Department of Housing and Urban Development's compliance, regulations, requirements, and does not release the PHA or family from the original responsibilities of the Family Self – Sufficiency (FSS) Program Contract of Participation. It allows the participants to complete their goals and responsibilities early and benefit from self – sufficiency. In addition, it allows other Housing Choice Voucher Participants the opportunity to benefit from the FSS program.
All family members must:

1. Comply with the terms of the lease
2. Become independent of welfare assistance and remain independent of welfare assistance for at least 12 consecutive months before the contract expires Be employed for at least 12 consecutive months prior to request of "Early Contract of Participation" and working 32 - 36 hours weekly. (Full time)

3. Complete an early completion assessment questionnaire/Exit Survey Process to determine whether or not self – sufficiency has been met, and the individual has the tools to remain self–sufficient

If participation in the HCV program, the family must comply with the family obligation under the HCV program (Housing Choice Voucher Program "Things You Should Know") and live in the jurisdiction of the HA that enrolled the family in the FSS program at least 12 months from the effective date of this contract, unless the initial PHA has approved the family's request to move outside its jurisdiction under portability.

Early Completion of Contract

If any member of the family does not meet his or her responsibilities under this contract, the family will not receive the money in its FSS escrow account, at this time.
NOTE: They can continue on the Family Self – Sufficiency Program for the duration of the Contract of Participation in pursuing their goals.

The family (Head of Household) can request up to 50% of their escrow based on pursuing their goals in achieving self – sufficiency such as… car repair or startup cost for participant owned company or business.

Completion of the Contract of Participation:

Completion of the contract occurs when the HA determines that:
1.The family has fulfilled all of its responsibilities under the contract; or
2.30 percent of the family's monthly adjusted income equals or is greater than the Fair Market Rent amount for the unit size for which the family qualifies.

W. TIMETABLE FOR PROGRAM IMPLEMENTATION

HUD guidelines for enrollment will serve as program goals for FSS enrollment. Per HUD's amendment effective October 21, 1998, the number of families shall be decreased by one family for each family that after that date fulfills its obligation under the FSS Contract of Participation. For purposes of the FSS SEMAP indicator, this would reduce the mandatory size of the FSS program by the number of families that have successfully completed the FSS Contract. To support HUD's goals of increasing homeownership activities and helping HUD- assisted renters to make progress toward self-sufficiency, CMHA may request permission to expand the total number of FSS slots over and above HUD's initial guidelines for enrollment in FSS.

X. AFFIRMATIVELY FURTHERING FAIR HOUSING

It is the policy of the Housing Authority to comply fully with all Federal, State, and local nondiscrimination laws and with the rules and regulations governing Fair Housing and Equal Opportunity in housing and employment. CMHA shall not deny any family or individual the equal opportunity to apply for or receive assistance under the Housing Choice Voucher Programs on the the basis of race, color, sex, religion, creed, national or ethnic origin, age, to actual or perceived sexual orientation, gender identity, familial or marital status, handicap or disability.

To further its commitment to full compliance with applicable Civil Rights laws, CMHA will provide Federal/State/local information to Voucher holders regarding unlawful discrimination and any recourse available to families who believe they are victims of a discriminatory act. Such information will be made available during the family briefing session, and all applicable Fair Housing Information and Discrimination Complaint Forms will be made a part of the Voucher holder's briefing packet and available upon request at the HCV reception desk.

All Housing Authority staff is kept informed of the importance of affirmatively furthering fair housing and providing equal opportunity to all families.

Affirmatively furthering fair housing includes providing reasonable accommodations to persons with disabilities, as a part of the overall commitment to quality customer service. Fair Housing posters are posted throughout the Housing Authority offices, including in the lobby and interview rooms and the equal opportunity logo is used on all outreach materials. Staff will attend local fair housing update training sponsored by HUD and other local organizations to keep current with new developments.

Except as otherwise provided in 24 CFR 8.21(c)(1), 8.24(a), 8.25, and 8.31, no individual with disabilities shall be denied the benefits of, be excluded from participation in, or otherwise be subjected to discrimination because CMHA's facilities are inaccessible to or unusable by persons with disabilities. Posters and housing information are displayed in locations throughout CMHA's office in such a manner as to be easily readable from a wheelchair.

The CMHA offices are accessible to persons with disabilities. Accessibility for the hearing impaired is provided by Cincinnati Bell by dialing 1-800-545-1833.

CMHA will take the following steps to ensure that the FSS program “Affirmatively Furthers Fair Housing:”

- Advertise widely in the community for the coordinator position or positions by publicizing and disseminating information to make known the availability of the FSS Coordinator position. CMHA will advertise in a newspaper of general circulation, minority media, and by other suitable means.

- Market the program to all eligible persons, including persons with disabilities and persons with limited English proficiency by:

- Providing all annual recertification HCV participants with information about the HCV FSS program (description of the program and FSS Coordinator contact information).

For persons with limited English proficiency (LEP) the following will be considered:

Oral Translation

The Housing Authority, with sufficient advanced notice, will make arrangements to assist non-English speaking families and translate documents into other languages.

Translation of Documents

In determining whether it is feasible to provide translation of documents written in English into other languages, CMHA will consider the following factors:

The number of applicants and participants in the jurisdiction who do not speak English and speak the other language.

The estimated cost to CMHA per client of translation of English written documents into the other language.

The availability of local organizations to provide translation services to non-English speaking families.

The availability of bilingual staff to provide translation for non-English speaking families.

Make buildings and communications that facilitate applications and service delivery accessible to persons with disabilities:

Except as otherwise provided in 24 CFR 8.21(c)(1), 8.24(a), 8.25, and 8.31, no individual with disabilities shall be denied the benefits of, be excluded from participation in, or otherwise be subjected to discrimination because CMHA's facilities are inaccessible to or unusable by persons with disabilities. Posters and housing information are displayed in locations throughout CMHA's office in such a manner as to be easily readable from a wheelchair.

CMHA offices are accessible to persons with disabilities. Accessibility for the hearing impaired is provided by Cincinnati Bell by dialing 1-800- 545-1833.

Provide fair housing counseling services or referrals to fair housing agencies to families needing this service.

Inform participants of how to file a fair housing complaint, and provide them with the toll-free number of the Housing Discrimination Hotline: 1-800- 669-9777

To further its commitment to full compliance with applicable Civil Rights laws, CMHA will provide Federal/State/local information to Voucher holders regarding unlawful discrimination and any recourse available to families who believe they are victims of a discriminatory act. Such information will be made available during the family briefing session, during annual recertification on FSS information forms, on all applicable Fair Housing Information and Discrimination Complaint Forms will be made as part of the Voucher holder's briefing packet and available upon request at the HCV reception desk.

If the program has a goal of homeownership or housing mobility, recruiting landlords and service providers in areas that expand housing choice to program participants. Record keeping covers, but is not limited to, the race, ethnicity, familial status, and disability status of program participants by:

Listed below are normal outreach activities used to facilitate an understanding of CMHA's Housing Choice Voucher program by other entities in Hamilton County:

- CMHA makes a concerted effort to keep private owners informed of legislative changes in the tenant-based program, which are designed to make the program more attractive to owners. This includes informing participant owners of applicable legislative changes in program requirements.
- CMHA encourages owners of decent, safe and sanitary housing units to lease to Housing Choice Voucher Program families.
- CMHA encourages participation by owners of suitable units located outside areas of high poverty or minority concentration.
- CMHA conducts general meetings with participating owners to improve owner relations, increase program knowledge and recruit new owners.
- CMHA maintains a list of interested owners and lists of units available for the Housing Choice Voucher Program and updates this list at least monthly. When listing requests from owners are received, they will be compiled by CMHA staff by bedroom size. CMHA reserves the right to pre-screen the property before listing it.
- CMHA maintains lists of available housing submitted by owners in all neighborhoods within the Housing Authority's jurisdiction to ensure greater mobility and housing choice to very low-income households. The lists of owners/units will be provided in the lobby, mailed on request, maintained on the agency's Internet site and provided at briefings. CMHA is not responsible for the accuracy of the information on the available unit listing.

The staff of CMHA initiates personal contact with private property owners and managers by conducting formal and informal discussions and meetings.

Printed material is offered to acquaint owners and managers with the opportunities available under the program.

CMHA actively participates in a community-based organization(s) comprised of private property and apartment owners and managers.

CMHA actively recruits property owners with property located outside areas of minority and poverty concentration and apply for exception payment standards if CMHA determines it is necessary to make the program more accessible in CMHA's jurisdiction.

CMHA encourages program participation by owners of units located outside areas of poverty or minority concentration. CMHA periodically evaluates the demographic distribution of assisted families to identify areas within the jurisdiction where owner outreach should be targeted. The purpose of these activities is to provide more choice and better housing opportunities to families.

Voucher holders are informed of a broad range of areas where they may lease units inside CMHA's jurisdiction and are given a list of owners or other parties who are willing to lease units or help families who desire to live outside areas of poverty or minority concentration.

CMHA may work with an outside entity to counsel families on their prospective move and services available in the areas in which the family is interested, with the goal of increasing the number of voucher holders moving into low-poverty neighborhoods.

CMHA shall periodically:

Request the HUD Field Office to furnish a list of HUD-held properties available for rent.

Develop working relationships with owners' associations including Greater Cincinnati Northern Kentucky Apartment Association and Real Estate Investors Association.

Establish contact with civic, charitable and neighborhood organizations which have an interest in housing for low-income families and public agencies concerned with obtaining housing for displacements.

Explain the program, including equal opportunity requirements and nondiscrimination requirements, including Fair Housing Amendments Act of 1988 and Americans with Disabilities Act, to real estate agents,owners, and other groups that have dealings with low-income families or are interested in housing such families.

CMHA works with HUD-Approved Homeownership Counseling agencies that promote the CMHA Homeownership program to the community as well. These agencies' training curriculum emphasizes (but not limited to):

How to find a home, including information about homeownership opportunities, schools, and transportation in the CMHA jurisdiction;

Advantages of purchasing a home in an area that does not have a high concentration of low-income families and how to locate homes in such areas;

How to negotiate the purchase price of a home.

Y. RECORDS FOR MONITORING CMHA PERFORMANCE

In order to demonstrate compliance with HUD and other pertinent regulations, CMHA will maintain records, reports and other documentation in accordance with HUD requirements and in a manner that will allow an auditor, housing professional or other interested party to follow, monitor and/or assess CMHA's operational procedures objectively and with accuracy and in accordance with SEMAP requirements with internal supervisory audits.

CHAPTER 25
HOMEOWNERSHIP
[24 CFR 982.625]

PHILOSOPHY

In accordance with CMHA's mission to promote self-sufficiency, the HCV program offers a voluntary Homeownership program. This program allows low-income working, elderly and disabled families the opportunity to become homeowners.

POLICY

The Quality Housing and Work Responsibility Act of 1998 created the ability for Public Housing agencies to establish Homeownership Programs. Families are permitted to convert their Housing Choice Voucher (HCV) from rental assistance to homeownership assistance. Low-income working, elderly and disabled families will have an opportunity to become homeowners.

In accordance with the HCV Homeownership Program regulations published in 24 CFR 982 and the CMHA Plan's goals to promote self-sufficiency, asset development, and economic security for assisted households, we hereby establish CMHA's HCV Homeownership Program effective April 2002. The HCV Homeownership Program permits eligible participants in the HCV Program the option of purchasing a home with their HCV assistance. CMHA may limit the number of referrals to the counseling agency for the Homeownership Program, ultimately resulting in a maximum of 75 homeowner voucher participants. Expansion of the program is at the sole discretion of CMHA. The policies governing the program will be reevaluated at least on a yearly basis as part of CMHA's Annual Plan.

Participation in the Homeownership Program is voluntary. Each participant must meet the general requirements for participation in the HCV Program. Participation is open to all families, including elderly and disabled families. An attempt will be made to have a mix of Family Self-Sufficiency (FSS), elderly, and disabled families to participate in the program. Eligible applicants (including participants with portable vouchers) must be under lease in the HCV Program. CMHA may waive this requirement for a disabled family who requires reasonable accommodation for their housing and is eligible for admission to the HCV Program. Applicants must be in good standing with CMHA; must be in full compliance with their lease and HCV Program Family Obligations; and must meet HCV Homeownership Program family eligibility requirements.

A. ELIGIBILITY REQUIREMENTS

To be eligible to participate in the HCV Homeownership Program, families must meet all the following initial eligibility requirements.

First-Time Homebuyer

The family must be a first-time homebuyer, that is, they may not have owned nor had a financial interest in a residence within the past three years. Exceptions may be granted for families with a disabled family member; a single parent or a displaced homemaker who, while married, owned a home with a spouse or resided in a home owned by a spouse; and for cooperative members who had cooperative memberships prior to the homeownership program.

Minimum Income Requirement

To be income eligible, the family must have a minimum gross annual income of at least the Federal minimum wage multiplied by 2000, excluding welfare assistance. Elderly and disabled families may count welfare assistance, but still must have a minimum yearly income as stated above. Also, welfare assistance shall be included only for those adult elderly or disabled family members who will own the home. (Welfare assistance includes Temporary Assistance for Needy Families (TANF); Supplemental Security Income (SSI); general assistance; or other welfare assistance as specified by HUD).

Minimum Income for Disabled Families

The minimum income standard is equal to the annual amount of Federal Supplemental Security Income (SSI) benefit for an individual living alone. Since this amount is less than the higher standard established by CMHA, a family may satisfy the minimum income requirement for Homeownership if able to also demonstrate:

The family has been pre-qualified or pre-approved for financing.

The pre-qualified or pre-approved financing meets established requirements (including qualification of lenders and terms of financing).

The pre-qualified or pre-approved financing amount is sufficient to purchase housing that meets HQS/NSPIRE standards in CMHA's jurisdiction.

Employment

At least one family member who is a homebuyer must be employed full-time (not less than an average of 30 hours per week) and continuously employed for at least one year prior to the date of approval for a mortgage loan. Self-employment may be considered. CMHA may determine whether and to what extent an employment interruption is considered permissible in satisfying the employment requirement. Elderly and disabled families are exempt from the employment requirement. Furthermore, if a family, other than an elderly family or a disabled family, includes a person with disabilities, CMHA may grant an exemption from the employment requirement if needed in order to meet a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

Mortgage Default

A family is ineligible if any household member has previously received homeownership assistance and defaulted on a mortgage.

Family Self-Sufficiency (FSS) Participant or Graduate, or Elderly, or Disabled

Applicants for CMHA's HCV Homeownership Program are required to be:

A. Enrolled in the Family Self-Sufficiency (FSS) program, or

B. A former participant who completed the FSS program and continues to receive rental subsidy, or

C. An elderly or disabled family.

Good Standing with CMHA

Applicants for CMHA's HCV Homeownership Program are required to be current on rent, be in full compliance of the lease agreement, and with no monies owed to the CMHA or the landlord. Letters issued by the CMHA which indicate possible program violation(s) will delay participation in this voluntary program. This delay may be for up to 12 months unless the situation has been resolved to the satisfaction of the agency representative who makes the referrals. If the family is responsible for paying for water in their current unit, they must provide the FSS coordinator with proof of a current, paid water bill. The bill must be paid in full prior to closing on the new unit.

Minimum Savings Requirement

To be savings eligible, the family must have a minimum personal savings of $500 (in a savings account). This is in anticipation of the family's out of pocket fees and costs depending upon the mortgage for which the person/family may qualify.

Families will also be encouraged to save money during the homeownership counseling to meet the additional costs of homeownership (estimated to be $2,000).

Homeownership Ready

In order to expand the opportunity for homeownership to more participants who may not need the services of Family Self-Sufficiency (FSS), this new category requires that the participant have a minimum annual earned income of $20,000 with stable, full-time employment for at least one year. The requirement to be pre-enrolled in FSS is removed, but the minimum savings requirement remains the same. Families will be enrolled in FSS during their next recertification cycle.

Additional Family Requirements

Once a family has met all initial eligibility requirements, CMHA will refer the family for an initial assessment and an overview of the HCV Homeownership Program by the counseling agency. The head of household will be determined

prior to the family receiving homeownership assistance.

Pre-assistance Economic Counseling

If determined necessary, the family will be required to attend and satisfactorily complete pre-assistance economic counseling with a CMHA-approved agency or program. This includes proof of the family's ability to save money and to maintain a checking account.

Pre-assistance Homeownership Counseling

The family must attend and satisfactorily complete pre-homeownership counseling sessions with CMHA-approved counseling agency. Counseling topics include: home maintenance; budgeting and money management; credit counseling and repair; how to find a home; how to negotiate the purchase price; financing and loan pre-approvals; real estate laws (federal and state); fair housing information; and the advantages of purchasing a home in an area that does not have a high concentration of low-income families and how to locate homes in such areas.

Mortgage Ready

The family must be able to secure their own mortgage financing through a lending institution. (See additional qualifications under Financing.)

Family's Down Payment

The family is required to contribute a minimum of at least three percent of the purchase price. No less than one percent of the purchase price must come from the family's personal resources. (Funds may include a partial withdrawal from the FSS escrow or Individual Development Account.)

Homeownership Voucher Issuance

Once the family has been pre-approved for financing, CMHA will review specific HCV Homeownership Program forms and processes with both the family and their designated real estate agent. The family will be issued a homeownership voucher with a maximum time of 120 days to locate and purchase a home. For good cause, the voucher may be extended a maximum of two 30-day increments. Should the family fail to locate a unit, the family shall be allowed to request a reissuance of the homeownership voucher. Any reissuance of the homeownership voucher will be reviewed on a case-by-case basis at the discretion of CMHA. Should a homeownership voucher participant fail to locate a home within the approved time frame, the HCV will remain with the family for the rented unit.

B. SEARCH AND PURCHASE

On approval of the program, families are required to work with a licensed real estate agent or an established home buying program to locate a home to purchase. When a family submits a proposed sales agreement with the requisite components, CMHA will review the sales agreement and financial information for approval or denial.

Eligible Units

The family can purchase any of the following types of homes: a new or existing single-family home; a single-family unit in a cooperative or condominium; or a manufactured home to be permanently situated on a lot owned by the family.

Families may also purchase a home under construction or a home not yet under construction. If a family chooses either option, CMHA shall not commence homeownership assistance for the family for that unit until it has passed all required inspection, and construction has been completed.

Home Inspection

Two kinds of physical inspections are required in the homeownership program (in addition to, and separate from, any lender required inspections): (1) an HQS/NSPIRE inspection by CMHA and approved by CMHA; and (2) an independent professional home inspection by an inspector chosen and paid by the family, and approved by CMHA:

Housing Quality Standards (HQS/NSPIRE) Inspection

CMHA will conduct its regular inspection to determine that the home meets HQS/NSPIRE. If the HQS/NSPIRE inspection requires Lead Based Paint (LBP) clearance, the family would be referred to available community resources.

Independent Professional Inspection

The home must also be inspected by an independent professional inspector; from a list of approved persons or groups, preferably one certified by the American Society of Home Inspectors or similar national organization. It is the family's responsibility to obtain and pay for independent professional inspection.

The independent inspection must cover major building systems and components.

The independent inspector must provide a copy of the inspection report to CMHA and the family. CMHA will not begin homeownership assistance until the inspection report has been reviewed and approved.

CMHA must review the home inspector's report to determine whether repairs are necessary prior to purchase, and generally to assess whether the purchase transaction makes sense in light of the overall condition of the home and the likely cost of repairs and capital expenditures.

Upon completion of the inspections and approval from CMHA, the buyer must review and sign the Buyer's Acknowledgment and Representation form provided by the FSS Coordinator. The buyer must also review and sign the Statement of Family Obligations for

Contract of Sale and Addendum

The family (buyer) must enter into a sales agreement or contract of sale and Addendum with the seller of the home and provide a copy to CMHA. The Contract of Sale and Addendum must include:

The proposed dwelling address;

The price and other terms of the sale by the seller to the buyer;

The contract is contingent on the house passing a Housing Quality Standards (HQS/NSPIRE) inspection performed by CMHA. Any repairs required by CMHA must be completed by the seller and pass a final inspection by CMHA before closing. These repairs are not negotiable.

Provisions that the buyer will arrange for a pre-purchase inspection of the dwelling unit by an independent inspector selected by the buyer;

Provisions that the buyer is not obligated to purchase the unit unless the inspection is satisfactory to both CMHA and the buyer;

The buyer shall not be obligated to complete the purchase of the property should the property appraise for less than the sale price listed on the Contract.

Provisions that the buyer is not obligated to pay for any necessary repairs;

A certification from the seller that the seller has not been debarred, suspended, or subject to a limited denial of participation;

A certificate from the seller that the housing unit does not have existing Lead Based Paint work orders issued by any Health Department.

CMHA has the right to:

(1) inspect the dwelling and determine that it meets HQS/NSPIRE;
(2) review and approve the independent inspection report; and
(3) review and approve the financing terms and requirements.

Should CMHA not approve the purchase of the property for reasons including, but not limited to, any of the reasons listed above, the earnest money deposit shall not be forfeited and the funds shall be returned to the buyer.

Financing

Financing must comply with the secondary mortgage market underwriting requirements; or comply with generally accepted private-sector underwriting standards. If financed with FHA mortgage insurance, such financing is subject to FHA mortgage insurance requirements. Predatory lending practices are prohibited, such as: sellers financing, balloon payment mortgage, the loan exceeds the client's ability to pay, does not include escrow for taxes and insurance, or is an adjustable rate mortgage.

CMHA has the right to review lender qualifications and loan terms before

authorization of the homeownership assistance. CMHA reserves the right to disapprove financing, refinancing or other debt if determined that it is unaffordable or the lender or loan terms do not meet financing requirements.

C. FAMILY OBLIGATIONS FOR CONTINUED ASSISTANCE

Homeownership assistance will only be paid while the family is living in the home. Should the family move out of the unit, CMHA may not continue homeownership assistance. The family or lender is not required to refund assistance for the month when a family moves out.

The family must execute the Things You Should Know About Housing Choice Voucher Program agreeing to comply with all family obligations under the HCV Program and CMHA's Statement of Family Obligations for the HCV Homeownership Program. Failure to comply may result in Homeownership Assistance Payment being withheld, recovered or terminated. The Family Homeownership Obligations for continued assistance are as follows:

Attend and complete post homeownership counseling.

Comply with the terms of any mortgage securing debt incurred to purchase the home (or any refinancing of such debt).

Notify CMHA of an intent to sell in order to be advised of the process.

May not sell or transfer the home to anyone other than a member of the assisted family who resides in the home while receiving homeownership assistance.

Supply all required information to CMHA, including, but not limited to, annual household income verifications, and homeownership expenses.

Provide notice of move-out to CMHA before the family moves out of the home.

Provide notice of mortgage default to CMHA or if 30 days delinquent in mortgage payment.

No family member may have any ownership interest in any other residential property during the time the family receives homeownership assistance.

The family must agree not to refinance or incur additional debt secured by the home without prior written approval from CMHA.

Allow CMHA to inspect the home if deemed necessary.

The family must comply with the terms of the Homeownership Statement of Family Obligations by maintaining full-time employment (30 hours per week) or, in the event of loss of employment or other household income, family must actively seek income that meets the current minimum eligibility requirements for the HCV Homeownership Program or at a comparable level (whichever is greater);

The family must provide verification to CMHA that the family is current on payment of the mortgage, taxes, insurance, and utility payments at each

annual recertification or upon request by CMHA; and

Ensure that property standards are consistent with neighborhood standards, including the responsibility to be a good neighbor.

Time Limitations

Except for disabled and elderly families, a family may receive CMHA's HCV Program homeownership assistance for a term not to exceed 10 years from the closing, unless the initial mortgage incurred to finance the home has a term of 20 years or longer, in which case the maximum term is 15 years.

Elderly and Disabled Families

Families that qualify as elderly at the start of homeownership assistance are not subject to a maximum term limitation. Families that qualify as disabled at the start of homeownership assistance, or at any time during participation in the homeownership program, are not subject to a maximum term limitation. The term of the second mortgage may be beyond 15 years.

If an elderly or disabled family ceases to qualify as such while receiving homeownership assistance, the appropriate maximum term becomes applicable from the date homeownership assistance began; provided, however, the family will be eligible for at least 6 additional months of homeownership assistance after the maximum term becomes applicable.

If the family has received assistance for different homes or from other housing authorities, the total of such assistance terms is subject to the maximum term limitation.

Amount and Distribution of Assistance

While the family is residing in the home, CMHA will make monthly homeownership assistance payments on behalf of the family directly to the lender(s). If the assistance payment exceeds the amount due the lender(s), the excess will be paid to the family.

The amount of the monthly assistance payment will be based on three factors: the payment standard, the family's household income, and homeownership expenses. The voucher payment standard is the fixed amount CMHA establishes annually as the fair market rent (FMR) for a unit of a particular size located within Hamilton County's jurisdiction. CMHA will use the same voucher program payment standard amounts for homeownership.

Payment Standard

In the homeownership program, the initial payment standard will be the lower of either: (1) the payment standard for which the family is eligible based on family size; or (2) the payment standard which is applicable to the size of the home the family decides to purchase. If the home is in an exception FMR area, CMHA will use the appropriate payment standard for the exception FMR.

The payment standard in subsequent years will be based on the greater of the payment standard at the start of homeownership assistance; or the payment standard at the most recent regular reexamination of family income and composition since the start of homeownership assistance.

Homeownership Expenses

Homeownership expenses include principal and interest on the initial mortgage debt; any refinancing of such debt; and any mortgage insurance premium incurred to finance the purchase; real estate taxes and public assessments; home insurance; CMHA allowance for utilities; CMHA allowance for routine maintenance expenses; CMHA allowances for major repairs and replacements; principal and interest on major repairs. If the home is a cooperative or condominium, homeownership expenses may include operating charges or maintenance fees assessed by the condominium or cooperative homeowner association.

Homeownership Assistance Payment (HAP)

CMHA will use the lower of either: (1) the payment standard minus the total tenant payment or (2) the family's monthly homeownership expenses minus the total tenant payment. CMHA will annually reexamine family income and composition and make adjustments to the amount of the monthly homeownership assistance payment. Homeownership Assistance Payments will be made directly to the lender. The family will be responsible to submit its mortgage payment to the lender.

Participation in the program will automatically terminate 180 calendar days after the last homeownership assistance payment was made on behalf of the family. CMHA reserves the right to grant relief from this requirement in those cases where automatic termination would result in extreme hardship for the family.

Portability of Homeownership Assistance

Families that are determined eligible for homeownership assistance by CMHA may purchase a unit outside the Hamilton County jurisdiction, provided the receiving Asset Management authority is administering a HCV Homeownership Program and is accepting new homeownership families.

CMHA may approve a family's portability move inside its jurisdiction specifically for homeownership if the family demonstrates that:

The family meets the CMHA initial eligibility requirements for the HCV Homeownership Program.

The family meets t h e specific counseling requirements for the HCV Homeownership Program.

The family will continue to meet the eligibility requirements for CMHA's HCV Homeownership program once they receive a Homeownership voucher and move to CMHA's jurisdiction.

Moving with Continued Assistance

Families receiving homeownership assistance may request permission from CMHA to move to a new unit either with (1) voucher rental assistance or with (2) voucher homeownership assistance, only one time in anyone-year period.

The family may not receive assistance in a new unit while a family member owns title or other interest in the prior home. CMHA will provide continued homeownership assistance as long as the family meets all initial HCV Homeownership eligibility requirements, with the exception of being a first-time homeowner and pre-assistance counseling. However, CMHA may require additional counseling.

CMHA may deny permission for the family to move with continued voucher assistance if CMHA (1) determines that it does not have sufficient funding to provide continued assistance or (2) the family has been terminated or denied assistance.

D. DENIAL OR TERMINATION OF HOMEOWNERSHIP ASSISTANCE

CMHA may terminate homeownership assistance or may deny voucher rental assistance as follows: (1) Failure to comply with Family Obligations under the Housing Choice Voucher Program (Things You Should Know About CMHA's HCV Program), or (2) Failure to comply with Homeownership Family Obligations and/or requirements or, (3) Mortgage default.

Procedure for Termination or Denial of Homeownership Assistance

Families in the HCV Homeownership Program are entitled to the same termination or denial notice procedures as the voucher rental assistance program. Families are entitled to informal hearing procedures as set forth in CMHA's administrative plan.

Default on FHA-Insured Mortgage

If the family defaults on an FHA-insured mortgage, CMHA may permit the family to move with continued HCV Program rental assistance if the family demonstrates that it has (1) Conveyed title to the home to HUD or their designee, as required by HUD; and (2) Moved from the home within the period established or approved by HUD.

Default on Non-FHA-Insured Mortgage

If the family defaults on a mortgage that is not FHA-insured, CMHA may permit the family to move with continued HCV Program rental assistance if the family demonstrates that it has (1) Conveyed title to the home to the lender, to CMHA or to their designee, as may be permitted or required by the lender; and
(2) Moved from the home within the period established or approved by the lender and/or CMHA.

Waiver or Modification of Homeownership Policies

The Chief Executive Officer of CMHA or his designated representative will have the sole discretion to waive or modify any provisions of the HCV Homeownership Program not governed by statute or regulation or to comply with changes in HUD regulations or directives, or to maintain uniformity and/or consistency with programs offered by or through CMHA.

GLOSSARY

A. ACRONYMS USED IN SUBSIDIZED HOUSING

ACC	Annual Contributions Contract
AAF	Annual Adjustment Factor. A factor published by HUD in the Federal Register which is used to compute annual rent adjustment.
BR	Bedroom
CDBG	Community Development Block Grant
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.
CPI	Consumer Price Index. CPI is published monthly by the Department of Labor as an inflation indicator.
ELI	Extremely low income - very low–income families whose income does not exceed the higher of 30 percent of the area median income or the federal poverty level.
FDIC	Federal Deposit Insurance Corporation
FHA	Federal Housing Administration
FICA	Federal Insurance Contributions Act - Social Security taxes
FMHA	Farmers Home Administration
FMR	Fair Market Rent
FY	Fiscal Year
FYE	Fiscal Year End
GAO	Government Accounting Office
GFC	Gross Family Contribution. Note: Has been replaced by the term Total Tenant Payment (TTP).
GR	Gross Rent
HAP	Housing Assistance Payment
HAP Plan	Housing Assistance Plan
HCDA	Housing and Community Development Act

Glossary

HQS/NSPIRE	Housing Quality Standards
HUD	The Department of Housing and Urban Development or their designee.
HURRA	Housing and Urban/Rural Recovery Act of 1983; resulted in most of the 1984 HUD regulation changes to definition of income, allowances, rent calculations
IG	Inspector General
IGR	Independent Group Residence
IPA	Independent Public Accountant
IRA	Individual Retirement Account
MSA	Metropolitan Statistical Area established by the U. S. Census Bureau PHA
PHA	Public Housing Agency
PMSA	A Primary Metropolitan Statistical Area established by the U.S. Census Bureau
PS	Payment Standard
QC	Quality Control
RFAT	Request for Approval of Tenancy
RFP	Request for Proposals
RRP	Rental Rehabilitation Program
SAFMR	Small Area Fair Market Rents
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 Act

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 Housing Choice Voucher Program 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. Adjusted income means annual income as determined above of the members of the family residing or intending to reside in the dwelling unit, after making the following deductions:

1. $500 for each dependent, which amount will be adjusted by HUD annually in accordance with the Consumer Price Index, rounded to the next lowest multiple of $25.

2. $550 for any elderly family or disabled family, which amount will be adjusted annually in accordance with the Consumer Price Index, rounded to the next lowest multiple of $25.

3. The sum of the following, to the extent the sum exceeds ten percent of annual income:

   a. Unreimbursed health and medical care expenses of any elderly family or disabled family; and

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

4. Any reasonable childcare expenses necessary to enable a member of the family to be employed or to further his or her education.

5. Financial hardship exemption for unreimbursed health and medical care expenses and reasonable attendant care and auxiliary apparatus expenses. Phased-in relief:

   a. Eligibility for relief: To receive hardship relief the family must have received a deduction from annual income because the sum of

      1) Unreimbursed expenses for health and medical care, plus

      2) Unreimbursed care and apparatus expenses for a disabled family member that permit a family member to work

      3) That exceeded 3 percent of annual income

   b. Form of relief:

      1) Beginning with the first recertification after 1/1/2024, the family will receive a deduction totaling the sum of

         a) Unreimbursed expenses for health and medical care, plus

         b) Unreimbursed care and apparatus expenses for a disabled family member that permit a family member to work

         c) That exceed 5 percent of annual income.

      2) At the second annual recertification (12 months after the recertification in b.1) above), the family will receive a deduction totaling the sum of

         a) Unreimbursed expenses for health and medical care plus

         b) Unreimbursed care and apparatus expenses for a disabled family member that permit a family member to work

         c) That exceed 7.5 percent of annual income.

      3) At the third annual recertification (24 months after the recertification in b.1) above) the family must receive a deduction totaling the sum of

         a) Unreimbursed expenses for health and medical care, plus

         b) Unreimbursed care and apparatus expenses for a disabled family member that permit a family member to work

         c) That exceed 10 percent of annual income.

6. Additional relief is available financial relief for an elderly or disabled family or a family that includes a person with disabilities that is experiencing financial hardship.

    a. Eligibility for relief: To receive hardship relief under this paragraph, a family must demonstrate that the family's applicable health and medical care expenses or reasonable attendant care and auxiliary apparatus expenses increased, or the family's financial hardship is a result of a change of circumstances (as defined by the PHA) that would not otherwise trigger an
    Interim reexamination.

    b. Relief under this paragraph is available regardless of whether

        1) The family previously received deductions under paragraph 5.b above,

        2) Is currently receiving relief under paragraph 5.b above, or

        3) Previously received relief under paragraph 5.b above.

    c. Form and duration of relief.

        1) The family will receive a deduction for the sum of

            a) Unreimbursed expenses for health and medical care, plus

            b) Unreimbursed care and apparatus expenses for a disabled family member that permit a family member to work

            c) That exceed 5 percent of annual income.

        2) The family's hardship relief ends when the circumstances that made the family eligible for the relief are no longer applicable or after 90 days, whichever comes earlier. CMHA will not extend the relief past the initial 90-day period.

Note: A family receiving phased-in relief may request to receive general hardship relief instead; once a family chooses to obtain general relief, a family may no longer receive the phased-in relief.

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.

ANNIVERSARY DATE. The date of Renewal. For every contract entered the anniversary date will be the 1st of the month in which the contract was started (i.e. initial move in date June 22, 2003, the Anniversary Date is June 1).

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. Annual income includes, with respect to the family:

1. All amounts not specifically excluded in the list of excluded income below, received from all sources by each member of the family who is 18 years of age or older or is the head of household or spouse of the head of household, plus unearned income by or on behalf of each dependent who is under 18 years of age, and

2. When the value of net family assets exceeds $50,000 (which amount HUD will adjust in accordance with the Consumer Price Index) and the actual returns from a given asset cannot be calculated, imputed returns on the asset based on the current passbook savings rate, as determined by HUD

ANNUAL INCOME AFTER ALLOWANCES. The Annual Income (described above) less the HUD-approved allowances.

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

"AS-PAID" STATES. States where the welfare agency adjusts the shelter and utility component of the welfare grant in accordance with actual housing costs.

ASSETS. (See Net Family Assets.)

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 Housing Choice Voucher Program 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.

BIENNIAL INSPECTION. Inspection conducted once every 2 years.

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 Housing Choice Voucher Program 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 their 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).

COMMON SPACE. In shared housing: Space available for use by the assisted family and other occupants of the unit.

CONGREGATE HOUSING. Housing for elderly people or people with disabilities that meets the HQS/NSPIRE for congregate housing.

CONSOLIDATED ANNUAL CONTRIBUTIONS CONTRACT. (Consolidated ACC). See24 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.

CONTRACT. (See Housing Assistance Payments Contract.)

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.

COST OF LIVING ADJUSTMENT (COLA). Social Security general benefit increases

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. [As defined in Section 40002 of the Violence Against Women Act of 1994] means 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:
(i) the length of the relationship; (ii) the type of relationship; and (iii) the frequency of interaction between the persons involved in the relationship.

DAY LABORER. An individual hired and paid one day at a time without an agreement that the individual will be hired or work again in the future.

DEPENDENT - A member of the family (which excludes foster children and foster adults), other than the family head or spouse, who is under 18 years of age, or 18 years of age or older and disabled, or a full-time student

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 people with disabilities living together; or one or more people 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. [As defined in Section 40002 of the Violence Against Women Act of 1994] includes

(i) felony or misdemeanor crimes of violence committed by a current or former spouse of the victim;
(ii) by a person with whom the victim shares a child in common;
(iii) by a person who is cohabiting with or has co-habited with the victim as a spouse;
(iv) 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
(v) 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)).

EARNED INCOME. means income or earnings from wages, tips, salaries, other employee compensation, and net income from self-employment. Earned income does not include any pension or annuity, transfer payments (meaning payments made or income received in which no goods or services are being paid for, such as welfare, social security, SSI, and governmental subsidies for certain benefits) or any cash or in-kind benefits. 24 CFR § 5.100

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 people living together or one or more such people living with another person who is determined to be essential to their care and well-being.

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 permissible threshold of Annual Income which are not reimbursable from any other source. See adjusted income.

EXCLUDED INCOME. Annual Income does not include the following:

1. Any imputed return on an asset when net family assets total $5,000 or less (which amount HUD will adjust annually in accordance with the Consumer Price Index) and no actual income from the net family assets can be determined. Actual income from assets will be included.

2. The following types of trust distributions:

   a. For an irrevocable trust or a revocable trust outside the control of the family or household excluded from the definition of net family assets

      1) Distributions of the principal or corpus of the trust; and

      2) Distributions of income from the trust when the distributions are used to pay the costs of health and medical care expenses for a minor.

   b. For a revocable trust under the control of the family or household, any distributions from the trust; except that any actual income earned by the trust, regardless of whether it is distributed, shall be considered income to the family at the time it is received by the trust.

3. Earned income of children under the age of 18 years.

4. Payments received for the care of foster children or foster adults, or State or tribal kinship or guardianship care payments.

5. Insurance payments and settlements for personal or property losses, including but not limited to payments through health insurance, motor vehicle insurance and worker's compensation.

6. Amounts received by the family that are specifically for or in reimbursement of, the cost of health and medical care expenses for any family member,

7. Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence or other breach of duty owed to a family member arising out of law, that resulted in a member of the family becoming disabled.

8. Income of a live-in aide, foster child or foster adult.

9. Certain student financial assistance to students as provided below:

10. Excluded Student Financial assistance covers assistance for tuition, books, and supplies (including supplies and equipment to support students with learning disabilities or other disabilities), room and board, and other fees required and charged to a student by an institution of higher education, and, for a student who is not the head of household or spouse, the reasonable and actual costs of housing while attending the institution of higher education and not residing in an assisted unit

11. With respect to student financial assistance the following is excluded:

    a. Any assistance that section 479B of the Higher Education Act of 1965 requires to be excluded from a family's income,

    b. Plus, any of the following up to the total amount of Excluded Student Financial assistance as defined above received from:

        1) The Federal government.

        2) A State, Tribal or local government.

        3) A private foundation registered as a nonprofit under 502(c)(3).

        4) A business entity (such as a corporation, general partnership, limited liability company, limited partnership, joint venture, business trust, public benefit corporation or nonprofit entity; or

        5) An institution of higher education.

Student financial assistance that is included in Annual Income includes:

    1) Financial support provided to the student in the form of a fee for services performed (e.g., a. work study or teaching fellowship that is not excluded)

    2) Gifts including gifts from family or friends

    3) Any amount of scholarship or grant that, either by itself or in combination with assistance excluded in 9.a above, exceeds the excluded Student Financial Assistance defined in 9 above.

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

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

14. Additionally excluded are:

a. Amounts received by a person with disabilities that are disregarded for a limited time for purposes of Supplemental Security Income and benefits that are set aside for use under a Plan to Attain Self-Sufficiency (PASS).
b. Amounts received by a participant in other publicly assisted programs that are specifically for, or in reimbursement of, out-of-pocket expenses incurred (special equipment, clothing, transportation, childcare, etc.) to allow participation in a specific program.

c. Amounts received under a resident service stipend not to exceed $200 per month. A resident service stipend is a modest amount received by a resident for performing a service for the PHA or owner, on a part-time basis, that enhances the quality of life in the development.

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

15. Reparation payments paid by foreign governments pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era.

16. Earned income of dependent full-time students in excess of the amount of the deduction for a dependent.

17. Adoption assistance payments in excess of the amount of the deduction for a dependent.

18. Deferred periodic payments of supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts, or any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts. But the periodic payments from these sources are income.

19. Payments related to aid and attendance under 38 USC 1521 to veterans in need of regular aid and attendance.

20. Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit.

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

agency for caregiving services the family member provides to enable a family member who has a disability to reside in the family's assisted unit.

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

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

24. Amounts specifically excluded by any other Federal Statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under the United States Housing Act of 1937. (A notice will be published by HUD in the Federal Register identifying the benefits that qualify for this exclusion. Updates will be published and distributed when necessary.)

The following is a list of benefits excluded by other Federal Statute:

a. The value of the allotment provided to an eligible household for coupons under the Food Stamp Act of 1977; 7 USC 2017 (h)

b. Payments to volunteers under the Domestic Volunteer Service Act of 1973; 42 USC 5044 (g), 5088

Examples of programs under this Act include but are not limited to:

Retired Senior Volunteer Program (RSVP), Foster Grandparent Program (FGP), Senior Companion Program (SCP), and the Older American Committee Service Program.

National Volunteer Antipoverty Programs such as VISTA, Peace Corps, Service Learning Program, and Special Volunteer Programs.

Small Business Administration Programs such as the National Volunteer Program to Assist Small Business and Promote Volunteer Service to Persons with Business Experience, Service Corps of Retired Executives (SCORE), and Active Corps of Executives (ACE).

c. Payments received under the Alaska Native Claims Settlement Act; 43 USC.1626 (a)

d. Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes; 25 USC. 459e

e. Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program; 42 USC 8624 (f)

f. Income derived from the disposition of funds of the Grand River Band of Ottawa Indians; P. L. 94-540, 90 State 2503-04

g. The first $2000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the Court of Claims 25 USC 1407-08, or from funds held in trust for an Indian Tribe by the Secretary of Interior; and 25 USC 117b, 1407

h. Payments received from programs funded under Title V of the Older Americans Act of 1965: 42 USC 3056 (f)

Examples of programs under this act include but are not limited to: Senior Community Services Employment Program (CSEP), National Caucus Center on the Black Aged, National Urban League, Association National Pro Personas Mayores, National Council on Aging, American Association of Retired Persons, National Council on Senior Citizens, and Green Thumb.

i. Payments received after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established in the In Re Agent Orange product liability litigation.

j. Payments received under Maine Indian Claims Settlement Act of 1980; P.L. 96-420,94 Stat. 1785

k. The value of any childcare provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990; 42 USC 9858q

l. Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation.

m. Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990.

n. Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act.

o. Allowances, earnings, and payments to individuals participating in programs under the Workforce Investment Act of 1998.

p. Kinship Guardian assistance payments and other guardianship care payments.

q. Any amount received under the School Lunch Act and the Child Nutrition Act of 1966, including reduced price lunches and food under WIC.

r. Payments, funds or distributions authorized, established or directed by the Seneca Nation Settlement Act of 1990.

s. Compensation received by or on behalf of a veteran for service-connected disability, death, dependency or indemnity compensation as provided by the Indian Veterans

Housing Opportunity Act of 2010.

t. A lump sum or a periodic payment received by an individual Indian pursuant to the Class Action Settlement Agreement in the case Elouise Cobell et al v Ken Salazar.

u. Any amounts in an ‘‘individual development account’’ as provided by the Assets for Independence Act, as amended in 2002 (Pub. L. 107–110, 42 U.S.C. 604(h)(4)).

v. Per capita payments made from the proceeds of Indian Tribal Trust Cases as described in PIH Notice 2013–30 ‘‘Exclusion from Income of Payments under Recent Tribal Trust Settlements’’ (25 U.S.C. 117b(a)); and

w. Major disaster and emergency assistance received by individuals and families under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Pub. L. 93–288, as amended) and comparable disaster assistance provided by States, local governments, and disaster assistance organizations (42 U.S.C. 5155(d)).

25. Replacement housing “gap” payments that offset increased out of pocket costs of displaced persons that move from one federally subsidized housing unit to another. Such payments are not excluded from annual income if the increased cost of rent and utilities is subsequently reduced or eliminated, and the displaced person retains or continues to receive the replacement housing “gap” payments.

26. Nonrecurring income, which is income that will not be repeated in the coming year based on information provided by the family. Income received as an independent contractor, day laborer, or seasonal worker is not excluded from income under this paragraph, even if the source, date, or amount of the income varies.

Nonrecurring Income Includes:

a. Payments from the US. Census Bureau for employment (relating to decennial census or the American community Survey) lasting no longer than 180 days and not culminating in permanent employment.

b. Direct Federal or State payments intended for economic stimulus or recovery.

c. Amounts directly received by the family as a result of State refundable tax credits or State tax refunds at the time they are received.

d. Amount directly received by the family as a result of Federal refundable tax credits and Federal tax received the time they are received.

e. Gifts for holidays, birthdays or other significant life events or milestones (e.g., wedding gifts, baby showers, anniversaries).

f. Non-monetary, in-kind donations, such as food, clothing or toiletries received from a food bank or similar organization.

g. Lump-sum additions to net family assets, including but not limited to lottery or other contest winnings.

27. Civil rights settlements or judgments, including settlements of judgments for back pay.

28. Income received from any account under a retirement plan recognized as such by the IRS, including individual retirement arrangements (IRAs), employer retirement plans, and retirements plans for self-employed individuals; except that any distribution of periodic payments from such accounts shall be income at the time they are received by the family.

29. Income earned on amounts placed in a family's Family Self Sufficiency Account.

30. Gross income a family member receives through self-employment or operation of a business except that the following shall be considered income to a family member:

a. Net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in IRS regs, and

b. Any withdrawal of cash or assets from the operation of a business or profession will be included in income except to the extent that the withdrawal is reimbursement of case or assets.

EXTREMELY LOW-INCOME FAMILY. very low–income families whose income does not exceed the higher of 30 percent of the area median income or the federal poverty level.

EHV. Emergency Housing Vouchers to assist individuals and families who are homeless, at- risk of homelessness, fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking, or were recently homeless or have a high risk of housing instability.

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. Includes, but is not limited to the following, regardless of actual or perceived sexual orientation, gender identity or marital status: 24 CFR §§ 5.403

A single person, who may be an elderly person, displaced person, disabled person, near- elderly person, or any other single person.

An otherwise eligible youth who has attained at least 18 years of age and not more than 24 years of age, and who has left foster care, or will leave foster care within

90 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act (42 USC 674(5)(H), and is homeless or is at risk of becoming homeless at age 18 or older; or

A group of persons residing together, and such group includes but is not limited to:

A family with or without children (a child who is temporarily away from home because of placement in foster care is considered a member of the family).

An elderly family

A near elderly

family A disabled

family

A displaced family and

The remaining member of a tenant family.

Foster Adult – A member of the household (but not the family) who is 18 years of age or older and meets the definition of a foster adult under State law. In general, a foster adult is a person who is 18 years of age or older, is unable to live independently due to a debilitating physical or mental condition and is placed with the family by an authorized placement agency or by judgement decree, or other order of any court of competent jurisdiction.

Foster Child – a member of the household (but not the family) who meets the definition of a foster child under State law. In general, a foster child is placed with the family by an authorized placement agency (e.g., public child welfare agency)or by judgment, decree or other order of any court of competent jurisdiction.

Health and medical care expenses – Any costs incurred in the diagnosis, cure, mitigation, treatment, or prevention of disease or payments for treatments affecting any structure or function of the body. Health and medical care expenses include medical insurance premiums and long-term care premiums that are paid or anticipated during the period for which annual income is computed.

Home you Could Live in – a home you have the right to sell, that is not owned jointly with a person who is not a member of the applicant/tenant/voucher holder family, that is not unsuitable for the disabilities of any family member, that is not in such substandard condition that it is uninhabitable, or that is not located in a place that is too distant to make commuting to work infeasible.

Independent Contractor – An individual who qualifies as an independent contractor instead of an employee in accordance with the IRS Code Federal income tax requirements and whose earnings are consequently subject to the Self-Employment Tax. In general, an individual is an independent contractor if the payer has the right to control or direct only the result of the work, and not what will be done and how it will be done.

Medical Expense Allowance - For purposes of calculating adjusted income for elderly or disabled families only, medical expenses mean the medical expense not compensated for or covered by insurance in excess of 10% of Annual Income. 24 CFR § 5.603

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

Real Property – as used in this part has the same meaning as that provided under the law of the State in which the property is located. 24 CFR § 5.100

Seasonal Worker – an individual who is hired into a short-term position and the employment begins about the same time each year (such as summer or winter). Typically, the individual is hired to address seasonal demands that arise for the particular employer or industry.

Unearned Income – means any annual income, as calculated under § 5.609 that is not earned income.

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:

(i) Is an otherwise eligible youth who has attained at least 18 years of age and not more than 24 years of age; Has left foster care, or will leave foster care within 90 days, in accordance with a transition plan described in section 475(5)(h) of the Social Security Act (42 U.S.C. 675(5)(h)); and is homeless or is at risk of becoming homeless at age 16 or older; or

(2) A group of people residing together and such group includes, but is not limited to:

(i) A family with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family);
(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.

In addition, for categorizing family as defined above, the terms disabled family, elderly family and near-elderly family (per 24 CFR 5.403) are:

- ***Disabled family*** means a family whose head (including co-head), spouse or sole member is a person with a disability.
- ***Elderly family*** means a family whose head (including co-head), spouse or sole member is a person who is at least 62 years of age.
- ***Near elderly*** family means a family whose head (including co-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 An applicant must be within the appropriate Income limits.

FAMILY OF VETERAN OR SERVICE PERSON. A family is a "family of veteran or service persons" 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 was 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.

FIXED INCOME SOURCE. Income received in periodic payments at reasonably predictable levels form one or more of the following sources:

(a) Social Security, Supplemental Security Income, Supplemental Disability Insurance.

(b) Federal, state, local or private pension plans.

(c) Annuities or other retirement benefit programs, insurance policies, disability or death benefits or other similar types of periodic receipts; or

(d) Any other source of income subject to adjustment by a verifiable Cost of Living Adjustment (COLA) or current rate of interest.

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.

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 (is 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.

GENERATION. The average period between the birth of the parents and the birth of their offspring.

GENDER IDENTITY. Actual or perceived gender-related characteristics.

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 people who are elderly or people 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.

HOMELESS. An individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning:

(i) Sleeping in a place not designed for or ordinarily used as a regular sleeping accommodation

(ii) Or Living in a shelter (designated to provide temporary living arrangements

(iii) Or exiting an institution with no subsequent residence identified where they resided for 90 days or less AND were residing in emergency shelter or place not meant for human habitation immediately before entering institution

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 Housing Choice Voucher 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 the owner under the family's lease.
- An additional payment to the family if the total assistance payment exceeds the rent to the 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 ASSISTANCE PLAN. (1) A Housing Assistance Plan submitted by a local government participating in the Community Development Block Program as part of the block grant application, in accordance with the requirements of 570.303(c) submitted by a local government not participating in the Community Development Block Grant Program and approved by HUD. (2) A Housing Assistance Plan meeting the requirements of 570.303(c) submitted by a local government not participating in the Community Development Block Grant Program and approved by HUD.

HOUSING CHOICE VOUCHER PROGRAM. Housing Choice Voucher Program of the United States Housing Act of 1937 (42 U.S.C. 14370.

HOUSING QUALITY STANDARDS (HQS/NSPIRE). 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 Housing Choice Voucher Program. HUD requirements are issued by HUD headquarters as regulations. Federal Register notices or other binding program directives.

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 $50,000.

IMPUTED WELFARE INCOME. An amount of annual income that is not actually received by a family as a result of a specified welfare benefit reduction but is included in the family's annual income and therefore reflected in the family's rental contribution.

INCOME. Income (either actual past income or projected income) from all sources of each member of the household as determined in accordance with criteria established by HUD.

INCOME FOR ELIGIBILITY. Annual Gross Income.

INDIAN. Any person recognized as an Indian or Alaska native by an Indian tribe, the federal government, or any State.

NDIAN HOUSING AUTHORITY (IHA). A housing agency established either by exercise of the power of self-government of an Indian Tribe, independent of State law, or by operation of State law providing specifically for housing authorities for Indians.

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 their representative or the managing agent or their representative, as shall be designated by the owner.

LARGE VERY LOW-INCOME FAMILY. Prior to the 1982 regulations, this meant a very

low-income family which included six or more minors. This term is no longer used.

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.

LIMITED ENGLISH PROFICIENT (LEP). persons who, as a result of national origin, do not speak English as their primary language and who have a limited ability to speak, read, write, or understand. For purposes of Title VI and the LEP Guidance, people may be entitled to language assistance with respect to a particular service, benefit, or encounter.

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/NSPIRE. A special housing type. See 24 CFR 982.620 and 982.621.

MANUFACTURED HOME SPACE. In manufactured home space rental: A space leased by an owner to a family. A manufactured home owned and occupied by the family is located on the space. See 24 CFR 982.622 to 982.624

MARKET RENT. The rent HUD authorizes the owner of FHA insured/subsidized multi-family housing to collect from families ineligible for assistance. For unsubsidized units in an FHA-insured multi-family project in which a portion of the total units receive project-based rental assistance, under the Rental Supplement or Section 202/Housing Choice Voucher Programs, the Market Rate Rent is that rent approved by HUD and is the Contract Rent for a Housing Choice Voucher Program Certificate holder. For BMIR units, Market Rent varies by whether the project is a rental or cooperative.

MEDICAL EXPENSES. Those total medical expenses, including medical insurance premiums, which 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.

MERGER DATE. October 1, 1999.

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.

MUTUAL HOUSING. Included in the definition of COOPERATIVE.

NATIONAL. A person who owes permanent allegiance to the United States, for example, as a result of birth in a United States territory or possession.

NEAR-ELDERLY FAMILY. A family whose head, spouse, or sole member is a person who is at least 50 years of age but below the age of 62; or two or more persons who are at least 50 years of age but below the age of 62, living together; or one or more persons who are at least 50 years of age but below the age of 62, living with one or more Live-In Aides.

NEGATIVE RENT. Now called Utility Reimbursement. A negative Tenant Rent results in a Utility Reimbursement Payment (URP).

NET FAMILY ASSETS. The net cash value of all assets owned by the family, after deducting reasonable costs that would be incurred in disposing real property, savings, stocks, bonds and other forms of capital investment. 24 CFR § 5.603

In determining net family assets PHAs or owners must include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received therefor. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives consideration not measurable in dollar terms. Negative equity in real property or other investments does not prohibit an owner from selling the property or other investments, so negative equity alone would not justify excluding the property or other investments from family assets.

Excluded from the calculation of net family assets are:

- The value of necessary items of personal property
- The combined value of all non-necessary items of personal property if the combined total value does not exceed $5,000 (which will be adjusted by HUD in accordance with the Consumer Price Index)
- The value any account under a retirement plan recognized as such by the IRS, including individual retirement arrangements, employer retirement plans (pensions), and retirement plans for self-employed individuals.
- The value of real property that the family does not have the effective legal authority to sell in the jurisdiction in which the property is located.
- Any amounts recovered in any civil action or settlement based on a claim of malpractice, negligence or other breach of duty owed to a family member arising out of law, that resulted in a family member being a person with a disability.
- The value of any Coverdell education savings account under section 530 of the IRS code, the value of any qualified tuition program under section 529 of such Code, the value of any Achieving a Better Life Experience (ABLE) account under Section 629A of such Code, and the value of any "baby bond account created, authorized or funded by Federal, State or local government.
- Interests in Indian trust land
- Equity in a manufactured home where the family receives assistance under the Housing Choice Voucher program.
- Family Self Sufficiency accounts.
- Federal tax refunds or refundable tax credits for a period of 12 months after the receipt by the family.
- An irrevocable trust.

NET FAMILY CONTRIBUTION. Former name for Tenant Rent.

NONCITIZEN. 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.

OVER-FMR TENANCY (OFTO). In the pre-merger Certificate program: A tenancy for which the initial gross rent exceeds the FMR/exception rent limit.

OWNER. Any person or entity has 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 people 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 903 of this chapter.

PORTABILITY. Renting a dwelling unit with Housing Choice Voucher Program 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.

PRIVATE SPACE. In shared housing: The portion of a contract unit that is for the exclusive use of an assisted family.

PROCESSING ENTITY. Entity responsible for making eligibility determinations and for income reexaminations. In the Housing Choice Voucher Program, the "processing entity" is the "responsible entity."

PROGRAM. The Housing Choice Voucher Program 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 Housing Choice Voucher Program 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 if there are no additional changes to be reported.

REGULAR TENANCY. In the pre-merger certificate program: A tenancy other than an over-FMR tenancy.

REMAINING MEMBER OF TENANT FAMILY. People 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").

RESIDENCY PREFERENCE AREA. The specified area where families must reside to qualify for a residency preference.

RESIDENT ASSISTANT. A person who lives in an Independent Group Residence and

provides on a daily basis some or all of the necessary services to elderly, handicapped, and disabled individuals receiving Housing Choice Voucher Program housing assistance and who is essential to these individuals' care or well-being. A Resident Assistant shall not be related by blood, marriage or operation of law to individuals receiving Housing Choice Voucher Program assistance nor contribute to a portion of their income resources towards the expenses of these individuals.

RESPONSIBLE ENTITY. For the Asset Management and Housing Choice Voucher Program 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 Housing Choice Voucher Program, the responsible entity means the Housing Choice Voucher Program owner.

SAFE HARBOR. Income determinations made within the previous 12-month period for purposes of the means-tested form of Federal public assistance.

SECRETARY. The Secretary of Housing and Urban Development.

SECURITY DEPOSIT. A dollar amount that can be applied to unpaid rent, damages or other amounts to the owner under the lease.

SEXUAL ORIENTATION. It means homosexuality, heterosexuality or bisexuality.

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.

SPECIAL ADMISSION. Admission of an applicant that is not on the PHA wait list or without considering the applicant's wait 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. To follow, pursue, or repeatedly commit acts with the intent to kill, injure,

harass, or intimidate another person; and to place under surveillance with the intent to kill, injure, harass or intimidate another person; and in the course of, or as a result of, such following, pursuit, surveillance or repeatedly committed acts, to place a person in reasonable fear of the death of, or serious bodily injury to, or to cause substantial emotional harm to (i) that person; (ii) a member of the immediate family of that person; or (iii) the spouse or intimate partner of that person. For purposes of this definition, "Immediate Family Member" means a spouse, parent, brother, sister or child of that person, or an individual to whom that person stands in loco parentis; or any other person living in the household of that person and related to that person by blood or marriage.

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 Housing Choice Voucher Program Housing Assistance Payments Program pursuant to Housing Choice Voucher Program 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 execute the lease as lessee of the dwelling unit.

TENANT FILE. Includes both the paper file of documents submitted, received or generated on/by or on behalf of a family. This also includes electronically stored imaging and information maintained in CMHA's software system(s).

TENANT RENT. The amount payable monthly by the family as rent to the unit owner (Housing Choice Voucher Program 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.

THIRD-PARTY VERIFICATION. Independent verification of income and/or expenses by contacting the individual income/expense source(s) supplied by the family. The verification documents must be generated by the independent source.

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.

UNUSUAL EXPENSES. Prior to the change in the 1982 regulations, this was the term applied to the amounts paid by the family for the care of minors under 13 years of age or for the care of disabled or handicapped family household members, but only where such care was necessary to enable a family member to be gainfully employed.

UPFRONT INCOME VERIFICATION. The verification of income, before or during a family reexamination, through an independent source that systematically and uniformly maintains income information in computerized form for a large number of individuals.

UTILITIES. Utilities include 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 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.

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.

VIOLENCE AGAINST WOMEN ACT. Defined in Section 6(u)(3) of the United States Housing Act of 1937, as amended, (42 U.S.C. §1437d(u)(3)) and in the Violence Against Women Act Policy.

VERY LARGE LOWER-INCOME FAMILY. Prior to the change in the 1982 regulations this was described as a lower-income family which included eight or more minors. This term is no longer used.

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 there from under conditions other than dishonorable.

In the selection of tenants for dwelling units, CMHA shall give preference, (as among applicants equally in need and eligible for occupancy of the dwelling unit), to families of veterans and persons serving in the active military or naval service of the United States, including families of deceased veterans or deceased persons who were so serving at the time of death. For purposes of the preference, Veteran" means either of the following:

(i) A person who has served in the active military or naval service of the United States and who was discharged or released there from under conditions other than dishonorable;

(ii) A person who served as a member of the United States Merchant Marine and to whom either of the following applies:

1. The person has an honorable report of separation from active-duty military service, form DD214 or DD215.

2. The person served in the United States Merchant Marine between December 7, 1941, and December 31, 1946, and died on active duty while serving in a war zone during that period of service.

3. "United States Merchant Marine" includes the United States Army transport service and the United States Naval transport service.

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 unexposed term (search time).

VOUCHER PROGRAM. The Housing Choice Voucher program.

WAIT LIST. A list of families organized according to HUD regulations and PHA policy that are waiting for subsidy to become available.

WAIT LIST ADMISSION. An admission from the PHA wait 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, childcare 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, SDI, or Social Security.

WELFARE RENT. This concept is used ONLY for pre-merger Certificate tenants who receive welfare assistance on an "AS-PAID" basis. It is not used for the Housing Voucher Program.

- If the agency does NOT apply for a ratable reduction, this is the maximum a public assistance agency COULD give a family for shelter and utilities, NOT the amount the family is receiving at the time the certification or recertification is being processed.
- If the agency applies a ratable reduction, welfare rent is a percentage of the maximum the agency could allow.

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 WT. 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 of citizenship or eligible immigration status.

HEAD OF HOUSEHOLD. The adult member of the family who is the head of the household for the 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 that operates Asset Management.

RESPONSIBLE ENTITY. The person or entity responsible for administering the

restrictions on providing assistance to non-citizens with ineligible immigration status (the PHA).

SECTION 214. Section 214 restricts HUD from making financial assistance available for non-citizens 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.

PROGRAM INTEGRITY ADDENDUM
[24 CFR 792.101 to 792.204, 982.54]

PHILOSOPHY

The U.S. Department of Housing and Urban Development (HUD) conservatively estimates that 600 million dollars is paid annually to program participants who falsify or omit material facts in order to gain more rental assistance than they are entitled to under the law. HUD further estimates that 12% of all HUD-assisted families either are totally ineligible or are receiving benefits that exceed their legal entitlement.

CMHA is committed to assuring that the proper level of benefits is paid to all participating families and that housing resources reach only income-eligible families so that program integrity can be maintained.

POLICY

CMHA will take all steps necessary to prevent fraud, waste, and mismanagement so that program resources are utilized judiciously. The agency will use reports from PIC and Elite to ensure program compliance.

This chapter outlines CMHA's policies for the prevention, detection, and investigation of program abuse and fraud.

A. CRITERIA FOR INVESTIGATION OF SUSPECTED ABUSE AND FRAUD

Under no circumstances will CMHA undertake an inquiry or an audit of a participating family or property owner arbitrarily. CMHA's expectation is that participating families and property owners will comply with HUD requirements, provisions of the voucher, and other program rules. CMHA staff will make every effort (formally and informally) to orient and educate all clients in order to avoid unintentional violations. However, CMHA has a responsibility to HUD, the community, and eligible families in need of housing assistance to monitor participants and owners for compliance and, when indicators of possible abuse come to CMHA’s attention, investigate such claims.

CMHA will initiate an investigation of a participating family or property owner only in the event of one or more of the following circumstances:

- **Referrals, Complaints, or Tips.** CMHA will follow up on referrals received by mail, by telephone, or in person from other agencies, companies or

persons alleging that a family is in noncompliance with or otherwise violating the family obligations or any other program rules. Such follow-up will be made providing that the referral contains at least one item of information that is independently verifiable. A copy of the allegation will be retained in the family's file.

- **Internal File Review.** A follow-up will be done if CMHA staff discovers (as a function of a certification or recertification, an interim redetermination, or a quality control review) information or facts that conflict with previous file data, CMHA's knowledge of the family, or statements made by the family.

- **Verification of Documentation.** A follow-up will be made if CMHA receives independent verification or documentation that conflicts with representations in the family's file (such as public record information or reports from credit bureaus or other agencies).

B. STEPS CMHA WILL TAKE TO PREVENT PROGRAM ABUSE AND FRAUD

CMHA management and staff will utilize various methods and practices (listed below) to prevent program abuse, noncompliance, and willful violations of program rules by applicants, participating families and property owners. This policy objective is to establish confidence and trust in the management by emphasizing education as the primary means to obtain compliance by CMHA clients.

Things You Should Know (HUD-1140-OIG). This program integrity bulletin (created by HUD's inspector general) will be furnished and explained to all applicants to promote understanding of program rules and to clarify CMHA's expectations for cooperation and compliance.

Review and Explanation of Forms. Staff will explain all required forms and review the contents of all (re)certification documents prior to signature.

Use of Instructive Signs and Warnings. Instructive signs will be conspicuously posted in common areas and interview areas to reinforce compliance with program rules and to warn about penalties for fraud and abuse.

Participant Certification (Voucher). Head or Co-head will be required to sign a participant certification form.

C. STEPS CMHA WILL TAKE TO DETECT PROGRAM ABUSE AND FRAUD

CMHA staff will maintain a high level of alertness to indicators of possible abuse and fraud by assisted families or program property owners.

Quality Control File Reviews. Prior to initial certification and at the completion of all subsequent recertifications, client files per Housing Specialist per month will be reviewed by CMHA staff. At a minimum, such reviews shall examine:

- Verification of all income and deductions
- Changes in reported Social Security numbers or dates of birth
- Authenticity of file documents
- Ratio between reported income and expenditure
- Consistency of signatures with previously signed file documents
- Dates and signatures on all documents

Observation. CMHA management and occupancy staff (to include inspection personnel) will maintain high awareness of circumstances that may indicate program abuse or fraud, such as unauthorized persons residing in the household and unreported income.

Observations will be Documented in the Family's File.

Public Record Bulletins. These bulletins may be reviewed by management and staff.

State Wage Data Record Keepers. Inquiries to state wage and employment record-keeping agencies, as authorized under Public Law 100-628, the Stewart B. McKinley Homeless Assistance Amendments Act of 1988, may be made annually in order to detect unreported wages or unemployment compensation benefits.

Credit Bureau Inquiries. Credit bureau inquiries may be made (using a release of information form as authorization for credit and other checks) in the following circumstances:

At the time of final eligibility determination

When an allegation is received by CMHA wherein unreported income sources are disclosed

When a participant's expenditure exceeds their reported income and no plausible explanation is given

D. CMHA'S HANDLING OF ALLEGATIONS OF POSSIBLE ABUSE AND FRAUD

CMHA staff will encourage all participating families to report suspected abuse to the Housing Choice Voucher Program. All such referrals, as well as referrals from community members and other agencies, will be thoroughly documented and placed in the participant's file. All allegations, complaints, and tips will be carefully evaluated to determine whether they warrant follow-up. CMHA will not follow up on allegations that are vague or otherwise nonspecific. They will only review allegations that contain one or more independently verifiable facts.

File Review. An internal file review will be conducted to determine whether the subject of the allegation is a client of CMHA and, if so, whether or not the information reported has been previously disclosed by the family.

CMHA will then determine whether it is the most appropriate authority to do a follow-up (as compared to police or social services). Any file documentation of past behavior as well as corroborating complaints will be evaluated.

Conclusion of Preliminary Review. If at the conclusion of the preliminary file review there are facts contained in the allegation that conflict with file data and that are independently verifiable, CMHA will initiate and investigation to determine if the allegation is true or false.

E. OVERPAYMENTS TO OWNERS

If an owner has been overpaid as a result of fraud, misrepresentation, or violation of the HAP Contract, CMHA may terminate the contract and arrange for restitution to CMHA and/or the family as appropriate.

CMHA will make every effort to recover any overpayments made as a result of owner fraud or abuse. Payments otherwise due to the owner may be debited in order to repay CMHA or the tenant, as applicable.

F. HOW CMHA WILL INVESTIGATE ALLEGATIONS OF ABUSE AND FRAUD

If CMHA determines that an allegation or referral warrants follow-up, either the staff person who is responsible for the file or a person designated by the executive director to monitor program compliance will conduct the investigation. The steps taken will depend upon the nature of the allegation and may include the items listed below. In all cases, CMHA will use a release of information form as the written authorization from the program participant to authorize credit and other checks.

Credit Bureau Inquiries. In cases involving previously unreported income sources, a credit bureau inquiry may be made to determine whether the financial activity of a family conflicts with the family's reported income.

Verification of Credit. In cases where the financial activity conflicts with file data, a verification of credit form may be mailed to the creditor to determine the source of unreported income.

Employers and Ex-Employers. Employers or ex-employers may be contacted to verify wages that may have been previously undisclosed or misreported.

Neighbors/Witnesses. Neighbors and/or other witnesses who are believed to have direct or indirect knowledge of facts pertaining to CMHA's review may be interviewed.

Other Agencies. Investigators, case workers or representatives of other benefit agencies may be contacted.

Public Records. CMHA will review any relevant public records kept in a jurisdictional courthouse. Examples of public records that may be checked are real estate records, marriage and divorce records, uniform commercial code financing statements, voter registration rolls, judgments, court or police records, state wage records, utility records, and postal records.

Interviews with Head of Household or Family Members. CMHA will discuss the allegation (or details thereof) with the head of household or family members by scheduling an appointment at the appropriate CMHA office. A high standard of courtesy and professionalism will be maintained by CMHA staff person who conducts such interviews. Under no circumstances will inflammatory language, accusations, or any unprofessional conduct or language be tolerated by the management. If possible, an additional staff person will attend such interviews.

G. PLACEMENT OF DOCUMENTS, EVIDENCE, AND STATEMENTS OBTAINED BY CMHA

Documents and other evidence obtained by CMHA during the course of an investigation will be considered "work product" and will be kept either in the participant's file or in a separate "work file." In either case, the participant's file or work file will be kept in a locked file cabinet. Such cases under review will be discussed only among CMHA staff who are involved in the process or have information that may assist in the investigation.

H. CONCLUSION OF CMHA'S INVESTIGATIVE REVIEW

At the conclusion of the investigative review, the reviewer will report the findings to the Director of Rental Assistance Programs. It will then be determined whether the facts indicate that a violation has occurred.

I. EVALUATION OF THE FINDINGS

If it is determined that a program violation has occurred, CMHA will review the facts to determine:

- What type of violation has occurred (procedural noncompliance or fraud)?
- Whether the violation was intentional or unintentional.
- What amount of money (if any) is owed by the family?

- Whether the family is eligible for continued occupancy.

J. ACTION PROCEDURES FOR VIOLATIONS THAT HAVE BEEN DOCUMENTED

Once a program violation has been documented, CMHA will propose the most appropriate remedy based upon the type and severity of the violation.

Procedural Noncompliance

This category applies when the family "fails to" observe a procedure or requirement of CMHA but does not misrepresent a material fact and there are no retroactive assistance payments owed bythe family.

Examples of noncompliance violations are:

- Failure to appear at a prescheduled appointment
- Failure to return verification in the time period specified by CMHA warning Notice to the Family. In such cases a notice containing the following will be sent to the family:
- A description of the noncompliance and the procedure, policy, or obligation that was violated.
- The date by which the violation must be corrected, or the procedure complied with. The action that will be taken by CMHA if the procedure or obligation is not complied with by the date specified by CMHA.

Procedural Noncompliance - Overpaid Assistance

When the family owes money to CMHA for failure to report changes in income or assets, CMHA will issue a notice of overpayment of assistance. This notice will contain the following:

- A description of the violation and the date(s). The amount owed to CMHA.
- The number of days within which a response must be received.
- Acknowledgment of the family's right to disagree and to request an informal hearing along with instructions for requesting such a hearing.

Participant Fails to Comply with CMHA's Notice. If the Participant fails to comply with CMHA's notice and a family obligation has been violated, CMHA will initiate termination of assistance.

Participant Complies with CMHA's Notice. When a family complies with CMHA's notice, the staff person responsible will meet with him/her to explain and discuss the family obligation or program rule that was violated. The staff person notes to the file that compliance has been achieved.

Intentional Misrepresentations

When a participant falsifies, misstates, omits, or otherwise misrepresents a material fact which results (or would have resulted) in an overpayment of housing assistance by CMHA, the agency will evaluate whether or not:

- The participant had knowledge that their actions were wrong.
- The participant willfully violated the family obligations or the law.

Knowledge

This will be evaluated by determining whether the participant was made aware of program requirements and prohibitions. The participant's signature on various certifications, the briefing certificate, and the personal declaration are adequate to establish knowledge of wrongdoing.

Willful Intent

Any of the following circumstances will be considered adequate to demonstrate willful intent:

- An admission by the participant of the misrepresentation Repetition of the misrepresentation
- Use of a false name or Social Security number
- Admissions of the illegal action or omission by the participant to others Omission of material facts known to the participant (e.g., employment of the participant or other household member)
- Falsification, forgery or altering of documents
- Uttering and certifying to statements at an interim (re)determination that are later independently verified to be false

Dispositions of Cases Involving Misrepresentations

In all cases of misrepresentations involving efforts to recover monies owed, CMHA may pursue, depending upon its evaluation of the criteria stated above, one or more of the following actions:

Criminal Prosecution. If CMHA has established criminal intent and the case meets the criteria for prosecution, CMHA will:

- Refer the case for legal action, notify HUD's regional inspector general for investigation (RIGI), and terminate rental assistance.

Administrative Remedies. CMHA will:

- Terminate assistance and pursue restitution through civil litigation.
- Permit continued assistance at the correct level and execute an administrative repayment agreement in accordance with CMHA's repayment policy.

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