

McKean County Redevelopment & Housing MCHA

Section 8 Program Administrative Plan

(Approved by the Board of Commissioners on 9/19/2019)

McKean County Redevelopment & Housing MCHA

Section 8 Program

**415 W. Main Street
Smethport, PA 16749**

**Alcherrie Williams
Executive Director**

TABLE OF CONTENTS

CHAPTER 1	STATEMENT OF POLICY & OBJECTIVES	7
	INTRODUCTION	7
	LOCAL OBJECTIVES	7
	PURPOSE OF THE PLAN	7
	FAIR HOUSING POLICY	8
	FAMILY OUTREACH	8
	OWNER OUTREACH	8
	PRIVACY RIGHTS	9
	EQUAL EMPLOYMENT OPPORTUNITY	10
	VIOLENCE AGAINST WOMEN'S ACT POLICY	10
	SEX OFFENDERS	19
	RULES & REGULATIONS	19
	JURISDICTION	19
	MONITORING PROGRAM PERFORMANCE	19
	ETHICS	20
	TERMINOLOGY	20
CHAPTER 2	ELIGIBILITY FOR ADMISSION	22
	INTRODUCTION	22
	FAMILY COMPOSITION	23
	INCOME LIMITATIONS	25
	MANDATORY SOCIAL SECURITY NUMBERS	27
	CITIZENSHIP / ELIGIBLE IMMIGRATION STATUS	27
	OTHER CRITERIA FOR ADMISSION	27
	SUITABILITY OF FAMILY	29
	CHANGES IN ELIGIBILITY PRIOR TO EFFECTIVE DATE	29
	INELIGIBLE FAMILIES	30
CHAPTER 3	APPLYING FOR ADMISSION	31
	INTRODUCTION	31
	OPENING / CLOSING WAITING LIST	31
	HOW TO APPLY	31
	APPLICATION PROCEDURES	32
	NOTIFICATION OF APPLICANT STATUS	33
	TIME OF SELECTION	33
	PROGRAM BRIEFING PROCESS	33
CHAPTER 4	ESTABLISHING PREFERENCES/MAINTAINING LIST	36
	INTRODUCTION	36
	APPLICATION POOL	36
	WAITING LIST PREFERENCES	36
	ORDER OF SELECTION	38

FINAL VERIFICATION OF PREFERENCES.....	38
PREFERENCE DENIAL.....	38
REMOVAL FROM WAITING LIST & PURGING	39
CHAPTER 5 SUBSIDY STANDARDS	40
INTRODUCTION.....	40
DETERMINING VOUCHER SIZE.....	40
CHANGES IN VOUCHER SIZE.....	41
UNIT SIZE SELECTED	42
CHAPTER 6 FACTORS RELATED TO TTP DETERMINATION	44
INTRODUCTION.....	44
INCOME & ALLOWANCES	44
DEFINITIONS OF TEMPORARY / PERMANENTLY ABSENT	45
AVERAGING INCOME.....	49
MINIMUM INCOME	50
INCOME OF PERSON PERMANENTLY CONFINED TO NURSING HOME	50
REGULAR CONTRIBUTIONS & GIFTS.....	50
ALIMONY & CHILD SUPPORT	50
LUMP SUM RECEIPTS.....	51
CONTRIBUTIONS TO RETIREMENT FUNDS / ASSETS.....	52
ASSETS.....	52
ASSETS DISPOSED OF FOR LESS THAN FAIR MARKET VALUE	52
CHILDCARE EXPENSES	52
MEDICAL EXPENSES	53
PRORATION OF ASSISTANCE FOR MIXED FAMILIES	53
REDUCTION IN BENEFITS	54
UTILITY ALLOWANCE & UTILITY REIMBURSEMENT PAYMENTS.....	54
CHAPTER 7 VERIFICATION PROCEDURES.....	55
INTRODUCTION.....	55
METHODS OF VERIFICATION & TIME ALLOWED	55
RELEASE OF INFORMATION	57
COMPUTER MATCHING.....	58
ITEMS TO BE VERIFIED.....	58
VERIFICATION OF INCOME	59
INCOME FROM ASSETS.....	62
VERIFICATION OF ASSETS	62
VERIFICATION OF ALLOWABLE DEDUCTIONS FROM INCOME	63
VERIFYING NON-FINANCIAL FACTORS	65
WAITING LIST PREFERENCES.....	69
CHAPTER 8 VOUCHER ISSUANCE & BRIEFINGS	70
INTRODUCTION.....	70

ISSUANCE OF VOUCHER	70
BRIEFING TYPES & REQUIRED ATTENDANCE	70
SECURITY DEPOSIT REQUIREMENTS	72
TERM OF VOUCHER.....	73
VOUCHER ISSUANCE DETERMINATION OF SPLIT HOUSEHOLDS....	74
REMAINING MEMBER OF FAMILY – RETENTION OF VOUCHER	75
CHAPTER 9 REQUEST FOR LEASE, APPROVAL, & CONTRACT	76
INTRODUCTION.....	76
REQUEST FOR TENANCY APPROVAL.....	76
ELIGIBILITY OF HOUSING	77
LEASE REVIEW.....	77
INITIAL INSPECTIONS	78
RENT LIMITATIONS	78
DISAPPROVAL OF PROPOSED RENT.....	78
INFORMATION TO OWNERS	79
OWNER DISAPPROVAL	79
CHANGE IN TTP PRIOR TO HAP EFFECTIVE DATE	79
CONTRACT EXECUTION PROCESS	80
CHANGE IN OWNERSHIP.....	80
CHAPTER 10 HOUSING QUALITY STANDARDS & INSPECTIONS	81
INTRODUCTION.....	81
GUIDELINES / TYPES OF INSPECTIONS	81
ACCEPTABILITY REQUIREMENTS & EXPECTATIONS TO HQS.....	85
INSPECTIONS.....	85
EMERGENCY REPAIR ITEMS	86
CONSEQUENCES IF OWNER IS RESPONSIBLE (NON- EMERGENCY).....	87
DETERMINATION OF RESPONSIBILITY.....	88
CONSEQUENCES IF FAMILY IS RESPONSIBLE	88
INITIAL HQS INSPECTIONS	89
ANNUAL OR BI-ANNUAL HQS INSPECTIONS	89
SPECIAL / COMPLAINT INSPECTIONS.....	90
QUALITY CONTROL INSPECTIONS (SEMAP).....	90
CHAPTER 11 OWNER RENTS, RENT REASONABLENESS	91
INTRODUCTION.....	91
OWNER PAYMENT IN THE VOUCHER PROGRAM	91
MAKING PAYMENTS TO OWNERS.....	91
RENT REASONABLENESS DETERMINATIONS	91
PAYMENT STANDARDS	92
ADJUSTMENTS TO PAYMENT STANDARDS	92
RENT ADJUSTMENTS	94

CHAPTER 12	RECERTIFICATIONS	95
INTRODUCTION		95
ANNUAL ACTIVITIES		95
ANNUAL RECERTIFICATIONS		95
REPORTING INTERIM CHANGES		98
NOTIFICATION OF RESULTS OF RECERTIFICATION		99
TIMELY REPORTING OF CHANGES IN INCOME (& ASSETS)		100
REPORTING CHANGES IN FAMILY COMPOSITION		101
CONTINUENCE OF ASSISTANCE FOR “MIXED” FAMILIES		101
CHAPTER 13	MOVES W/CONTINUED ASSISTANCE/PORTABILITY	102
INTRODUCTION		102
ALLOWABLE MOVES		102
RESTRICTION ON MOVES		102
PROCEDURE FOR MOVES		103
PORTABILITY		103
OUTGOING PORTABILITY		103
INCOMING PORTABILITY		105
CHAPTER 14	CONTRACT TERMINATIONS	108
INTRODUCTION		108
CONTRACT TERMINATION		108
TERMINATION BY THE FAMILY - MOVES		108
TERMINATION BY THE OWNER - EVICTIONS		108
TERMINATION OF THE CONTRACT BY AUTHORITY		109
TERMINATION DUE TO INELIGIBLE IMMIGRATION STATUS		110
TERMINATION DUE TO OWNER DISAPPROVAL		110
CHAPTER 15	DENIAL OR TERMINATION OF ASSISTANCE	112
INTRODUCTION		112
GROUNDS FOR DENIAL / TERMINATION		112
FAMILY OBLIGATIONS		113
PROCEDURE FOR NON-CITIZENS		120
\$0 ASSISTANCE TENANTS		122
OPTION NOT TO TERMINATION FOR MISREPRESENTATION		122
MISREPRESENTATIONS IN COLLUSION WITH OWNER		122
MISSED APPOINTMENTS & DEADLINES		123
SUSPENSION DUE TO INSUFFICIENT FUNDING		123
CHAPTER 16	OWNER DISAPPROVAL & RESTRICTIONS	126
INTRODUCTION		126
DISAPPROVAL OF OWNER		126
OWNER RESTRICTIONS & PENALTIES		126
OTHER REMEDIES FOR OWNER VIOLATIONS		127

CHAPTER 17	OWNER OR FAMILY DEBTS TO AUTHORITY	128
	INTRODUCTION.....	128
	REPAYMENT AGREEMENT FOR FAMILIES	128
	DEBTS OWED FOR CLAIMS.....	128
	DEBTS DUE TO FRAUD / NON-REPORTING OF INCOME	129
	OWNER DEBTS TO THE AUTHORITY.....	130
	WRITING OFF DEBT	131
CHAPTER 18	COMPLAINTS & APPEALS.....	132
	INTRODUCTION.....	132
	COMPLAINTS TO THE AUTHORITY.....	132
	PREFERENCE DENIALS.....	132
	INFORMAL REVIEW PROCEDURES FOR APPLICANTS	133
	INFORMAL HEARING PROCEDURES.....	134
	HEARING & APPEAL PROVISIONS FOR “RESTRICTION ON ASSISTANCE TO NON-CITIZENS”	136
CHAPTER 19	REASONABLE ACCOMODATIONS FOR S8....	138
	INTRODUCTION.....	138
	REASONABLE ACCOMODATION PURPOSES	139
	PROCEDURES FOR ASSISTING PEOPLE WITH DISABILITIES	140
	PROVIDING REASONABLE ACCOMODATIONS THROUGH S8 LANDLORDS	141
	DISCRIMINATION BY LANDLORDS	142
	LIVE-IN AIDE POLICY.....	143
	PRIVACY STATEMENT	144
CHAPTER 20	PROJECT BASED S8 PROGRAM	145
	INTRODUCTION.....	145
	GENERAL REQUIREMENTS	145
	PURPOSE.....	146
	OWNER PROPOSAL.....	147
	SOLICITATION AND SELECTION.....	148
	OWNER PROPOSAL SUBMISSION REQUIREMENTS	149
	SITE SELECTION STANDARDS	151
	HOUSING TYPE	152
	PROJECT-BASED HOUSING ASSISTANCE PAYMENTS.....	154
	EXTENSION OF HAP CONTRACT	156
	MANAGEMENT	157
	INSPECTIONS.....	161
	RENT AND HOUSING ASSISTANCE PAYMENTS.....	162
CHAPTER 21	APPENDIX.....	164
	LIMITED ENGLISH PROFICIENCY	164
	CONFIDENTIALITY POLICY	168

Chapter 1

STATEMENT OF POLICIES AND OBJECTIVES

INTRODUCTION

The Section 8 Program was enacted as part of the Housing and Community Development Act of 1974, which recodifies the U. S. Housing Act of 1937. The Act has been amended from time to time, and its requirements, as they apply to Section 8 Programs, are described in and implemented through this Administrative Plan.

Administration of the Section 8 Program and the functions and responsibilities of the staff of the McKean County Redevelopment & Housing MCHA (“MCHA”) shall be in compliance with MCHA’s personnel policy and the U.S. Department of Housing and Urban Development’s (“HUD”) Section 8 regulations as well as all Federal, State and local Fair Housing laws, regulations, and guidance.

This Section 8 Program Administrative Plan ("Plan") establishes MCHA’s discretionary policies and procedures that will be used in the administration of the Section 8 HCV Program ("HCV Program"), and the Project Based Section 8 Program, in accordance with HUD requirements. The approach to program functions contained in this Plan is applicable to admission and continued occupancy in the Section 8 Programs. The Section 8 New Construction Management Plan will govern the operation of the Section 8 New Construction development.

A. LOCAL OBJECTIVES

The Section 8 Program is designed to achieve three major objectives:

1. To provide decent, safe, and sanitary housing for very low income families while maintaining their rent payments at an affordable level.
2. To promote freedom of housing choice and spatial de-concentration of very low income families of all races and ethnic backgrounds.
3. To provide an incentive to private property owners to rent to very low income families by offering timely assistance payments,
4. Encourage self-sufficiency of Program participants; and
5. Assure compliance with the HUD regulations, Equal Housing Opportunity requirements, and MCHA’s policies.

B. PURPOSE OF THIS PLAN

The purpose of the Administrative Plan is to establish policies for carrying out the program in a manner consistent with HUD requirements and local objectives. The Plan covers both admission and continued participation in the program.

MCHA is responsible for complying with all changes in federal law, HUD regulations, and guidance pertaining to this program. If such changes conflict with this Plan, HUD regulations will have precedence. This Administrative Plan and any changes must be approved by the Board of Directors of the agency and a copy provided to HUD.

C. FAIR HOUSING.

It is the policy of the McKean County Redevelopment & Housing MCHA (“MCHA”) to fully comply with all Federal, State and local nondiscrimination laws, including the federal Fair Housing Act, the Americans with Disabilities Act; and U. S. Department of Housing and Urban Development (“HUD”) regulations and guidance governing Fair Housing and Equal Opportunity. No person shall, on the grounds of race, color, sex, sexual orientation, gender identity, religion, national origin, ancestry, physical disability or disability, marital status, age, presence of children or sources of income be excluded from participation in, or denied the benefits of, or be otherwise subjected to discrimination under Section 8 programs. MCHA shall affirmatively further fair housing in the administration of Section 8 programs, as well as, practice affirmative action in hiring, promotion and conditions of employment.

To further its commitment to full compliance with applicable nondiscrimination laws, MCHA will provide a *Notice of Fair Housing Rights* to applicants/participants of the Section 8 programs outlining MCHA’s fair housing policy and advising of the recourse available to them under administrative and court avenues of relief in the event that they believe they may be victims of discrimination. Additionally, HUD’s Fair Housing Information and Discrimination Complaint Forms will be available at the MCHA’s headquarters. MCHA will provide assistance, where necessary, in completing the foregoing forms. MCHA will demonstrate that it is an equal housing provider through the use of appropriate fair housing disclosures, including the Equal Opportunity logo and poster.

D. FAMILY OUTREACH

The MCHA will make available information about the benefits of participating in the HCV Program. Additional marketing targeted to very-low-income families will occur when the pool of available applicants on the waiting list decreases to a level that may affect the admissions of new participants or cause Program leasing rates to decrease. Marketing may include the publication of information in local newspapers of general circulation, public announcements, radio advertisements, and/or specific marketing through "minority media"

MCHA will communicate the status of housing availability to other service providers in the community; advise them of housing eligibility factors and guidelines in order that they can make proper referrals for housing assistance. Such service providers would be, but not limited to senior centers, family centers, physicians’ offices, public assistance offices, unemployment offices, etc.

E. OWNER OUTREACH

MCHA will continue to encourage the participation of qualified owners of eligible affordable housing in all areas of its jurisdiction, provide assistance to Section 8 families to increase housing choice, and to take reasonable action to broaden area-wide housing choice. Marketing and outreach to owners are initiated by MCHA through the following functions:

1. The Section 8 Department maintains up-to-date listings of interested landlords. Landlords may request to be placed on the listing sheet. Owners of rental property who contact the Section 8 Office will be encouraged to complete the landlord packet and provide consent to be placed on the landlord list.

2. The Section 8 HCV Program staff continuously markets the Program through contacts with existing owners of HCV Program properties, general discussions designed to interest new owner participation and landlord outreach symposiums.
3. Information about landlord opportunities in MCHA's HCV Program is obtainable by contacting the Section 8 Program management office. Landlord guidebooks are available to provide general Program information and to highlight the benefits of program participation as a landlord.
4. General marketing by MCHA may include the publication of advertisements in a local newspaper of general circulation, public announcements, radio advertisements and/or specific marketing through "minority media"
5. MCHA will make reasonable efforts to identify, and market to, landlords who with units that have accessible features.

F. PRIVACY RIGHTS

It is the policy of MCHA to facilitate the privacy of individuals conferred under the Privacy Act of 1974, and to ensure the protection of such individuals' records maintained under MCHA's Public Housing program.

Therefore, MCHA shall not disclose any personal information contained in its records to any person or agency unless the individual about whom information is requested gives MCHA written consent to such disclosure, or unless mandated by law.

This privacy policy in no way limits MCHA ' ability to collect such information as it may need to determine eligibility, compute rent, or determine an applicant's suitability for tenancy.

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 will release family information.

MCHA's policy regarding release of information is in accordance with State and local laws which may restrict the release of family information. MCHA must comply with all applicable Federal and State Right-to-Know laws and regulations.

Any and all information which would lead one to determine the nature and/or severity of a person's disability must be kept in a separate folder and marked "confidential." The personal information in this folder must not be released except on an "as needed" basis in cases where an accommodation is under consideration. All requests for access and granting of accommodations based on this information must be approved by MCHA.

In accordance with HUD requirements, for the purpose of landlord screening MCHA will furnish prospective owners with the family's current address as shown in MCHA's records and, if known to MCHA, the name and address of the landlord at the family's current and prior address.

A statement of MCHA's policy on release of information to prospective landlords will be included in the briefing packet which is provided to the family.

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

The staff person utilizing a file is responsible for its security. Files will never be left unattended or placed in common areas.

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

G. EQUAL EMPLOYMENT OPPORTUNITY

MCHA practices affirmative action in hiring, promotion and conditions of employment. All MCHA job postings will display the affirmative action/equal employment opportunity logo and/or slogan prominently.

H. VIOLENCE AGAINST WOMEN ACT POLICY

Purpose and Applicability

The purpose of this policy (herein called “Policy”) is to implement the applicable provisions of the Violence Against Women and Department of Justice Reauthorization Act of 2005 (“VAWA”), the Department of Housing and Urban Development (“HUD”) 2010 Amendments, and more generally to set forth the policies and procedures of the McKean County Housing Authority (“MCHA”) regarding domestic violence, dating violence, sexual assault, and stalking, as hereinafter defined.

This Policy shall be applicable to all MCHA federally subsidized public housing and Section 8 rent assistance under the United States Housing Act of 1937 (42 U.S.C. §1437 *et seq.*). Notwithstanding its title, this policy is gender-neutral, and its protections are available to males who are victims of domestic violence, dating violence, sexual assault or stalking as well as female victims of such violence.

Goals and Objectives

This Policy has the following principal goals and objectives:

- A. Maintaining compliance with all applicable legal requirements imposed by the VAWA;
- B. Ensuring the physical safety of victims of actual or threatened domestic violence, dating violence, sexual assault or stalking who are assisted by MCHA;
- C. Providing and maintaining housing opportunities for victims of domestic violence, dating violence, sexual assault or stalking;
- D. Creating and maintaining collaborative arrangements between MCHA, law enforcement authorities, victim service providers, and others to promote the safety and well-being of victims of actual and threatened domestic violence, dating violence, sexual assault, and stalking, who are assisted by MCHA; and
- E. Taking appropriate action in response to an incident or incidents of domestic violence, dating violence, sexual assault or stalking, affecting individuals assisted by MCHA.

Other MCHA Policies and Procedures

This Policy shall be reference in MCHA’s Five-Year Public Housing Agency Plan and shall be incorporated in and made a part of MCHA’s Admissions and Continued Occupancy Terms and Conditions and MCHA’s Section 8 Administrative Plan. MCHA’s annual public housing agency plan shall also contain information concerning MCHA’s activities, services or programs relating to domestic violence, dating violence, sexual assault, and stalking.

Definitions

As used in this Policy:

1. *Actual and imminent threat*- means a physical danger that is real, would occur within an immediate time frame, and could result in death or serious bodily harm. In determining whether an individual would pose an actual and imminent threat, the factors to be considered include: The duration of the risk, the nature and severity of the potential harm, the likelihood that the potential harm will occur, and the length of time before the potential harm would occur.
2. *Affiliated individual*, with respect to an individual, means:
 - i. A spouse, parent, brother, sister, or child of that individual, or a person to whom that individual stands in the place of a parent or guardian (for example, the affiliated individual is a person in the care, custody, or control of that individual); or
 - ii. Any individual, tenant, or lawful occupant living in the household of that individual.
3. *Bifurcate*- means to divide a lease as a matter of law, subject to the permissibility of such process under the requirements of the applicable HUD-covered program and State or local law, such that certain tenants or lawful occupants can be evicted or removed and the remaining tenants or lawful occupants can continue to reside in the unit under the same lease requirements or as may be revised depending upon the eligibility for continued occupancy of the remaining tenants and lawful occupants.
4. *Dating Violence*- means violence committed by a person:
 - i. Who is or has been in a social relationship of a romantic or intimate nature with the victim; and
 - ii. Where the existence of such relationship shall be determined based on a consideration of the following factors:
 1. The length of the relationship
 2. The type of relationship
 3. The frequency of interaction between the persons involved in the relationship.
- E. *Domestic Violence*- includes felony or misdemeanor crimes of violence committed by a current or former spouse or intimate partner of the victim, by a person with whom the victim shares a child in common, by a person who is cohabitating with or has cohabitated with the victim as a spouse or intimate partner, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies, or by any other person against an adult or youth victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction. The term "spouse or intimate partner of the victim" includes a person who is or has been in a social relationship of a romantic or intimate nature with the victim, as determined by the length of the relationship, the type of the relationship, and the frequency of interaction between the persons involved in the relationship.
- F. *Immediate Family Member*- means, with respect to a person:

- a. A spouse, parent, brother, sister or child of that person, or an individual to whom that person stands in loco parentis; or
 - b. Any other person living in the household of that person and related to that person by blood or marriage.
- 42 U.S.C. §1437d (u)(3)(D).

- G. *Perpetrator*- means person who commits an act of domestic violence, dating violence, sexual assault or stalking against a victim.
- H. *Sexual Assault* – means any nonconsensual sexual act proscribed by Federal, tribal, or State law, including when the victim lacks capacity to consent.
- I. *Stalking*- means engaging in a course of conduct directed at a specific person that would cause a reasonable person to:
 - a. Fear for the person’s individual safety of others; or
 - b. Suffer substantial emotional distress.

Admission and Screening

Non-Denial of Assistance. MCHA will not deny admission to public housing or to the Section 8 rental assistance program to any person because that person is or has been a victim of domestic violence, dating violence, sexual assault or stalking, provided that such person is otherwise qualified for such admission.

Termination of Tenancy or Assistance

- A. *Notification of occupancy rights under VAWA, and certification form.*
 - 1. A covered housing provider must provide to each of its applicants and to each of its tenants the notice of occupancy rights and the certification form as described in this section:
 - i. A “Notice of Occupancy Rights under the Violence Against Women Act,” as prescribed and in accordance with directions provided by HUD, that explains the VAWA protections under this subpart, including the right to confidentiality, and any limitations on those protections; and
 - ii. A certification form, in a form approved by HUD, to be completed by the victim to document an incident of domestic violence, dating violence, sexual assault or stalking, and that:
 - a) States that the applicant or tenant is a victim of domestic violence, dating violence, sexual assault, or stalking;
 - b) States that the incident of domestic violence, dating violence, sexual assault, or stalking that is the ground for protection under this subpart meets the applicable definition for such incident under §5.2003; and
 - c) Includes the name of the individual who committed the domestic violence, dating violence, sexual assault, or stalking, if the name is known and safe to provide.
 - 2. The notice required by paragraph (a)(1)(i) of this section and certification form required by paragraph (a)(1)(ii) of this section must be provided to an applicant or tenant no later than at each of the following times:

- i. At the time the applicant is denied assistance or admission under a covered housing program;
 - ii. At the time the individual is provided assistance or admission under the covered housing program;
 - iii. With any notification of eviction or notification of termination of assistance; and
 - iv. During the 12-month period following *December 16, 2016*, either during the annual recertification or lease renewal process, whichever is applicable, or, if there will be no recertification or lease renewal for a tenant during the first year after the rule takes effect, through other means.
3. The notice required by paragraph (a)(1)(i) of this section and the certification form required by paragraph (a)(1)(ii) of this section must be made available in multiple languages, consistent with guidance issued by HUD in accordance with Executive Order 13166 (Improving Access to Services for Persons with Limited English Proficiency, signed August 11, 2000, and published in the FEDERAL REGISTER on August 16, 2000 (at 65 FR 50121).
4. For the Housing Choice Voucher program under 24 CFR part 982, the project-based voucher program under 24 CFR part 983, the public housing admission and occupancy requirements under 24 CFR part 960, and renewed funding or leases of the Section 8 project-based program under 24 CFR parts 880, 882, 883, 884, 886, as well as project-based section 8 provided in connection with housing under part 891, the HUD-required lease, lease addendum, or tenancy addendum, as applicable, must include a description of specific protections afforded to the victims of domestic violence, dating violence, sexual assault, or stalking, as provided in this subpart.
- B. *VAWA Protections.* Under the VAWA, public housing residents and person assisted under the Section 8 rental assistance program have the following specific protections, which will be observed by the MCHA:
 1. An incident or incidents of actual or threatened domestic violence, dating violence, sexual assault or stalking will not be considered to be a “serious or repeated” violation of the lease by the victim or threatened victim of that violence and will not be good cause for terminating the tenancy or occupancy rights of or assistance to the victim of that violence.
 2. In addition to the foregoing, tenancy or assistance will not be terminated by MCHA as a result of criminal activity, if that criminal activity is directly related to domestic violence, dating violence, sexual assault or stalking engaged in by a member of the assisted household, a guest or another person under the tenant’s control, and the tenant or an immediate family member is the victim or threatened victim of this criminal activity. However, the protection against termination of tenancy or assistance described in this paragraph is subject to the following limitations:
 - i. Nothing contained in this paragraph shall limit any otherwise available authority of MCHA or a Section 8 owner or manager to terminate tenancy, evict, or to terminate assistance, as the case may be, for any violation of a lease or program requirement not premised on the act or acts of domestic violence, dating violence, sexual assault or stalking in question against the tenant or a member of the tenant’s household. However, in taking any such action, neither MCHA nor a Section 8 manager or owner may apply a more demanding standard to the victim of domestic violence, dating violence, sexual assault or stalking that applied to other tenants.

- ii. Nothing contained in this section shall be construed to limit the authority of MCHA or a Section 8 owner or manager to evict or terminate assistance to any tenant or lawful applicant if the owner, manager or MCHA, as the case may be, can demonstrate an actual and imminent threat to other tenants or to those employed at or providing service to the property, if the tenant is not evicted or terminated from assistance.
- C. *Removal of Perpetrator.* Further, notwithstanding anything in paragraph VI.A.2. or federal, state, or local law to the contrary, MCHA or a Section 8 owner or manager, as the case may be, may bifurcate a lease, or remove a household member from a lease, without regard to whether a household member is a signatory to a lease, in order to evict, remove, terminate occupancy rights, or terminate assistance to any individual who is a tenant or lawful occupant and who engages in acts of physical violence against family members or others. Such action against the perpetrator of such physical violence may be taken without evicting, removing, terminating assistance to, or otherwise penalizing the victim of such violence who is also the tenant or a lawful occupant. Such eviction, removal, termination of occupancy rights, or termination of assistance shall be effected in accordance with the procedures prescribed by law applicable to terminations of tenancy and evictions by MCHA. With respect to the issue of whether two vouchers will be issued when a lease is bifurcated, one voucher will be issued to the victim. The perpetrator will be removed from the original voucher and will not receive a new voucher. Similarly, the perpetrator will be removed from a MCHA public housing lease and will not be provided with alternative MCHA public housing.

Verification of Domestic Violence, Dating Violence, Sexual Assault or Stalking

- A. *Requirement of Verification.* The law allows, but does not require, MCHA or a Section 8 owner or manager to verify that an incident or incidents of actual or threatened domestic violence, dating violence, sexual assault or stalking claimed by a tenant or other lawful occupant is bona fide and meets the requirements of the applicable definitions set forth in this Policy. Subject only to waiver as provide in paragraph VII.C, MCHA shall require verification in all cases where an individual claims protection against an action involving such individual proposed to be taken by MCHA. Section 8 owners or managers receiving rental assistance administered by MCHA may elect to require verification, or not to require it as permitted under applicable law. Verification of a claimed incident or incidents of actual or threatened domestic violence, dating violence, sexual assault or stalking must be accomplished by completing the Certification of Domestic Violence, Dating Violence, Sexual Assault or Stalking (HUD 5382). The individual's Certification must include the name of the perpetrator, if the name is known and safe to provide.
- B. *Time allowed to provide verification/failure to provide.* An individual who claims protection against adverse action based on an incident or incidents or actual or threatened domestic violence, dating violence, sexual assault or stalking, and who is requested by MCHA, or a Section 8 owner or manager to provide verification, just provide such verification within 14 business days (*i.e.*, 14 calendar days, excluding Saturdays, Sundays, and federally-recognized holidays) after receipt of the request for verification. Failure to provide verification, in proper form within such time will result in loss of protecting under the VAWA and this Policy against a proposed adverse action.

- C. *Waiver of verification requirement.* The Executive Director of MCHA, or a Section 8 owner or manager, may, with respect to any specific case, waive the above-stated requirements for verification and provide the benefits of this Policy based on the victim’s statement or other corroborating evidence. Such waiver may be granted in the sole discretion of the Executive Director, owner or manager. Any such waiver must be in writing. Waiver in a particular instance or instances shall not operate as precedent for, or create any right to, waiver in any other case or cases, regardless of similarity in circumstances.

Confidentiality

1. *Right of confidentiality.* All information (including the fact that an individual is a victim of domestic violence, dating violence, sexual assault or stalking) provided to MCHA or to a Section 8 owner or manager in connection with a verification required under Section VII of this Policy or provided in lieu of such verification where a waiver of verification is granted, shall be retained by the receiving party in confidence and shall neither be entered in any shared database nor provided to any related entity, except where disclosure is:
 - a. Requested or consented to by the individual in writing;
 - b. Required for use in a public housing eviction proceeding or in connection with termination of Section 8 assistance, as permitted by VAWA; or
 - c. Otherwise required by applicable law.
2. *Notification of rights.* All tenants of public housing and clients participating in the Section 8 rental assistance program administered by MCHA shall be notified in writing concerning their right to confidentiality and the limits on such rights to confidentiality.
3. *Pennsylvania Address Confidentiality Program.* This program is not affiliated with MCHA. The State of Pennsylvania offers this program to victims of domestic violence, sexual assault or stalking. The Address Confidentiality Program (“ACP”) consists of two parts:
 - a. A Confidential Address. The ACP provides a substitute address for victims who have moved to a new location unknown to their perpetrator.
 - b. A Mail-Forwarding Service. The ACP also provides participants with a free first-class confidential mail forwarding service.
4. For more information about Pennsylvania’s Address Confidentiality Program, please go to their website at www.paacp.state.pa.us.

Transfer to New Residence

A. Emergency Transfer Plan

McKean County Housing Authority (MCHA) is concerned about the safety of its tenants, and such concern extends to tenants who are victims of domestic violence, dating violence, sexual assault, or stalking. In accordance with the Violence Against Women Act (VAWA),¹ MCHA allows tenants who are victims of domestic violence, dating violence, sexual assault, or stalking to request an emergency unit that is available and is safe to offer the tenant for temporary or more permanent occupancy. The ability to request a transfer is available regardless of sex, gender

¹ Despite the name of this law, VAWA protection is available to all victims of domestic violence, dating violence, sexual assault, and stalking, regardless of sex, gender identity, or sexual orientation.

identity, or sexual orientation.² The ability of MCHA to honor such request for tenants currently receiving assistance, however, may depend upon a preliminary determination that the tenant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, and on whether MCHA has another dwelling unit that is available and is safe to offer the tenant for temporary or more permanent occupancy.

This plan identifies tenants who are eligible for an emergency transfer, the documentation needed to request an emergency transfer, confidentiality protections, how an emergency transfer may occur, and guidance to tenants on safety and security. This plan is based on a model emergency transfer plan published by the U.S. Department of Housing and Urban Development (HUD), the Federal agency that oversees that **McKean County Housing Authority Public Housing & Section 8 Housing Choice Voucher programs** are in compliance with VAWA.

Eligibility for Emergency Transfers

A tenant who is a victim of domestic violence, dating violence, sexual assault, or stalking, as provided in HUD's regulations at 24 CFR part 5, subpart L is eligible for an emergency transfer, if: the tenant reasonably believes that there is a threat of imminent harm from further violence if the tenant remains within the same unit. If the tenant is a victim of sexual assault, the tenant may also be eligible to transfer if the sexual assault occurred on the premises within the 90-calendar-day period preceding a request for an emergency transfer.

1. A tenant requesting an emergency transfer must expressly request the transfer in accordance with the procedures described in this plan.
2. Tenants who are not in good standing may still request an emergency transfer if they meet the eligibility requirements in this section.

Emergency Transfer Request Documentation

To request an emergency transfer, the tenant shall notify MCHA's management office and submit a written request for a transfer to **McKean County Housing Authority, Attention 415 W Main Street, Smethport, PA 16749**. MCHA will provide reasonable accommodations to this policy for individuals with disabilities. The tenant's written request for an emergency transfer should include either:

1. A statement expressing that the tenant reasonably believes that there is a threat of imminent harm from further violence if the tenant were to remain in the same dwelling unit assisted under MCHA's program; OR
2. A statement that the tenant was a sexual assault victim and that the sexual assault occurred on the premises during the 90-calendar-day period preceding the tenant's request for an emergency transfer.

Confidentiality

MCHA will keep confidential any information that the tenant submits in requesting an emergency transfer, and information about the emergency transfer, unless the tenant gives MCHA written permission to release the information on a time limited basis, or disclosure of the information is required by law or required for use in an eviction proceeding or hearing regarding termination of assistance from the covered program. This includes keeping confidential the new location of the dwelling unit of the tenant, if one is provided, from the person(s) that committed an act(s) of domestic violence, dating violence, sexual assault, or stalking against the tenant. See the Notice

² Housing providers cannot discriminate on the basis of any protected characteristic, including race, color, national origin, religion, sex, familial status, disability, or age. HUD-assisted and HUD-insured housing must be made available to all otherwise eligible individuals regardless of actual or perceived sexual orientation, gender identity, or marital status.

of Occupancy Rights under the Violence Against Women Act For All Tenants for more information about MCHA's responsibility to maintain the confidentiality of information related to incidents of domestic violence, dating violence, sexual assault, or stalking.

Emergency Transfer Timing and Availability

MCHA cannot guarantee that a transfer request will be approved or how long it will take to process a transfer request. MCHA will, however, act as quickly as possible to move a tenant who is a victim of domestic violence, dating violence, sexual assault, or stalking to another unit, subject to availability and safety of a unit. If a tenant reasonably believes a proposed transfer would not be safe, the tenant may request a transfer to a different unit. If a unit is available, the transferred tenant must agree to abide by the terms and conditions that govern occupancy in the unit to which the tenant has been transferred. MCHA may be unable to transfer a tenant to a particular unit if the tenant has not or cannot establish eligibility for that unit.

1. If MCHA has no safe and available units for which a tenant who needs an emergency is eligible, MCHA will assist the tenant in identifying other housing providers who may have safe and available units to which the tenant could move. At the tenant's request, MCHA will also assist tenants in contacting the local organizations offering assistance to victims of domestic violence, dating violence, sexual assault, or stalking that are attached to this plan.

Safety and Security of Tenants

Pending processing of the transfer and the actual transfer, if it is approved and occurs, the tenant is urged to take all reasonable precautions to be safe.

Tenants who are or have been victims of domestic violence are encouraged to contact the National Domestic Violence Hotline at 1-800-799-7233, or a local domestic violence shelter, for assistance in creating a safety plan. For persons with hearing impairments, that hotline can be accessed by calling 1-800-787-3224 (TTY).

Tenants who have been victims of sexual assault may call the Rape, Abuse & Incest National Network's National Sexual Assault Hotline at 800-656-HOPE, or visit the online hotline at <https://ohl.rainn.org/online/>.

Tenants who are or have been victims of stalking seeking help may visit the National Center for Victims of Crime's Stalking Resource Center at <https://www.victimsofcrime.org/our-programs/stalking-resource-center>.

LOCAL AGENCY:

McKean County Victim Resource Center (YWCA)
24 W Corydon Street, Bradford, PA 16701 (814) 368-4235

To request an Emergency Transfer you must complete Form HUD-5383 and return to **McKean County Housing Authority**.

- B. *Application for transfer.*** In situations that involve significant risk of violent harm to an individual as a result of previous incidents or threats of domestic violence, dating violence, sexual assault or stalking, MCHA may, if an approved unit size is available at a location that may reduce the risk of harm, approve transfer by a public housing tenant to a different unit in order to reduce the level of risk to the individual. MCHA is further notifying tenants of the following additional requirements regarding requests for emergency transfers that are the result of domestic violence, dating violence, sexual assault or stalking:

1. Tenant initiated emergency transfer that are the result of domestic violence, dating violence, sexual assault or stalking will only be approved if they are accompanied by documentation acceptable to MCHA substantiating the domestic violence, dating violence, sexual assault or stalking.
2. Whenever a tenant is granted an emergency transfer that is the result of domestic violence, dating violence, sexual assault or stalking, the perpetrator of such violence or stalking will be automatically barred from the tenant's previous residence, the tenant's new residence, and all of the tenant's subsequent residences pursuant to the MCHA No Trespass/Barring Procedure.
3. A tenant who is granted an emergency transfer that is the result of domestic violence, dating violence, sexual assault or stalking who subsequently allows a barred perpetrator of such violence or stalking onto the property in violation of the MCHA No Trespass/Barring Procedure will be in violation of his/her lease and subject to possible eviction.

C. *No right to transfer.* MCHA will make every effort to accommodate requires for transfer when suitable alternative vacant units are available and the circumstances warrant such action. However, except with respect to portability of Section 8 assistance as provided in paragraph IX.C below the decision to grant or refuse to grant a transfer shall lie within the sole discretion of MCHA, and this Policy does not create any right on the part of any applicant to be granted a transfer.

D. *Portability.* Notwithstanding the foregoing, a Section 8 assisted tenant will not be denied portability to a unit located in another jurisdiction (notwithstanding the term of the tenant's existing lease has not expired, or the family has not occupied the unit for 12 months) so long as the tenant has complied with all other requirements of the Section 8 program and has moved from the unit in order to protect a health or safety of an individual member of the household who is or has been the victim of domestic violence, dating violence, sexual assault or stalking and who reasonably believes that the tenant or other household member will be imminently threatened by harm from further violence if the individual remains in the present dwelling unit.

Court Orders/Family Break-up

- A. *Court orders.* It is MCHA's policy to honor orders entered by courts of competent jurisdiction affecting individuals assisted by MCHA and their property. This includes cooperating with law enforcement authorities to enforce civil protection orders issued for the protection of victims and addressing the distribution of personal property among household members in cases where a family breaks up.
- B. *Family break-up.* Other MCHA policies regarding family break-ups are contained in MCHA's Public Housing Admissions and Continued Occupancy Policy and its Section 8 Administrative Plan.

Relationships with Service Providers

It is the policy of MCHA to cooperate with organizations and entities, both private and governmental that provides shelter and/or services to victims of domestic violence, dating violence, sexual assault or stalking. If MCHA staff becomes aware that an individual assisted by

MCHA is a victim of domestic violence, dating violence, sexual assault or stalking, MCHA will endeavor to refer the victim to such providers of shelter or services as appropriate. Notwithstanding the foregoing, this Policy does not create any legal obligation requiring MCHA either to maintain a relationship with any particular provider of shelter or services to victims of domestic violence, dating violence, or stalking or to make a referral in any particular case.

Notification

MCHA shall provide written notification to applicants, tenants, and Section 8 owners and managers, concerning the rights and obligations created under the VAWA relating to confidentiality, denial of assistance, and termination of tenancy or assistance.

Relationship with Other Applicable Laws

Neither the VAWA nor this Policy implementing it shall preempt or supersede any provision of federal, state or local law that provides greater protection than provided under the VAWA for victims of domestic violence, dating violence, sexual assault or stalking.

Amendment

This policy may be amended from time to time by MCHA, at its sole discretion, without prior notice.

I. SEX OFFENDERS

It is the policy of MCHA to conduct criminal checks on prospective tenants and Section 8 participants. Any person convicted of a sexual abuse crime and has a lifetime registration requirement is not eligible to receive assistance and will be denied.

Whether or not discovered during the initial screening, any person participating in a MCHA program that has been convicted of a sexual abuse crime and has a lifetime registration requirement is no longer eligible for assistance and will be terminated.

J. RULES AND REGULATIONS

This Administrative Plan is set forth to define MCHA's local policies for operation of the housing programs in the context of Federal laws and Regulations. All issues related to Section 8 not addressed in this document are governed by such Federal regulations, HUD Memos, Notices and guidelines, or other applicable law.

K. JURISDICTION

The jurisdiction of MCHA is the County of McKean, Pennsylvania.

L. MONITORING PROGRAM PERFORMANCE

Monitoring reports will be developed and maintained for the following areas of program operations:

1. Monitoring funding availability, to ensure MCHA is at maximum lease up but not over leased
2. Tracking outstanding Vouchers for expiration (or suspension)
3. Timeliness of annual activities
4. Numbers of failed inspections and abatements

5. Claim payments made
6. Number and reason for moves and terminations of assistance
7. Number of new vouchers issued
8. Repayment of amounts owed MCHA

In order to ensure quality control, supervisory staff will audit the following functions on a regular basis:

- 5% (or a minimum of 5 whichever is higher) reexaminations
- 5% (or a minimum of 5 whichever is higher) of new applications
- 5% (or a minimum of 5 whichever is higher) of the HQS inspections completed by each inspector
- 5% (or a minimum of 5 whichever is higher) of claims processed

M. ETHICS

In accordance with federal regulations, neither MCHA nor any of its contractors or subcontractors may enter into any contract or arrangement in connection with the tenant-based programs in which any of the following classes of persons has any interest, direct or indirect, during his or her tenure with MCHA or for one year thereafter:

1. Any present or former member or officer of the Housing MCHA (except a participant commissioner);
2. Any employee of the Housing MCHA or any contractor, subcontractor or agent of the Housing MCHA who formulates policy or who influences decisions with respect to the programs;
3. Any public official, member of a governing body, or State or local legislator who exercises functions or responsibilities with respect to MCHA's programs; or
4. Any member of the Congress of the United States

Any member of the classes described above must disclose their interest or prospective interest to the Housing MCHA and HUD.

The Conflict of Interest prohibition under this section may be waived by the HUD Field Office upon the request of MCHA for good cause.

No Commissioner or MCHA employee shall solicit or receive any gift or consideration.

Violations of these requirements will result in disciplinary action as outlined in MCHA's Employee Handbook and be determined by action of the Board of Commissioners

N. TERMINOLOGY

The McKean County Redevelopment & Housing Authority is referred to as "MCHA" throughout this document.

"Family" is used interchangeably with "Applicant" or "Participant" and can refer to a single person family.

"Tenant" is used to refer to participants in terms of their relation to their landlords.

“Landlord” and “owner” are used interchangeably.

“Disability” is used where “handicap” was formerly used.

“New Rule” refers to the HUD Occupancy Regulations effective October 2, 1995. “Old Rule” refers to the Regulations that were suspended on that date.

“Noncitizens Rule” refers to the regulation effective June 19, 1995 restricting assistance to U.S. citizens and eligible immigrants.

The Section 8 program is also known as the HCV or Voucher program.

“HQS” means the Housing Quality Standards required by regulations as enhanced by MCHA.

Chapter 2

ELIGIBILITY FOR ADMISSION

INTRODUCTION

All parties interested in the Section 8 Voucher Program must file an application with MCHA.

This Chapter defines both HUD's and MCHA's criteria for admission and denial of admission to the program. The policy of this MCHA is to strive for objectivity and consistency in applying these criteria to evaluate the eligibility of families who apply.

MCHA staff will review all information provided by the family carefully and without regard to factors other than those defined in this Chapter. Families will be provided the opportunity to explain their circumstances, to furnish additional information, if needed, and to receive an explanation of the basis for any decision made by MCHA pertaining to their eligibility.

Eligible families are admitted to the HCV Program based upon family composition, income limits, citizenship, and other criteria as defined by MCHA and HUD.

Eligibility Factors

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

The HUD eligibility criteria are:

An applicant must be a "family"

An applicant must be within the appropriate Income Limits

An applicant must furnish Social Security Numbers and Cards.

Any participant, age 62 or older, may provide other documentation in lieu of the Social Security Cards; for example, a Medicare card.

An applicant must furnish a copy of Birth Certificate.

An applicant must furnish evidence of citizenship/eligible immigrant status

An applicant must meet criminal activity clearance requirements.

Factors for Determining Eligibility

The family's eligibility for placement on the waiting list will be based on the following factors and will not be verified until selection from the applicant pool for housing assistance is made. A family is defined as a group of persons:

- a. Regularly living together, related by blood, marriage, adoption, guardianship, evidencing a stable relationship, operation of law; or an elderly family, single person, single pregnant woman with no other children, or a displaced person, as defined by HUD;
- b. Whose annual income, at the time of admission, does not exceed the income limits for occupancy as established by HUD and posted separately in MCHA's offices;
- c. Who are not currently adequately housed in a MCHA dwelling unit (listed on a current dwelling lease in a unit meeting occupancy standards for the specific family size);
- d. Who meet or exceed the screening and Tenant Selection Criteria; and
- e. Other individuals, including foster children, live-in aides, and members temporarily absent, may be considered to be a part of the family group if they are living or will live regularly with the family. (Refer to Chapter 9 of this plan.)

For MCHA’s additional criteria for eligibility, see Section E, “Other Criteria for Admission.”

The Family’s initial eligibility for placement on the waiting 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 waiting list for issuance of a Voucher, unless MCHA determines that such eligibility is in question, whether or not the family is at or near the top of the waiting list.

A. FAMILY COMPOSITION

The applicant must qualify as a Family. A Family may be a single person or a group of persons. Discrimination on the basis of familial status is prohibited, and a group of persons may not be denied solely on the basis that they are not related by blood, marriage or operation of law.

A group of persons may be:

Two or more persons who intend to share residency whose income and resources are available to meet the family’s needs.

Two or more elderly or disabled persons living together or one or more elderly or disabled persons living with one or more live-in aides is a family.

A child who is temporarily away from home because of placement in foster care is considered a member of the family. This provision only pertains to the foster child’s temporary absence from the home, and is not intended to artificially enlarge the space available for other family members. ***This information will be verified through the placement agency when applicant’s name reaches the top of the waiting list.***

A single person may be:

- An elderly person
- A displaced person
- A person with a disability
- Any “other single” person

Head of Household

The head of household is the adult member of the household who is designated by the family as head, is wholly or partly responsible for paying the rent, and has the legal capacity to enter into a lease under State/local law.

A family may designate an elderly or disabled family member as head of household solely to qualify the family as an Elderly Household, provided that the person is at least partially responsible for paying the rent.

Spouse

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

For proper application of the Non-citizens Rule, the definition of spouse is the marriage partner who, in orders to dissolve the relationship, and would have to be divorced. It includes the partner

in a common law marriage. The term “spouse” does not apply to boyfriends, girlfriends, significant others, or co-heads.

Live-In Aides

A Family may include a live-in aide provided that such live-in aide:

1. In addition to family members, a live-in aide may be considered to be part of the household for the care and well-being of one or more elderly or near-elderly persons or persons with disabilities in accordance with 24 CFR 966.4.
2. The live-in aide must vacate the premises when the family member who requires the assistance moves from the unit and/or the live-in aide is no longer required for assistance.
3. The MCHA will require that the live-in aide sign a certification as to his/her intent in providing necessary supportive services for the family member(s). Such certification will include statements that the live-in aide:
 - Is essential to the care and well-being of the person;
 - Is not obligated for the support of the person;
 - Would not be living in the unit, except to provide the necessary support services; and
 - Is not a sex offender subject to a lifetime registration
4. The MCHA will also require a written statement, from an appropriate professional who is familiar with the family member, indicating that a live-in aide is essential to the care and well-being of the family member.
5. A determination of the acceptability of such statement will be made by MCHA prior to approval of the live-in aide.

A live-in aide is treated differently than family members as follows:

1. Income of the live-in aide will not be counted for purposes of determining eligibility or level of benefits.
2. Live-in aides are not subject to Non-Citizen Rule requirements.
3. Live-in aides may not be considered as a remaining member of the tenant family.

Relatives are not automatically excluded from being live-in aides, but they must meet all of the elements in the live-in aide definition described below.

Family members of a live-in aide may also reside in the unit providing doing so does not increase the subsidy by the cost of an additional bedroom and that the presence of the live-in’s family members does not overcrowd the unit.

A live-in aide may only reside in the unit with the approval of MCHA. Written verification will be required from a reliable, knowledgeable professional, such as a doctor, social worker, or case worker. 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.

MCHA has the right to disapprove a request for a live-in aide based on the “Other Criteria for Eligibility” described in this Chapter (Section E).

Split Households Prior to Voucher Issuance

When a family on the waiting list splits into two otherwise eligible families due to divorce or legal separation, and the new families both claim the same placement on the waiting list, and there is no court determination, MCHA will make the decision taking into consideration the following factors:

1. Which family member applied as head of household.
2. Which family unit retains the children or any disabled or elder members.
3. Restrictions that were in place at the time the family applied.
4. Role of domestic violence or other criminal activity in the split.
5. Recommendations of social service agencies or qualified professionals such as children's protective services.

Documentation of these factors is the responsibility of the applicant families. If either or both of the family do not provide the documentation, they may be denied placement on the waiting list for failure to supply information requested by MCHA.

Multiple Families in the Same Household

When families apply which consist of two families living together, (such as a mother and father, and a daughter with her own husband or children), if they apply as a family unit, they will be treated as a family unit.

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.

In the event there is joint custody, MCHA shall make a reasonable determination of family composition using, but not limited to, the following resources:

- Benefits received
- School enrollment
- Limited medical records
- A notarized statement from the parents

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

When a Court Order or Child Organization requires that a joint custody child requires a separate bedroom, a program participant will be subsidized for the extra bedroom. There must be documentation to support the requirement.

B. INCOME LIMITATIONS

In order to be eligible for assistance, an applicant must be either:

A very low-income family; or

A low-income family in any of the following categories:

A low-income family that is continuously assisted under the 1937 Housing Act.

An applicant is continuously assisted if the family has received assistance under any 1937 Housing Act program within 120 days of voucher issuance. Programs include HCV, all Section 8 programs, and all Section 23 programs.

A low-income family physically displaced by rental rehabilitation activity under 24 CFR part 511.

A low-income non-purchasing family residing in a HOPE 1 or HOPE 2 project.

A low-income non-purchasing family residing in a project subject to a homeownership program under 24 CFR 248.173.

A low-income family displaced as a result of the prepayment of a mortgage or voluntary termination of a mortgage insurance contract under 24 CFR 248.165.

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

Eligibility is determined using the following income categories:

- a. *Extremely-low-income families (Income Targeting Eligible)*
 - a. Families whose incomes, at the time of admission, do not exceed 30% of the area median income. Seventy-five percent (75%) of all new admissions to the HCV Program will be in this category.
- b. *Very-low-income families*
 - a. Families whose incomes, at the time of admission, do not exceed the very-low-income limits established by HUD, but are greater than the extremely-low-income limit.
- c. *Low-income families*
 - a. Families whose incomes, at the time of admission, do not exceed the low-income limit established by HUD and for reasons identified in 24 CFR 982.201(b) (ii), (iii), (iv), (v) & (vi).

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

Single jurisdiction Authorities: The applicable income limit to be used at initial issuance of a voucher is the income limit of MCHA.

For admission to the program (initial lease-up), the family must be within the very low income limit of the jurisdiction where they want to live.

Portability: For initial lease-up, families who exercise portability must be within the very low income limit for the jurisdiction of the receiving MCHA in which they want to live and will not be eligible for portability until after completion of 12 months of tenancy within McKean County.

Participant families who exercise portability, and request or require a change in their form of assistance, must be within the low income limit of the receiving MCHA if they are to receive the alternate form of assistance.

C. MANDATORY SOCIAL SECURITY NUMBERS

Families are required to provide verification of Social Security Numbers for all family members prior to admission, if they have been issued a number by the Social Security Administration. This requirement also applies to persons joining the family after admission to the program.

Failure to furnish verification of social security numbers is grounds for denial or termination of assistance.

D. CITIZENSHIP/ELIGIBLE IMMIGRATION STATUS

In order to receive assistance, a family member must be a U.S. citizen or eligible immigrant.

For the Citizenship/Eligible Immigration requirement, the status of each member of the family is considered individually before the family's status is defined.

A Declaration of Citizenship Status form must be signed for all family members, including children. Verification of eligible citizenship status will be conducted upon receipt of the final application.

Mixed Families. A family is eligible for assistance as long as 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.

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

Non-citizen students defined by HUD in the noncitizen regulations are not eligible for assistance.

Appeals. For this eligibility requirement only, the applicant is entitled to a hearing exactly like those provided for participants.

E. OTHER CRITERIA FOR ADMISSION

MCHA may apply the following criteria, in addition to the HUD eligibility criteria, as grounds for denial of admission to the program.

1. The Family must have not violated any family obligation during a previous participation in any Housing MCHA Program within the last three years.

When MCHA denies assistance to an applicant that has a disabled family member, the applicant may request a grievance hearing, to make sure that the family was not denied because of the disability.

An exception may be granted by MCHA if the family member who violated the family obligation is not a current member of the household on the application.

2. No family member may have committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program in the last three years.

3. The Family must have paid any outstanding debt owed MCHA or another housing authority as a result of prior participation in any federal housing program or any previous landlords from a landlord/tenant judgement.

At the time of initial application, the family must pay any such debts in full in order to be placed on the waiting list. Special considerations may be made by the Executive Director or the Director of Housing as needed.

If applicant owes a previous landlord monies due to landlord/tenant judgement, MCHA will require that an acceptable payment arrangement be made between the previous landlord and applicant prior to admission into the program.

4. No member of the family may have engaged in drug related, alcohol related or questionable criminal activity in the last three years without the approval of the Executive Director or Director of Housing.

All family members over the age of 18 must sign a criminal history release form. This form will be submitted to a third party verifier who will conduct a complete criminal history on a local, state and Federal level including sexual crimes and terrorism. If an applicant's criminal history contains any of the above charges, admission into the program must be approved by the Executive Director or Director of Housing regardless of when the crime occurred.

5. No family member may have been evicted from HCV for any reason during the last three years. Executive Director or Director of Housing must approve admission.

6. No family member may have engaged in or threatened abusive or violent behavior toward MCHA personnel during the last three years.

7. Sexual Crimes

- Any applicant who has been convicted of a sexual crime and is required to a LIFETIME registration on the National Sex Offenders Register is BANNED from any type of Housing Assistance.
- Any applicant who has been convicted of a sexual crime and is required to register with the National Sex Offenders Register for a time frame, will not be eligible for assistance while they are registered. Once the registration requirements are completed, they will be eligible provided no other sexual crimes have been committed.

Other Criteria

All applicants and participants of the HCV Program must meet other specific eligibility criteria. The Housing MCHA of the County of McKean will deny program assistance to an applicant (or will terminate participation for a participant) if any one of the following occurs:

- a. Any family member, in the past three (3) years, has demonstrated a pattern of the abuse of alcohol or a pattern of illegal use of a controlled substance that may interfere with the health, safety or right to peaceful enjoyment of persons residing in the immediate vicinity of the residence (neighbors). If MCHA has reason to believe that a detrimental pattern exists, additional inquiry may be initiated through such resources (if available) to

determine if there is a threat to the health, safety, or right to peaceful enjoyment of neighbors.

- b. Any family member has ever been convicted of manufacturing or producing methamphetamine ("speed") on the premises of a federally assisted housing development or unit in violation of any federal or state law. These individuals will be permanently denied admission to MCHA's HCV Program.
- c. The MCHA will perform necessary criminal history background checks in the state where the housing is located and in other states where the household members are known to have resided, in accordance with 24 CFR 5.856.
- d. There is a history of criminal activity on the part of any applicant family member involving crimes of physical violence to persons or property and other criminal acts which would affect the health, safety and welfare of other participants, including but not limited to arrest or conviction for drug-related offenses.
- e. Any member of the family has ever engaged in or threatened abusive or violent behavior toward MCHA personnel.
- f. There is a record of disturbance of neighbors, destruction of property, or, living or housekeeping habits at prior residences which may adversely affect the health, safety and welfare of other participants or neighbors.
- g. Any family member has committed any fraud, bribery or other corrupt or criminal act in connection with any federal housing program.
- h. The family has breached an agreement with MCHA to pay amounts owed to MCHA, or amounts paid to an owner by MCHA.
- i. The family has not reimbursed a 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.
- j. Any member of the family fails to sign and submit the required consent forms for obtaining information, including form HUD 9886.
- k. Other reasons as required by HUD regulations or other applicable law.

F. SUITABILITY OF FAMILY

MCHA may take into consideration any of the additional criteria for admission in Section E above, but may not otherwise screen for factors which relate to the suitability of the applicant family as tenants. **It is the responsibility of the owner to screen the applicants as to their suitability for tenancy.**

G. CHANGES IN ELIGIBILITY PRIOR TO EFFECTIVE DATE OF THE CONTRACT

Changes that occur during the period between placement on the waiting list and issuance of a voucher may affect the family's eligibility or Total Tenant Payment. For example, if a family goes over the income limit prior to lease up, the applicant will not continue to be eligible for the program. They will be notified in writing of their ineligible status and their right to an informal review.

H. INELIGIBLE FAMILIES

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, or an informal hearing if they were

denied due to non-citizen status. See Chapter 19, “Complaints and Appeals” for additional information about reviews and hearings.

Eligibility Exceptions

The MCHA may not deny admission to the HCV Program for a family member's drug-related criminal activity if the family member can demonstrate that he/she:

- has an addiction to a controlled substance, has a record of such impairment, or is regarded as having such an impairment; and
- has recovered from such addiction, does not currently use or possess controlled substances, and:
- has successfully completed a supervised drug or alcohol rehabilitation program;
- has otherwise been rehabilitated successfully; or
- is participating in a supervised drug or alcohol rehabilitation program.

The MCHA will not deny the admission to the HCV Program for a family member's drug-related criminal activity, violent criminal activity or alcohol abuse if the family member involved in such activity or abuse is no longer a member of the household.

However, MCHA shall permanently deny admission to any individuals convicted of manufacturing or producing Methamphetamine (speed) on the premises of a federally assisted housing development or unit in violation of any federal or state law.

Chapter 3

APPLYING FOR ADMISSION

INTRODUCTION

The policy of MCHA is to 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.

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

All parties interested in receiving Section 8 assistance must fill out an application and a criminal history release form. Applicants will be placed on the Waiting List based on the date and time of receipt of the application and preferences.

A. OPENING/CLOSING OF APPLICATION TAKING.

MCHA will utilize the following procedures for opening or closing the Waiting List.

When MCHA opens or closes the Waiting List, MCHA will advertise the acceptance or non-acceptance of applications, at least on an annual basis, through public notice in local, generally circulated newspapers.

The notice will contain:

- The dates, times, and the locations where families may apply.
- The program for which applications will be taken.
- A brief description of the program.
- A statement that HCV participants must submit a separate application if they want to apply for Section 8.
- Limitations, if any, on who may apply.

The notices will be made in an accessible format, if requested. MCHA will provide potential applicants with information that includes MCHA address and telephone number, how to submit an application, and information on eligibility requirements.

The date and time the application is received in the office will establish placement order on the Waiting List.

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

B. HOW TO APPLY.

Families who wish to apply for one of MCHA's programs must complete a written application form when the waiting list is open. Applications will be made available in an accessible format upon request from a person with a disability.

Applications will be mailed to interested families upon request or can be picked up and completed at the office(s) of the Housing MCHA.

The application process consists of (1) a review of the application to make sure that all required information is included, (2) a review of Happy Check which is an internet resource used by Housing Authorities to see if an applicant has been on another agency's program and the status of that participation, (3) a review of the HUD mandated EIV Debts Owed to PHA's and Termination Report, (4) a review of the provided income information on the application to make sure that the applicant meets the income limits, (5) placement on MCHA's Waiting List.

C. APPLICATION PROCEDURES

MCHA will utilize a single application form. The information is to be filled out by the applicant. To provide specific accommodation to persons with disabilities, the information may be completed by a staff person. It may also be mailed to the applicant and, if requested, it will be mailed in an accessible format. At the time of application, MCHA will provide the applicant with a *Notice of Right to Reasonable Accommodation/Modification*.

The purpose of the application is to permit MCHA to preliminarily assess family eligibility or ineligibility and to determine placement on the waiting list. The application will contain questions designed to obtain the following information:

- Names of adult members and age of all members
- Sex and relationship of all members
- Street address and phone numbers
- Mailing address (If PO Box or other permanent address)
- Amount(s) and source(s) of income received by household members
- Information regarding disabilities relating to program requirements (i.e., deductions)
- Social Security Numbers
- Race/ethnicity
- Citizenship/eligible immigration status
- Arrests and/or convictions for drug related or questionable criminal activity
- Requests for specific accommodation needed to fully utilize program and services
- Previous address
- Current and previous landlord's names and addresses
- Emergency contact person and address
- Program integrity questions regarding previous participation in HUD programs
- Previous married names or aliases.

Duplicate applications, including applications from a segment of an applicant household, will not be accepted.

The information on the application will not be verified until the applicant has been selected for final eligibility determination. Final eligibility will be determined when the application process is completed and all information is verified.

Applicants are required to inform MCHA in writing of changes in family composition, income, and address. Applicants are also required to respond to requests from MCHA to update information on their application, or to determine their continued interest in assistance.

Failure to provide information or to respond to mailings will result in the applicant being removed from the waiting list. See Chapter 19, "Complaints and Appeals".

D. NOTIFICATION OF APPLICANT STATUS

If after a review of the application, the family is determined to be preliminarily eligible, they will be placed on the waiting list according to date and time of application receipt and preferences.

If the family is determined to be ineligible based on the information provided in the application, MCHA 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. When an application is rejected, MCHA will provide each applicant family with a *Notice of Right to Reasonable Accommodation/Modification*. Persons with disabilities may request to have an advocate attend the informal review as an accommodation. See Chapter 19, “Complaints and Appeals.”

E. TIME OF SELECTION

When funding is available, families will be selected from the waiting list based on the time and date of application and preferences, regardless of family size. When admitted to the program, MCHA will provide each applicant family with a *Notice of Right to Reasonable Accommodation/Modification*.

When there is insufficient funding available for the family on the top of the list, MCHA will not admit any other applicant until funding is available for the first applicant. Applicants will not be passed over on the waiting list.

To assure compliance with §513 of the Quality Housing and Work Responsibilities Act of 1998, families will be selected from the waiting list based upon Income Targeting requirements as defined in this Plan and in accordance with the following:

1. Selection will be made based upon MCHA's obligation that at least seventy five percent (75%) of all new admissions to the HCV Program not have incomes that exceed 30% of the area median income;
2. The MCHA will monitor admissions every six (6) months to determine compliance with the 75% Income Targeting requirement; and
3. The MCHA will admit families to the HCV Program to comply with the Income Targeting requirement, and may adjust the waiting list selection to do so.

At any time MCHA may, at its sole discretion and without notice, adjust the selection of Income Targeting Eligible families to an amount between 75% and 100% if it has determined that an insufficient number of families whose incomes do not exceed 30% of the area median income are being admitted to the HCV Program.

F. PROGRAM BRIEFING PROCESS

When an application reaches the Waiting List level and when “sufficient funding is available”, the applicant will be scheduled to attend an oral briefing session. The briefing will be conducted either in group sessions or individually. The briefing will include information on how the HCV Program works, family and owner responsibilities, and where a family may lease a unit inside MCHA's jurisdiction. At the completion of the briefing, applicants will be issued a Voucher.

If an applicant cannot attend a scheduled Briefing Session because of a disability, or a health related problem, special considerations will be offered to conduct the Briefing at the home of the applicant.

Applicants who do not appear for their scheduled appointment for the briefing are required to contact MCHA to reschedule.

Applicants who fail to attend two (2) scheduled briefings will be considered to be withdrawn and will be removed from the waiting list.

Requirement to Attend Interview

MCHA utilizes the Program Briefing Session, and private telephone conversations, to discuss the family's circumstances in greater detail, to clarify information which has been provided by the family, and to ensure that the information is complete. These sessions are also used as a vehicle to meet the informational needs of the family by providing information about the application and verification process, as well as to advise the family of other MCHA services or programs which may be available.

In so far as it is possible, all adult family members are required to attend the Briefing Session and to sign all Program paperwork.

Exceptions may be made for students attending school out of state or members for whom attendance would be a hardship.

It is the applicant's responsibility to notify MCHA if they are unable to attend the scheduled Briefing Session and to request to be rescheduled. If the applicant does not reschedule or misses two scheduled meetings, MCHA will reject the application.

Reasonable accommodation will be made for persons with a disability who require an advocate or accessible offices. A designee will be allowed to provide some information, but only with permission of the person with a disability.

If an application is denied due to failure to attend the full application interview, the applicant will be notified in writing and offered an opportunity to request an informal review. (See Chapter 19, "Complaints and Appeals")

All adult members must sign the HUD Form 9886, Release of Information, the application form and all supplemental forms, the declarations and consents related to citizenship/immigration status and any other documents required by MCHA. Applicants will be required to sign specific verification forms for information which is not covered by the HUD form 9886. Failure to do so will be cause for denial of the application for failure to provide necessary certifications and release as required by MCHA.

Information provided by the applicant will be verified including information related to family composition, income, allowances and deductions, assets, eligible immigration status, full time student status and other factors related to preferences, eligibility and rent calculation. Verifications may not be more than 60 days old at the time of voucher issuance.

If MCHA determines at or after the interview that additional information or document(s) are needed, MCHA will request the document(s) or information in writing. The family will be given 10 days to supply the information.

The Voucher Program family must comply with the obligations described in 24 CFR 982.551 as identified in their signed Housing Choice Voucher, and as listed herein:

- *Supplying Required Information*
 - The family must supply any information that MCHA or HUD determines is necessary in the administration of the Program.
 - The family must supply any information requested by MCHA or HUD for use in a regularly scheduled reexamination or interim examination of family income and composition in accordance with HUD requirements.
 - The family must supply and verify social security numbers, and must sign and submit consent forms, in accordance with 24 CFR part 5 subpart B.
 - Any information supplied by the family must be true and complete.

If the information is not supplied in this time period, MCHA will provide the family a notification of denial for assistance. (See Chapter 19, “Complaints and Appeals.”)

Chapter 4

ESTABLISHING PREFERENCES AND MAINTAINING THE WAITING LIST

INTRODUCTION

It is MCHA's objective to ensure that the families are placed in the proper order on the waiting list so that an offer of assistance is not delayed to any family, or made to any family prematurely.

It explains the local preferences which MCHA has adopted to meet local housing needs.

By maintaining an accurate waiting list, MCHA 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. APPLICATION POOL

The waiting list will be maintained in accordance with the following guidelines:

1. The application will be a permanent file.
2. All applicants in the pool will be maintained in order of preference (local only). Applications equal in preference will be maintained by date and time sequence.
3. All applicants must meet "Very Low Income" eligibility requirements as established by HUD. Any exceptions to these requirements, other than those outlined in Chapter 2, "Eligibility for Admission," must have been approved previously by the HUD Field Office.

B. WAITING LIST PREFERENCES

MCHA will use the following preferences:

MCHA maintains 7 categories for use in selecting applicants for participation in the Public Housing program. Six of the seven categories are for applicants who claim specific preferences and the seventh category is for applicants who claim no preference.

1. McKean County Resident – Family must reside in McKean County or have gainful employment within the county.
2. Elderly/Disabled – Families whose head, spouse, or sole member is age sixty-two (62) or older, or is receiving Social Security disability benefits, Supplemental Security Income (SSI) disability benefits, or any other payments based on an individual's inability to work due to a disability. Section 223 of the Social Security Act defines disability as the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment, which has lasted or can be expected to last for a continuous period of not less than 12 months. MCHA uses a different definition of "disability" in the context of reasonable accommodations, as required by federal and state law.
3. Veteran – Families with a Head of Household, spouse, or co-applicant who is on active or reserve duty with, or has received an honorable discharge from a branch of the United States Armed Forces within one (1) year of the date of application.

4. Working Families – Verification of gainful employment (at least 20 hours weekly) from continuing employment by the Head of Household, spouse, and/or co-applicant at the time the preference is claimed.
5. Domestic Violence/Homeless – must provide documentation from the YWCA, law enforcement agencies, social service agency, or court of competent jurisdiction, or a clergyman, physician or public or private facility that provides shelter or counseling to the victims of domestic violence. They must also complete form 50066. Applicants who qualify for this preference if they meet the HUD definition of homeless. Applicants must provide homeless verification from the McKean County Housing Authorities Housing and Homeless Services.

HUD Definition of homelessness:

- Currently living in a car, on the street, or another place not mean for human habitation.
 - Currently living in an emergency shelter, transitional housing, or a hotel/motel paid for by a charitable organization.
 - Exiting an institution, including a hospital, substance abuse or mental health treatment facility, or jail/prison, where application stayed for 90 days or less. The applicant must have lived in an emergency shelter or place not meant for human habitation immediately before entering that institution.
 - Fleeing or attempting to flee domestic violence, dating violence, sexual assault, stalking, or other dangerous or life threatening conditions for your or a family member, including a child, that has either taken place within your family’s primary nighttime residence or has made you afraid to return to your primary nighttime residence and has nowhere else to live and also lack the resources or support networks, including family, friends, faith-based, or other social networks, to obtain other permanent housing.
6. Homeless Transition Aged Youth – Young adults between the ages of 18 and 24 who meet the HUD definition of homeless. Applicant must provide homeless verification from the McKean County Housing Authorities Housing and Homeless Services.
 7. No Preference - Families who claim no preference

Applicant families may qualify and apply for a “Local” or a “Need-Based” preference, or they may qualify and apply for both. The family will be offered a unit when their name reaches the top of the Waiting List in any preference category. Applicants will not be permitted to retain their original Master List number on any Waiting List when they have been offered a housing unit and they reject or fail to reply to the notification of available housing unit. Applicants who are otherwise eligible and certify their preference(s) will be placed on the Waiting List in the proper preference category(ies) in accordance with their Master Waiting List number. As such, if an applicant claims more than one preference he/she may have a different ranking in each preference category depending on his/her Master Waiting List Number and the number of applicants who have claimed the same preference.

Any applicants who certify a “Need Based” or “Local” preference(s) for admission and fail to provide acceptable verification of the preference(s) will lose the preference designation during the eligibility determination process. All preferences will have equal weight for selection from the active Waiting List. Applicants will be selected by an applicant’s rank on the Waiting List within the respective preference category.

Families who qualify as Local Preference holders, as defined in this section, will be admitted prior to families who do not have a Local Preference. All Local Preferences will be rated as equal, having no individual weight or aggregate value for multiple preferences. The MCHA will place families on the waiting list by time and date of application.

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

An applicant will not be granted any preference if any member of the family has been evicted from any federally assisted housing during the past three years because of drug-related criminal activity. After the five years, the Executive Director or Director of Housing must give authorization to participate in the Program.

MCHA will grant an exception to such a family if:

- The responsible member has successfully completed a rehabilitation program.
- The evicted person was not involved in the drug related activity that occasioned the eviction.
- The evicted person is no longer involved in any drug related criminal activity.

If an applicant makes a false statement in order to qualify for a preference, MCHA will deny the preference.

C. ORDER OF SELECTION

All applicants will be assigned points based on any preference(s) for which they qualify. Applicants with more preference points will be ranked ahead of applicants with fewer preference points. Among applicants with the same number of preference points, families will be selected according to the date and time of application to the waiting lists. A family who applied ahead of another family with the same preference points will have preference over that family.

D. FINAL VERIFICATION OF PREFERENCES

Preference information on applications will be updated as applicants are selected from the waiting list. At that time, MCHA will obtain necessary verifications of preference at the interview and by third party verification.

E. PREFERENCE DENIAL

A preference does not guarantee admission. The applicant must meet all MCHA tenant screening criteria before being selected as a tenant. If the applicant's preference cannot be verified, the applicant will be placed on the non-preference waiting list and notified of the preference denial and given the opportunity for an informal hearing.

If MCHA denies a preference, MCHA will notify the applicant in writing of the reasons why the preference was denied and offer the applicant an opportunity for a review. If the preference denial is upheld as a result of the meeting, or the applicant does not request a meeting, the applicant will be placed on the waiting list without benefit of the preference. Applicants may exercise other rights if they believe they have been discriminated against.

If the applicant falsifies documents or makes false statements in order to qualify for any preference, they will be removed from the Waiting List.

F. REMOVAL FROM WAITING LIST AND PURGING

If an applicant fails to respond to a mailing from MCHA within the time frame stated in the letter, MCHA makes an attempt reach them by telephone. An extension will be considered an accommodation if requested by a person with a disability. If a letter is returned by the Post Office without a forwarding address, the applicant will be removed from all lists without further notice, and the envelope and letter will be maintained in the file. If a letter is returned with a forwarding address, it will be re-mailed to the address indicated. If no response and unable to reach by telephone, MCHA waits until after the briefing and if the applicant does not come to the briefing, they are removed from all lists. It is the responsibility of the applicant to notify the Housing MCHA of any changes in the application (address or telephone).

If an applicant is removed from the waiting list for failure to respond, they will not be entitled to reinstatement unless they can show proof, acceptable to Section 8 Coordinator that they did not receive notice.

The waiting list will be purged annually by a mailing to all applicants to ensure that the waiting list is current and accurate. The mailing will ask for current information and confirmation of continued interest.

Chapter 5

SUBSIDY STANDARDS

INTRODUCTION

HUD guidelines require that MCHA's establish subsidy standards for the determination of Voucher bedroom size, and that such standards provide for a minimum commitment of subsidy while avoiding overcrowding. The standards used for the Voucher size also 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 for various sized families when they are selected from the waiting list, as well as MCHA's procedures when a family's size changes or a family selects a unit size that is different from the Voucher.

A. DETERMINING VOUCHER SIZE

MCHA does not determine who shares a bedroom/sleeping room, but there must be at least one person per bedroom on the Voucher. MCHA's subsidy standards for determining voucher size shall be applied in a manner consistent with Fair Housing guidelines. The Housing MCHA has adopted the HUD-recommended person(s) to bedroom size guidelines.

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

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

The unit size on the Voucher remains the same as long as the family composition remains the same, regardless of the actual unit size rented.

Generally, MCHA will assign one bedroom to two people utilizing the following guidelines:

- Two heartbeats per room.
- Separate bedrooms can be allocated for persons of the opposite sex (other than adults who have a spousal relationship).
- Foster children will be included in determining unit size only if they will be in the unit for more than three months. MCHA will work with Children and Youth agencies and meet their requirements.
- Live-in aides will generally be provided a separate bedroom. No additional bedrooms are provided for the aides' family. Subsidy will be paid for the aides' bedroom.
- 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 family member who will be absent most of the time, such as a member who is away in the military. Adults of different generations will have separate bedrooms. Single person families shall be allocated one bedroom.

GUIDELINES FOR DETERMINING VOUCHER SIZE

Voucher Size	Persons in Household (Minimum #)	Persons in Household (Maximum #)
0 Bedroom	1	1
1 Bedroom	1	2
2 Bedrooms	2	4
3 Bedrooms	3	6
4 Bedrooms	4	8
5 Bedrooms	6	10
6 Bedrooms	8	12

Children of the same sex with an age difference of five or more years can be assigned to separate bedrooms.

Reasonable exceptions to these standards may be made at the discretion of the Executive Director or Director of Housing or designee based upon individual circumstances.

A family who chooses to lease a unit with fewer bedrooms than that listed on the family's Voucher must indicate their preference in writing.

The MCHA will determine if the unit size will meet Housing Quality Standards.

B. CHANGES IN VOUCHER SIZE

Changes for Applicants

The voucher size is determined prior to the briefing by comparing the family composition to MCHA subsidy standards. If an applicant requires a change in the voucher size, the following guidelines will apply:

1. The family may request a larger sized voucher than indicated by MCHA's subsidy standards. Such request must be made in writing within ten calendar days of the briefing session. The request must explain the need or justification for a larger bedroom size.
2. MCHA will not issue a larger voucher due to additions of family members other than by birth, adoption, marriage, or court-awarded custody.
3. MCHA shall grant exceptions from the standards if the family requests and MCHA determines the exceptions are justified by the relationship, age, sex, health or disability of family members, or other individual circumstances.
4. Circumstances may dictate a larger size than the Subsidy Standards permit when persons cannot share a bedroom because of an accommodation which has been requested, such as persons who cannot occupy a bedroom because of a verified medical or health reason, or elderly persons or persons with disabilities who may require a live-in aide.
5. Requests based on health related reasons must be verified by a doctor, medical professional or social service professional.

Changes for Participants

The members of the family residing in the unit must be approved by MCHA. The family must obtain approval of any additional family member before the person occupies the unit except for additions by birth, adoption, or court-awarded custody, in which case the family must inform MCHA within ten calendar days.

Underhoused and Overhoused Families

If a unit does not meet HQS space standards due to an increase in family size, (unit too small) MCHA will issue a new voucher and assist the family in locating a suitable unit.

MCHA 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, or if a family requires the additional bedroom because of a health problem which has been verified by MCHA.

Transfer Waiting List

When a change in family composition requires the issuance of another size Voucher, and funds are not available, the family will be placed on a Transfer List.

Families will be selected from the Transfer List before families are selected from the applicant waiting list. This assures that families who are already on the program are in the appropriate sized units.

Families will be selected from this list when there is available funding, in the following order:

1. A participant family requesting a transfer due to a reasonable accommodation.
2. A participant family (whose family composition has been approved by MCHA) who requires a change in Voucher size because they are living in a unit which is overcrowded according to Housing Quality Standards.
3. A participant family (whose family composition has been approved by MCHA) who requires a change in Voucher size under the Subsidy Standards, but not under Housing Quality Standards.
4. All others who require a transfer as determined by MCHA.

C. UNIT SIZE SELECTED

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

1. **Rent Limitation:** MCHA uses the Payment Standard for the Voucher size or the unit size selected by the family, whichever is less.
2. **Utility Allowance:** The utility allowance used to calculate the gross rent is based on the payment standard allowed for the family not the actual size of the unit the family selects
3. **Housing Quality Standards:** The standards allow two persons per living/sleeping room and permit maximum occupancy levels (assuming a living room is used as a living/sleeping area) as shown in the table below. The levels may be exceeded

if a room in addition to bedrooms and living room is used for sleeping.

HQS GUIDELINES FOR UNIT SIZE SELECTED

Maximum # of Persons in Household

0 Bedroom	1
1 Bedroom	2
2 Bedrooms	4
3 Bedrooms	6
4 Bedrooms	8
5 Bedrooms	10
6 Bedrooms	12

Chapter 6

FACTORS RELATED TO TOTAL TENANT PAYMENT DETERMINATION

INTRODUCTION

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 Regulation.

This Chapter defines the allowable deductions 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 813 and further instructions set forth in HUD Notices, Memoranda and Addenda. The formula for the calculation of TTP is specific and not subject to interpretation.

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

A. INCOME AND ALLOWANCES

Income: The types of money which are to be used as income for purposes of calculating the TTP are defined by HUD in federal regulations. In accordance with this definition, income from all sources of each member of the household is counted.

For the purpose of determining tenant rent and assistance payments in the HCV Program, income is considered to be the annual income of all family members, monetary or not, which go to, or are on behalf of, the family, head or spouse, or any other family member; or are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and as defined in 24 CFR 5.609. This definition includes income earned on tangible and intangible asset(s) held by any family member, such as interest, dividends, and other net income of any kind from real or personal property.

Annual Income is defined as the gross amount of income anticipated to be received by the family during the 12 months after certification or recertification. Gross income is the amount of income prior to any HUD allowable expenses or deductions, and does not include income which has been excluded by HUD. Annual income is used to determine whether or not applicants are within the applicable income limits.

Adjusted Income is defined as the Annual income minus any HUD allowable deductions.

HUD has five allowable deductions from Annual Income:

1. Dependent allowance: \$480 each for family members (other than the head or spouse), who are minors, and for family members who are 18 or older who are Full-time students or who are disabled.
2. 'Elderly' allowance: \$400 for families whose head or spouse is 62 or over or Disabled.
3. Allowable medical expenses for all family members are deducted for 'elderly' families, and persons with disabilities.

4. Child care expenses for children under 13 are deducted when child care is Necessary to allow an adult member to work or attend school.
5. Expenses for aide care or auxiliary apparatus for persons with disabilities if needed to enable the individual or an adult family member to work.

“Minimum Rent” and Minimum Family Contribution.

“Minimum rent” in the Voucher Program is \$50. Minimum rent includes the combined amount (TTP) a family pays towards rent and/or utilities.

Minimum family contribution in the voucher program is \$50.

Project-based Section 8 minimum rent is \$25.00 (approved at April 17, 2008 Regular Meeting)

The MCHA will grant an exemption from the minimum rental amount in cases of family hardship. Families will be eligible for the hardship exemption only if the hardship is reported in writing to MCHA for valid reasons approved by MCHA on a case-by-case basis.

The MCHA will exempt the family beginning the month following the month in which the exemption was requested. Verification will be conducted and MCHA will determine eligibility based upon the above-listed factors and HUD regulations.

B. DEFINITION OF TEMPORARILY/PERMANENTLY ABSENT

MCHA must compute all applicable income of every family member who is on the lease, including those who are temporarily absent. In addition, MCHA must count the income of the spouse or the head of the household if that person is temporarily absent.

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

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

Absence of Entire Family

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

Families are required to notify both MCHA and the landlord if they are going to be absent from the unit for more than thirty consecutive days.

If the entire family is absent from the assisted unit for more than 30 consecutive days and has not notified the Housing MCHA, the unit will be considered to be vacated and the assistance will be terminated.

If it is determined that the family is absent from the unit, MCHA will require a letter of explanation from the family and the landlord before assistance continues beyond 30 days. The final decision of continuation of assistance lies with the Executive Director

HUD regulations require MCHA to terminate assistance if the entire family is absent from the unit for a period of more than **180 consecutive calendar days**.

“Absence” means that no family member is residing in the unit.

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

- Write letters to the family at the unit
- Telephone the family at the unit
- Interview neighbors
- Verify if utilities are in service
- Contact with landlord

A person with a disability may request an extension of time as an accommodation, provided that the extension does not go beyond the HUD-allowed 180 consecutive calendar days limit.

If the absence which resulted in termination of assistance was due to a person’s disability, and MCHA can verify that the person was unable to notify MCHA in accordance with the family’s responsibilities, and if funding is available, MCHA may reinstate the family as an accommodation if requested by the family.

Absence of Any Member

Any member of the household will be considered permanently absent if he or she is away from the unit for six consecutive months (180 days in a 12 month period) except as otherwise provided in this Chapter.

Absence due to Medical Reasons

If any family member leaves the household to enter a facility such as a hospital, nursing home, or rehabilitation center, MCHA will seek advice from a reliable qualified source as to the likelihood and timing of their return. If the verification indicates that the family member will be permanently confined to a nursing home, the family member will be considered permanently absent. If the verification indicates that the family member will return in less than 180 consecutive days, the family member will not be considered permanently absent.

If the person who is determined to be permanently absent is the sole member of the household, assistance will be terminated in accordance with MCHA’s “Absence of Entire Family” policy.

Absence due to Military Service

If the single head of household is called to military active duty and the children have to be relocated to another household until the head of household returns, the assistance will continue for 180 days. Upon return from active duty, the Executive Director may authorize the reinstatement of the family into the program.

Absence due to Incarceration

If the sole member is incarcerated for more than 180 consecutive days, he or she will be considered permanently absent. Any member of the household, other than the sole member, will

be considered permanently absent if he or she is incarcerated for six consecutive months (180 days) in a twelve month period.

MCHA will determine if the reason for incarceration is for drug-related or questionable criminal activity.

Foster Care and Absences of Children

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

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

TEMPORARILY ABSENT CHILD:

For the purposes of determining family composition, a temporarily absent child is considered to be part of the assisted household. This statutory provision is intended to promote family reunification by permitting the family to rent a unit that will be large enough to accommodate the whole family when the absent child returns from foster care.

Absence of Adult

If neither parent remains in the household nor, the appropriate agency has determined that another adult is to be brought in to the assisted unit to care for the children for an indefinite period, MCHA will treat that adult as a visitor for the first 60 days.

If by the end of that period, court-awarded custody or legal guardianship has been awarded to the caretaker, the Voucher will be transferred to the caretaker.

If the appropriate agency cannot confirm the guardianship status of the caretaker, MCHA will review the status at 60-day intervals.

If custody or legal guardianship has not been awarded by the court, but the action is in process, MCHA will secure verification from social services staff or the attorney as to the status.

MCHA will transfer the voucher to the caretaker, in the absence of a court order, if the caretaker has been in the unit for more than 180 days and it is reasonable to expect that custody will be granted.

When MCHA approves a person to reside in the unit as caretaker for the children, the income should be counted pending a final disposition. MCHA will work with the appropriate service agencies and the landlord to provide a smooth transition in these cases.

If a member of the household is subject to a court order that restricts him/her from the home for more than six months, the person will be considered permanently absent.

The family will be required to notify MCHA in writing within ten calendar days when an adult family member moves out. The notice must contain a certification by the family as to whether the adult is temporarily or permanently absent.

The family member will be determined permanently absent if verification is provided.

Time extension will be granted as an accommodation upon request by a person with a disability.

If an adult child goes into the military and leaves the household, they will be considered permanently absent.

Full time students who attend school away from the home and live with family during school recess will be considered temporarily absent from the household.

Visitors

Any adult not included on the HUD 50058 who has been in the unit more than 30 days in a 12 month period, will be considered to be living in the unit and must be added to the household by including the visitors income.

Absence of evidence of any other address will be considered verification that the visitor is a family member.

Written statements from neighbors and/or the landlord will be considered in making the determination.

Use of the unit address as the visitor's current residence for any purpose that is not explicitly temporary shall be construed as permanent residence.

The 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 family and MCHA 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 not considered members of the household may visit for up to 90 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 unless documented proof is provided that an additional bedroom is required to continue approved joint custody arrangements.

Any Section 8 program participant found to be allowing visitors to stay longer than the 30 days allowed is subject to having their assistance ended.

Reporting Additions to Owner and MCHA

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

The family obligations require the family to request MCHA approval to add any other family member as an occupant of the unit and to inform MCHA of the birth, adoption or court-awarded custody of a child. The family must request prior approval of additional household members in writing.

Families are required to report any additions to the household in writing to MCHA within ten calendar days of the move-in date. An interim reexamination will be conducted for any 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.

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

In the event that a visitor continues to reside in the unit after the maximum allowable time, the family must report it to MCHA in writing within ten calendar days of the maximum allowable time.

Reporting Absences to MCHA

As indicated above, reporting changes in household composition is both a HUD and an MCHA requirement.

If a family member leaves the household, the family must report this change to MCHA, in writing, within ten calendar days of the change and certify as to whether the member is temporarily absent or permanently absent.

MCHA will conduct an interim evaluation for changes which affect the TTP in accordance with the interim policy.

ABANDONMENT OF UNIT

Abandonment of the leased premises by the family shall be presumed when the family moves out all or substantially all of the family's goods and personal items from the leased premises, and (a) any rent becomes due and unpaid, and/or (b) notice to terminate for any other lease violation has been served, and/or (c) notice to transfer electric service has been received and/or (d) mail is undeliverable or has been returned to the landlord.

Upon abandonment of the leased premises by family, the landlord should mail a written notice to the family that he/she plans to re-enter the leased premises and take possession of the same and that he/she shall dispose of any remaining goods and personal property in the leased premises in accordance with State law.

C. AVERAGING INCOME

When Annual Income cannot be anticipated for a full twelve months, MCHA may:

1. Average known sources of income that vary to compute an annual income, or
2. Annualize current income and conduct an interim reexamination if income changes.

If there are bonuses or overtime which the employer cannot anticipate for the next twelve months, bonuses and overtime received the previous year can be used to project potential income.

Income from the previous year may be analyzed to determine the amount to anticipate when third-party or check-stub verification is not available.

If by averaging, an estimate can be made for those families whose income fluctuates from month to month; this estimate will be used so that the housing payment will not change from month to month.

The method used depends on the regularity, source and type of income.

D. MINIMUM INCOME

There is no minimum income requirement; however, families who report zero income are required to complete a written certification every 90 days. Any participant who fails to provide at least one written certification every 90 days will have their assistance terminated.

E. INCOME OF PERSON PERMANENTLY CONFINED TO NURSING HOME

If a family member is permanently confined to a hospital or nursing home and there is a family member left in the household, MCHA will calculate the Total Tenant Payment by excluding the income of the person permanently confined to the nursing home and allowing no deductions for medical expenses of the confined family member.

F. REGULAR CONTRIBUTIONS AND GIFTS

Regular contributions and gifts received from persons outside the household are counted as income for calculation of the Total Tenant Payment.

Any contribution or gift received every month or more frequently will be considered a “regular” contribution or gift, unless the amount is less than \$500 per year. 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 Chapter 7, “Verification Procedures,” for further definition.)

If the family’s expenses exceed its known income, MCHA will question the family about contributions and gifts.

G. ALIMONY AND CHILD SUPPORT

Regular alimony and child support payments are counted as income for calculation of Total Tenant Payment.

If the amount of child support or alimony received is less than the amount awarded by the court, MCHA must use the amount awarded by the court unless the family can verify that they are not receiving the full amount.

MCHA will accept as verification that the family is receiving an amount less than the Award if:

- MCHA receives verification from the agency responsible for enforcement or collection,
- or
- 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.

H. LUMP-SUM RECEIPTS

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 back child support will be annualized as annual income.

Lump-sum payments caused by delays in processing periodic payments (unemployment or welfare assistance) are counted as income. 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 MCHA will calculate prospectively if the family reported the payment within ten calendar days and retroactively to date of receipt if the receipt was not reported within that time frame.

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:

1. The entire lump-sum payment will be added to the annual income at the time of the interim.
2. MCHA will determine the percent of the year remaining until the next annual recertification as of the date of the interim (three months would be 25% of the year).
3. At the next annual recertification, MCHA will apply the percentage balance (75% in this example) to the lump sum and add it to the rest of the annual income.
4. The lump sum will be added in the same way for any interims which occur prior to the next annual recertification.

If a retroactive calculation is used:

1. MCHA will go back to the date the lump-sum payment was received, or to the date of admission, whichever is closer.
2. MCHA will determine the amount of income for each certification period, including the lump sum, and recalculate the tenant rent for each certification period to determine the amount due MCHA.

The family has the choice of paying this "retroactive" amount to MCHA in a lump sum.

At MCHA's option, MCHA may enter into a Repayment Agreement with the family. The overpayment of subsidy must be satisfied with a 12 month period and/or before the next recertification date, whichever is later.

The amount owed by the family is a collectible debt even if the family becomes unassisted.

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.

I. CONTRIBUTIONS TO RETIREMENT FUNDS - ASSETS

Contributions to company retirement/pension funds are handled as follows:

1. While an individual is employed, count as assets only amounts the family can draw without retiring or terminating employment.
2. After retirement or termination of employment, count any amount the employee elects to receive as a lump sum.

J. ASSETS

Other than income, assets are also used to determine an applicant's rent. Assets included the following but are not limited to:

1. Savings accounts; checking accounts; contents of safety deposit boxes; equity in real property; stocks, bonds and treasury notes; and/or whole life insurance policies.
2. Assets will be verified through third party verification or tenant provided documentation.

K. ASSETS DISPOSED OF FOR LESS THAN FAIR MARKET VALUE

MCHA must count assets disposed of for less than fair market value during the two years preceding certification or reexamination. MCHA will count the difference between the market value and the actual payment received in calculating total assets.

Assets disposed of as a result of foreclosure or bankruptcy is not considered to be assets disposed of for less than fair market value. Assets disposed of as a result of a divorce or separation is not considered to be assets disposed of for less than fair market value.

MCHA's minimum threshold for counting assets disposed of for less than Fair Market value is \$1,000. If the total value of assets disposed of within a one-year period is less than \$1,000, they will not be considered an asset.

L. CHILD CARE EXPENSES

Child care expenses for children under 13 may be deducted from annual income if they enable an adult to work or attend school full time.

In the case of a child attending private school, only after-hours care can be counted as child care expenses.

Child care expenses cannot be allowed as a deduction if there is an adult household member capable of caring for the child who can provide the child care. Examples of those adult members who would be considered *unable* to care for the child include:

- The abuser in a documented child abuse situation, or

- A person with disabilities or older person unable to take care of a small child, as verified by a reliable knowledgeable source.

Allow ability of deductions for child care expenses is based on the following guidelines:

Child care to work: The maximum child care expense allowed must be less than the amount earned by the person enabled to work. The “person enabled to work” will be the adult member of the household who earns the least amount of income from working.

Child care for school: The number of hours claimed for child care may not exceed the number of hours the family member is attending school (including one hour travel time to and from school).

Amount of Expense: MCHA will survey the local care providers in the community and collect data as a guideline. If the hourly rate materially exceeds the guideline, MCHA may calculate the allowance using the guideline.

M. MEDICAL EXPENSES

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 will be counted toward medical expenses for families who qualify if the family furnishes legible receipts. Family must provide a letter from a doctor or a prescription documenting the need for the non-prescription drug.

N. PRORATION OF ASSISTANCE FOR “MIXED” FAMILIES

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.

“Mixed” families that were participants on June 19, 1995, and that do not qualify for continued assistance must be offered prorated assistance. (See Chapter 12, “Recertifications”) Applicants mixed families are entitled to prorated assistance. Families that become mixed after June 19, 1995 by addition of an ineligible member are entitled to prorated rental assistance.

Prorated Assistance Calculation

Prorated rental assistance is calculated by determining the amount of assistance payable if all family members were eligible and multiplying by the percent of the family members who actually are eligible. Total Tenant Payment is the gross rent minus the prorated assistance.

O. REDUCTION IN BENEFITS

If the family’s benefits, such as social security, SSI, or AFDC, are reduced through no fault of the family, MCHA will use the net amount of the benefit.

If the family's benefits were reduced due to family error, omission, or misrepresentations, MCHA will use the gross amount of the benefit.

P. UTILITY ALLOWANCE AND UTILITY REIMBURSEMENT PAYMENTS

The Utility allowance is intended to help defray the cost of utilities not included in the rent and is subtracted from Total Tenant Payment to establish the family's rent to the landlord. The allowances are based on actual rates and average consumption studies, not a family's actual consumption. MCHA will review the Utility Allowance Schedule on an annual basis and revise it if needed.

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, MCHA will establish an allowance adequate for the family to have purchased a good, serviceable used appliance in local market and have paid for it over a one year period of time.

Where the Utility Allowance exceeds the family's Total Tenant Payment, MCHA will provide a Utility Reimbursement Payment for the family each month. The payment will be made out directly to the utility company. It shall be the responsibility of the tenant to provide a utility account number.

Chapter 7

VERIFICATION PROCEDURES

INTRODUCTION

HUD regulations require that the factors of eligibility and Total Tenant Payment be verified by MCHA. Applicants and program participants must furnish proof of their statements whenever required by MCHA, and the information they provide must be true and complete. MCHA's verification requirements are designed to maintain program integrity.

This chapter explains MCHA's procedures and standards for verification of preferences, income, assets, allowable deductions, family status, and when there are changes in family members. MCHA will ensure that proper authorization from the family is always obtained before making verification inquires.

A. METHODS OF VERIFICATION AND TIME ALLOWED

MCHA will verify information through the four methods of verification acceptable to HUD in the following order:

1. EIV (Mandatory)
2. Non HUD EIV tools, such as The Work Number
3. Written third-party documentation provided by family
4. Third-Party Written
5. Third-Party Oral
6. Certifications/Self- Declaration

MCHA will allow two weeks for return of third-party verifications and two weeks to obtain other types of verifications before going to the next method.

For applicants, verifications may not be more than 60 days old at the time of Voucher issuance. For participants, they are valid for 120 days from date of receipt.

EIV (Enterprise Income Verification)

EIV is a web-based application, which provides PHAs with employment, wage, unemployment compensation and social security benefit information of tenants who participate in the Public Housing and various Section 8 programs under the jurisdiction of the Office of Public and Indian Housing (PIH). Information in EIV is derived from computer matching programs initiated by HUD with Social Security Administration (SSA) and the US Department of Health and Human Services (HHS), for all program participants with valid personal identifying information (name, date of birth(DOB), and social security number)) reported on the form HUD-50058.

The use of the EIV system is mandatory.

EIV will be run within 120 days of a tenant going on the program to ensure the accuracy of the date received for verification.

EIV will be run with every annual and interim exam.

EIV is sufficient as third-party verification of employment when:

- The family does not dispute the data, and
- Current tenant provided documents (i.e., paystubs) are available.

The PHA must obtain additional third-party verification when the family disputes EIV employer date.

The PHA may obtain additional third-party verification when the PHA determines that additional information is necessary, such as:

- Effective dates of employment
- Pay rate, hours worked for new jobs
- Confirmation of a change in circumstances (reduced hours, reduced rate of pay)

Non-HUD EIV tools

PHAs are encouraged to use non-HUD EIV tools, such as:

- The Work Number
- State government databases
- State TANF systems

Written Third-Party Verification

A written third-party verification is an original or authentic document generated by a third-party source, such as pay stubs. These are documents provided by the family and must be dated within 60 days of re-exam or PHA request.

Examples for acceptable tenant-provided documents generated by a third-party are as follows:

- Pay stubs/payroll summary
- SSA award letters
- Bank Statements
- Welfare/unemployment notices

All such documents, excluding government checks, will be photocopied and retained in the applicant file. In cases where documents are viewed which cannot be photocopied, staff viewing the document(s) will complete a note to the file.

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

- Printed wage stubs
- Computer print-outs from the employer
- Signed letters (provided that the information is confirmed by phone)
- Other documents noted in this chapter as acceptable verification

MCHA will accept Faxed documents.

MCHA will accept photo copies.

The PHA may reject tenant-provided third-party documents only if they are:

- Not original
- Forged
- Altered, mutilated or not legible

In a case of rejecting tenant-provided documentation, the PHA must explain to the family and request additional documentation.

MCHA will not delay the processing of an application beyond thirty days because a third party information provider does not return the verification in a timely manner.

Third-Party Verification Form

Third-party verification is used to verify information directly with the source. Third-party written verification forms will be sent and returned via first class mail, or FAX. The family will be required to sign an authorization for the information source to release the specified information.

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

Third party verification forms will not be hand carried by the family under any circumstances except for computerized printouts from the following agencies:

- Social Security Administration
- Veterans Administration
- Welfare Assistance
- Unemployment Compensation Board
- City or County Courts

Third-Party Oral Verification

Oral third-party verification will be used when written third-party verification is delayed or not possible. When third-party oral verification is used, staff will be required to complete a contact form, noting with whom they spoke, the date of the conversation, and the facts provided. If oral third party verification is not available, MCHA will compare the information to any documents provided by the Family. If provided by telephone, MCHA must originate the call.

Self-Certification/Self-Declaration

When verification cannot be made by third-party verification or review of documents, families will be required to submit a self-certification.

Self-certification requires a notarized statement that must be witnessed.

B. RELEASE OF INFORMATION

The family will be required to sign specific authorization forms when information is needed that is not covered by the HUD form 9886, Authorization for Release of Information.

Each member requested to consent to the release of 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 because it is a family obligation to supply any information requested by MCHA or HUD.

C. COMPUTER MATCHING

Where allowed by HUD and/or other State or local agencies, computer matching will be used as a method of information verification.

D. ITEMS TO BE VERIFIED

The following items will be verified in accordance with the procedures outlined above:

- Identity
- All income and household status data not specifically excluded by the regulations is to be annualized and current, with each re-certification and/or interim adjustment.
- Zero-income status of household will require quarterly reevaluation
- All “non-earned” benefits for all household members
- Full-time student status including High School students who are 18 or over

Income for all household members over 18 (non-students only). If over 18, is a full time student, and employed; only the first \$480 of annual income is included. Income includes:

1. Income includes “regular” contribution and gifts from sources outside of household, such as rent payment, utility payments, car payments, insurance payments, food payments, or cash contributions to any household member.
2. All self-employment income (gross income = income less expense)Lump sum payments from welfare or unemployment are counted as income
3. The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses and other compensation for personal services.
4. The full amount of periodic payments received from: social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar type of periodic receipts, including a lump-sum payment for the delayed start of a periodic payment except lump sum insurance payments, lump sum health care payments or lump sum social security or SSI payments.
5. Amounts paid by state agency to a family with a developmentally disabled family member living at home to offset the cost of services and equipment needed to keep the disabled family member at home are excluded.

Current assets including assets disposed of for less than fair market value in preceding two years. Asset income for all minor children (over \$6000 annually) is included as part of family income.

Child care expense where it allows an adult family member to be employed or to further his/her education for children under 13 years of age.

Child support and alimony are considered income.

Total medical expenses of all family member in households whose head or spouse is elderly or disabled.

Payments in lieu of earnings, such as employment and disability compensation, workers compensation and severance pay.

Disability assistance expenses to include only those costs associated with aide care or auxiliary apparatus which allow an adult family member to be employed.

Amounts received under training programs funded by HUD are reported, but excluded.

U.S. citizenship/eligible immigrant status. Form 214

Social Security Numbers for all family members 6 years of age or older.

“Preference” status, based upon local preferences.

Familial status when needed for head or spouse definition.

Disability for determination of preferences, allowances or deductions.

E. VERIFICATION OF INCOME

This section defines the methods MCHA will use to verify various types of income.

Employment Income

Verification forms request the employer to specify the:

- Dates of employment
- # of hours worked. Hourly Rate \$_____
- Amount and frequency of pay
- Date of the last pay increase
- Anticipated rate change during next 12 months

Acceptable methods of verification include, in this order:

1. Employment verification form completed by the employer, or
2. At least six consecutive check stubs or earning statements which indicate the Employee’s gross pay, frequency of pay or year to date earnings, or
3. W-2 forms plus income tax return forms, or
4. Self-certifications or income tax returns signed by the family may be used for verifying self-employment income, or income from tips and other gratuities plus income tax returns.

Applicant and program participants may be requested to sign an authorization for 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, MCHA will require the most recent federal income tax statements.

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

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

Acceptable methods of verification include, in this order:

1. Data will come automatically from latest HUD sponsored/directed transmittal (EIV).
2. Benefit verification form completed by agency providing the benefits.
3. Award or benefit notification letters prepared and signed by the providing agency.
4. Computer report electronically obtained or in hard copy.

5. Bank statements for direct deposits.

Unemployment Compensation

Acceptable methods of verification include, in this order:

1. Benefit Letter.
2. EPII Card site print out by tenant.
3. EPII Card printout by staff with tenant permission
4. Bank statements.

Welfare Payments or General Assistance

Acceptable methods of verification include, in this order:

1. MCHA verification form completed by payment provider,
2. 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,
3. Computer-generated Notice of Action,
4. Computer-generated list of recipients from Welfare Department.

Alimony or Child Support Payments

Acceptable methods of verification include, in this order:

1. MCHA verification form completed by payment provided,
2. Case summary from domestic relations,
3. Certification from the person paying the support
4. Notarized statement from the participant/applicant. 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.

Net Income from a Business

In order to verify the net income from a business, MCHA will view IRS and financial documents from prior years and use this information to anticipate the income for the next 12 months. If adequate proof of business income is not provided in a form acceptable to MCHA, the family will be determined ineligible.

Acceptable methods of verification include:

1. IRS Form 1040, including:
 - i. Schedule C (Small business)
 - ii. Schedule E (Rental Property Income)
 - iii. Schedule F (Farm Income)
2. 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.
3. Audited or unaudited financial statement(s) of the business.
4. Credit report or loan application.
5. Documents such as manifests, appointment books, cash books, bank statements, and receipts will be used as a guide for the prior six months (or lesser period if not in

- business for six months) 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.
6. Family's self-certification as to net income realized from the business during previous years.

Child Care Business

If the applicant/participant is operating a "cash and carry" operation (which may or may not be licensed), MCHA 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.

MCHA will conduct interim reevaluations every 120 days and require the participant to provide a log with the information about customers and income.

If child care services were terminated, a third-party verification will be sent to the parent whose child was cared for.

Reoccurring Gifts

The family must provide a third party verification which contains the following information:

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

Zero Income Status

Families claiming to have no income will be required to execute verification forms to determine that forms of income such as unemployment benefits, AFDC, SSI, etc. are not being received by the household.

A claim of zero income will require quarterly reevaluation.

MCHA may check records of other departments in the jurisdiction (such as government utilities) that have information about income sources of customers.

Full-Time Students Status

Only the first \$480 of the earned income of full time students, other than head or spouse, will be counted towards family income.

Financial aid, scholarships, and grants received by full time students are not counted towards family income.

Verification of full time student status includes:

1. Certification completed by school.
2. School records indicating enrollment for sufficient number of credits to be considered a full-time student by the educational institution.

F. INCOME FROM ASSETS

Savings Account Interest Income and Dividends

Will be verified by:

1. Certification completed by financial institution.
2. Account statements, passbooks, certificates of deposit, or MCHA verification forms completed by the financial institution.
3. IRS Form 1099 from the financial institution, provided that MCHA must adjust the information to project earnings expected for the next 12 months.

Interest Income from Mortgages or Similar Arrangements

1. Certification completed by financial organization
2. 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).
3. 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

1. IRS Form 1040 with Schedule E (Rental Income)
2. Copies of 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. Leasee's written statement verifying rent payments to the family and families self-certification as to net income realized.

G. VERIFICATION OF ASSETS

Family Assets

MCHA will require the necessary information to determine the current cash value, (the net amount the family would receive if the asset was converted to cash and all penalties for early withdrawal considered):

1. Verification forms, letters, or documents from a financial institution or broker.
2. Passbooks, checking account statements, certificates of deposit, bonds, or financial statements completed by a financial institution or broker.
3. Quotes from a stock broker or realty agent as to net amount family would receive if they liquidated securities or real estate.
4. Real estate tax statements if the approximate current market value can be deduced from assessment.
5. Financial statements for business assets.
6. Copies of closing document showing the selling price and the distribution of the sale proceeds.
7. Appraisals of personal property held as an investment.
8. Family's self-certification describing assets or cash held at the family's home or in safe deposit box.

Assets Disposed of for Less than Fair Market Value (FMV)

This will be considered if it was completed within two years preceding the effective date of certification or recertification.

For all Certifications and Recertifications, MCHA will obtain the Family's certification as to whether any 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 fairmarket 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.

H. VERIFICATION OF ALLOWABLE DEDUCTIONS FROM INCOME

Child Care Expenses

1. Certification form.
2. Written verification from the person who receives the payments is required.
3. If the child care provider is an individual, she/he must provide a statement of the amount they are charging the family for their services.
4. Verifications must specify the child care provider's name, address, telephone number, the names of the children cared for, the number of hours the child care occurs, the rate of pay, and the typical yearly amount paid, including school and vacation periods.
5. Family's certification as to whether any of those payments have been or will be paid or reimbursed by outside resources.

Medical Expenses

Families who claim medical expenses or expenses to assist a person(s) with disability 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:

1. Family needs to supply name and address of expense source so that MCHA can send for 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 be reimbursed by insurance or a government agency.
2. Written confirmation by the insurance company or employer of health insurance premiums to be paid by the family.
3. For aide care:
 - A physician's statement that the assistance of an aide is necessary as a medical expense and a projection of the number of hours the care is needed for calculation purposes.
 - Aide's written confirmation of 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.

4. Receipts, canceled checks, or pay stubs that verify medical costs and insurance expenses likely to be incurred in the next 12 months. (Required-Section 8 to mail to source).
5. Copies of payment agreements or most recent invoice that verify payments made on outstanding medical bills that will continue over all or part of the next 12 months.
6. Receipts or other record of medical expenses incurred during the past 12 months that can be used to anticipate future medical expenses. MCHA may use this approach for “general medical expenses” such as non-prescription drugs and regular visits to doctors or dentists, but not for one-time, nonrecurring expenses from the previous years.
7. MCHA will use mileage at the IRS rate, or cab, or other public transportation cost for verification of the cost of transportation directly related to medical treatment. Mileage will be counted once the mileage reaches 500 miles annually.

Income Exclusions and Deductions

Certain income will be excluded when determining annual income of the family. The MCHA will exclude from its annual income determinations those amounts identified in 24 CFR 5.609(c) and those amounts established by HUD in the following categories:

Deductions

- Exemption for elderly or disabled families;
- Medical expenses for elderly or disabled families;
- Auxiliary apparatus and aide care expense for a member of the family who has a disability;
- Child care expenses; and
- Exemption for minors, students or persons with disabilities.

Exclusions:

- Earned income of minors;
- Income of an eligible live-in aide; and
- Other amounts as defined in 24 CFR 5.609©

Eligible child care expenses will be limited to the lesser of: the net amount earned by the family member enabled to work, or the standard allowable amount established by the State under TANF. Where more than one family member works, MCHA will assume, for the purpose of determining this limitation, that the child care expenses enables the lowest paid individual to work.

Assistance to Persons with Disabilities

In All Cases:

Physician’s statement that the person with disabilities requires the services of an aide and/or the use of auxiliary apparatus to permit him/her to be employed or to function independently or 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.

Aide Care:

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

Certification of family and aide 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. MCHA must verify that participant/applicant is not being reimbursed from other resources.

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

I. VERIFYING NON-FINANCIAL FACTORS

Verification of Legal Identity

In order to prevent program abuse, MCHA 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, 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
- 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
- School records
- Passports

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.

Familial Relationships

Certification will normally be considered sufficient verification of family relationships. In cases where reasonable doubt exists, the family may be asked to provide verification.

The following verifications will always be required if applicable:

- Verification of relationship:
 - Official identification showing names
 - Birth certificates
 - Baptismal certificates

Verification of Guardianship is:

Court-ordered assignment
Affidavit of parent
Verification from social services agency
School records

Evidence of a stable family relationship:

Joint bank accounts or other shared financial transactions
Leases or other evidence of prior cohabitation
Credit report showing relationship

Verification of Permanent Absence of Adult Member

If an adult member who was formerly a member of the household is reported permanently absent by the family, MCHA may request any of the following as verification:

1. Husband or wife institutes divorce action.
2. Husband or wife institutes legal separation.
3. Order of protection/restraining order obtained by one family member against another.
4. Proof of another home address, such as utility bills, canceled checks for rent, driver's license, or lease or rental agreement, if available.
5. Statements from other agencies such as social services or a written statement from the landlord or manager that the adult family member is no longer living at that location.
6. If no other proof can be provided, MCHA will accept a self-certification from the family.
7. If the adult family member is incarcerated, a document from the Court or prison should be obtained stating how long they will be incarcerated.

Verification of Change in Family Composition

MCHA may verify changes in family composition (either reported or unreported) through letters, telephone calls, utility records, inspections, landlords, neighbors, credit data, school or DMV records, and other sources and completing a "personal declaration".

Verification of Disability

Verification of disability must be receipt of SSI, SSD 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 appropriate diagnostician such as physician, psychiatrist, psychologist, therapist, rehab specialist, or licensed social worker, using the HUD language as the verification format.

Verification of Citizenship/Eligible Immigrant Status

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 their status once. Assistance cannot be delayed, denied, or terminated while verification of status is pending except that assistance to applicants may be delayed while MCHA hearing is pending.

1. Citizens or Nationals of the United States are required to sign a declaration (214 form) under penalty of perjury. MCHA will not require citizens to provide documentation of citizenship.
2. Eligible Immigrants who were Participants and 62 or over on June 19, 1995, are required to sign a declaration of eligible immigration status and provide proof of age.
3. Non Citizens 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. MCHA verifies the status through the INS SAVE system. If this primary verification fails to verify status, the MCHA must request within ten days that the INS conduct a manual search.
4. 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.
5. 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 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. For participants, it is done at the first regular recertification after June 19, 1995. For family members added after other members have been verified, the verification occurs at the first recertification after the new member moves in. Once verification has been completed for any covered program, it need not be repeated except that, in the case of port-in families, if the initial MCHA does not supply the documents, the receiving MCHA must conduct the determination.

Extensions of Time to Provide Documents. Extensions must be given for persons who declare their eligible immigration status but need time to obtain the required documents. The length of the extension shall be based on individual circumstances. MCHA will generally allow up to 10 days to provide the document or a receipt issued by the INS for issuance of replacement.

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 (I-551)
- Alien Registration Receipt Card (I-151)
- Arrival-Departure Record (I-94)
- Temporary Resident Card (I-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 immigration status must be kept five years.

MCHA will verify the eligibility of a family member at any time such eligibility is in question, without regard to the position of the family on the waiting list.

If MCHA 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 24 months, unless the ineligible individual has already been considered in prorating the family's assistance.

Verification of Social Security Numbers

Social Security numbers must be provided as a condition of eligibility for all family members if they have been issued a number. 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 is/are complete and accurate:

- Verification of benefits or Social Security Number from Social Security Administration
- Identification card issued by a Federal, State, or local agency
- Identification card issued by a medical insurance company or provider (including Medicare and Medicaid)
- An identification card issued by an employer or trade union-if this agency verifies authenticity of number
- An identification card issued by a medical insurance company
- Earnings statements or payroll stubs
- 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

New family members will be required to produce their Social Security Card or provide the substitute documentation described above, together with their certification that the substitute information provide at the time the change in family composition is reported to MCHA.

If an applicant or participant is able to disclose the Social Security Number but cannot meet the documentation requirements, the applicant or participant must sign a certification to that effect provided by MCHA. The applicant/participant or family member will have an additional 60 days to provide proof of the Social Security Number. If they fail to provide this documentation, the family's assistance will be terminated.

In the case of an individual at least 62 years of age, MCHA may grant an extension for an additional 60 days to a total of 120 days. If, at the end of this time, the elderly individual has not provided documentation, the family's assistance may be terminated.

If the family member states they have not been issued a number, the family member will be required to sign a certification to this effect.

Medical Need for Larger Unit

A written certification that larger unit is necessary must be obtained from a reliable, knowledgeable professional.

J. WAITING LIST PREFERENCES

A local preference, as specified in Chapter 4, will be used by MCHA to select among applicants and can only be adopted after a public hearing.

In order to verify that an applicant is a participant, MCHA will require a minimum of 3 of the following documents: rent receipt, leases, utility bills, employer or agency records, school records, drivers licenses, voters registration records, credit reports, statement from household with whom the family is residing.

Chapter 8

VOUCHER ISSUANCE AND BRIEFINGS

INTRODUCTION

MCHA's objectives are to assure the families selected to participate are successful in obtaining an acceptable housing unit and that they have sufficient knowledge to derive maximum benefit from the program and to comply with program requirements.

When families have been determined to be eligible, MCHA will conduct a mandatory briefing to ensure that families know how the program works. The briefing will provide a broad description of owner and family responsibilities, MCHA procedures, and how to lease a unit. The family will also receive a briefing packet which provides more detailed information about the program. MCHA will provide a *Notice of Right to Reasonable Accommodation/Modification* as part of the briefing packet.

This chapter describes how briefings will be conducted, the information that will be provided to families, and the policies for how changes in the family composition will be handled.

A. ISSUANCE OF VOUCHERS

When funding is available, MCHA will issue Vouchers to applicants whose eligibility has been determined. The issuance of Vouchers must be within the dollar limitations set by the Annual Contribution Contract budget.

The number of Vouchers issued to ensure that MCHA stays close as possible to 100% lease-up. MCHA performs a monthly calculation manually to determine whether applications can be processed, the number of Vouchers that can be issued, and to what extent MCHA can over-issue (issue more Vouchers than the budget allows).

B. BRIEFING TYPES AND REQUIRED ATTENDANCE

Initial Applicant Briefing

A full HUD-required briefing will be conducted for applicant families who are determined to be eligible for assistance. The briefings will be conducted in group and individual meetings. Families who attend group briefings and still have the need for individual assistance will be referred to the Section 8 Coordinator.

Briefings for the Voucher Program will be conducted in English.

The purpose of the briefing is to explain 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.

MCHA will not issue a Voucher to a family unless the household representative has attended a briefing and signed the Voucher. Applicants who provide prior notice of inability to attend a briefing will automatically be scheduled for the next briefing. Applicants who fail to attend two scheduled briefings, without prior notification and approval of MCHA, may be denied admission

based on failure to supply information needed for certification. MCHA will conduct individual briefings for families with disabilities at their home, upon request by the family, if required for reasonable accommodation.

Briefing Packet

The documents and information provided in the briefing packets for the Voucher program will comply with all HUD requirements. MCHA may also include other pertinent information and/or materials which are not required by HUD.

The family will be provided with the following information and material.

1. The term of the voucher, and MCHA policy for requesting extensions to the term of the voucher or suspensions of the voucher
2. A description of the method used to calculate the assistance payment, information on payment standards (voucher program), and utility allowance.
3. How the maximum allowable rent is determined, including the rent reasonableness standard.
4. Guidance and materials to assist the family in selecting a unit, such as proximity to employment, public transportation, schools, shopping and the accessibility of services. Guidance will also be provided to assist the family to evaluate the prospective unit, such as the condition, whether the rent is reasonable, average utility expense, energy efficiency, and security.
5. The boundaries of the geographical area in which the family may lease a unit including an explanation of portability.
6. MCHA model lease and HUD lease addendum.
7. The Request for Lease Approval form, and a description of the procedures for requesting approval for a unit.
8. MCHA policy on providing information about families to prospective owners.
9. The Subsidy Standards, when and how exceptions are made and how the certificate or voucher size relates to the unit size selected.
10. The HUD brochure, "A Good Place to Live" on how to select a unit that complies with HQS.
11. The HUD brochure on lead-based paint and information about where blood level testing is available.
12. MCHA will provide a *Notice of Right to Reasonable Accommodation/Modification* providing information on federal, state and local equal opportunity laws, the form for reporting suspected discrimination and the phone numbers of the local fair housing agency and the HUD enforcement office.
13. A list of landlords or other parties willing to lease to assisted families for help in the search and known units available for the size certificate or voucher issued.
14. If the family includes a person with disabilities, notice that MCHA will provide assistance in locating accessible units and a list of available accessible units known to MCHA.
15. The family obligations under the program.
16. The grounds for termination of assistance because of family action or failure to act.
17. When MCHA is required to offer an informal hearing, how to request the hearing, and the hearing procedures.
18. Requirements for reporting changes between certifications.

Briefing Packet Information:

The applicant will be provided with the following materials will include, but not limited to:

- A Voucher packet containing items required by 24 CFR 982.301(b);
- A current list of available units and interested landlords;
- Requirements to reporting changes in family income and circumstances;
- The HUD brochure, A Good Place to Live;
- Procedures for notifying MCHA of program abuses, such as illegal side payments or other overcharges;
- HUD Lead-Based Paint Brochure/Notification;
- Fair Housing Equal Opportunity (FHEO) housing discrimination information;
- A copy of the utility allowance schedule
- MCHA Move-in/Move-out Checklist; and
- A written statement of the Family Obligations of the Program;
- *A Notice of Right to Reasonable Accommodation/Modification*

Other Information to be Provided at the Briefing

The person conducting the briefing will also describe how the program works and the relationship between the family and the owner, the family and MCHA, and MCHA and the owner.

The briefing presentation emphasizes:

Family owner responsibilities

Where a family may lease a unit inside and outside its jurisdiction

How portability works for families eligible to exercise portability

Advantages to moving to area with low concentration of poor families if family is living in a high poverty census tract in MCHA's jurisdiction

Exercising choice in residency

Choosing a unit carefully and only after due consideration

If the family includes a person with disabilities, MCHA will ensure compliance with all applicable accessibility requirements to ensure effective communication.

C. SECURITY DEPOSIT REQUIREMENTS

Leases Effective Prior to October 2, 1995

The amount of Security Deposit which could have been collected by owners under contracts effective prior to October 2, 1995 is:

For the Voucher Program, the owner, at his/her discretion, could have collected a Security Deposit in an amount not to exceed the greater of 30% of adjusted monthly income or \$50 for non-lease-in-place families.

Leases Effective on or after October 2, 1995

Security deposits charged by owners may not exceed those charged to unassisted tenants (or the maximum prescribed by State or local law).

For lease-in-place families, responsibility for first and last month's rent is not considered a security deposit issue.

The MCHA will deny approval of a lease where a request has been made to collect from a family a security deposit that is in excess of private market practice or in excess of amounts charged by the owner to unassisted tenants. Generally in the McKean County market area, and for the purposes of determining private market practice herein, a security deposit equal to one month's rent to the owner is considered to be the standard.

When the tenant vacates a dwelling unit, the owner, subject to state or local law, may use the security deposit, including any interest thereon, in accordance with the lease, as reimbursement for any unpaid rent payable by the tenant, damages to the unit or for other amounts the tenant owes under the lease.

D. TERM OF VOUCHER

During the briefing session, each household will be issued a Voucher which represents a contractual agreement between MCHA and the Family specifying the rights and responsibilities of each party. It does not constitute admission to the program which occurs when the lease and contract become effective.

Expirations

The Voucher is valid for a period of sixty calendar days from the date of issuance. The family must submit a Request for Lease Approval and Lease within the sixty-day period unless an extension has been granted by MCHA.

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

When a Request for Lease Approval is received, MCHA will deduct the number of days required to process the request from the 60 day term of the voucher.

Extensions

MCHA will grant extensions to vouchers. All requests for extensions must be received in writing prior to the expiration date of the Voucher.

Extensions are permissible at the discretion of MCHA up to a maximum of 60 days, primarily for these reasons:

- Extenuating circumstances such as hospitalization or a family emergency for an extended period of time which has affected the family's ability to find a unit within the initial sixty-day period. Verification is required.
- MCHA is satisfied that the family has made a reasonable effort to locate a unit, including seeking the assistance of MCHA, throughout the initial sixty-day period.
- The family was prevented from finding a unit due to disability accessibility requirements.
- The family has submitted a Request for Tenancy Approval prior to the expiration of the 60-day period, but the unit has not passed Housing Quality Standards.

- The MCHA may extend the term for an additional thirty (30) days for the following special conditions:
 - Extenuating circumstances such as hospitalization, family emergency, etc., that affected the family's ability to locate an acceptable unit within the initial term but are not expected to affect their search during the additional period
 - The family requires an extension because of the disability of a family member;
 - The family has difficulty in locating suitable housing due to a low housing market vacancy rate, as defined by MCHA; or
 - Other special circumstances with the approval and at the discretion of the Executive Director or Director of Housing.
- The initial term plus any extensions may not exceed a total period of 120 calendar days from the beginning of the initial term.
- A family's Voucher may not expire during the period of time given by MCHA to correct Housing Quality Standards deficiencies if the notice of such deficiencies was issued in the initial Voucher term or any approved extension of term.

MCHA will request HUD approval to extend the Voucher beyond an additional 60 days.

Assistance to Voucher Holders

Families who require additional assistance during their search may call MCHA to request assistance.

E. VOUCHER ISSUANCE DETERMINATION FOR SPLIT HOUSEHOLDS

In those instances when a family assisted under the Section 8 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, MCHA shall consider the following factors to determine which of the families will continue to be assisted:

1. Which of the two new family units has custody of dependent children.
2. Which family member was the head of household when the Voucher was initially issued (listed on the initial application).
3. The composition of the new family units, and which unit contains elderly or disabled members.
4. Whether domestic violence was involved in the breakup.
5. Which family members remain in the unit.
6. Recommendations of social service professionals.

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

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

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

F. REMAINING MEMBER OF TENANT FAMILY-RETENTION OF VOUCHER

To be considered the remaining member of the tenant family, the person must have been previously approved by MCHA to be living in the unit.

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

In order for a minor child to continue to receive assistance as a remaining family member:

1. Have attained the age of 18 years, or
2. MCHA 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, and
3. Have demonstrated capacity to pay at least the minimum amount of \$50.

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

Chapter 9

REQUEST FOR LEASE, APPROVAL AND CONTRACT EXECUTION

INTRODUCTION

After families are issued a voucher, they may search for a unit anywhere within the jurisdiction of MCHA. The family must find an eligible unit under the program rules, with an owner/landlord who is willing to enter into a Housing Assistance Payments Contract with MCHA.

This Chapter defines the types of eligible housing, MCHA's policies which pertain to initial inspections, lease requirements, owner disapproval, and the processing of Requests for Lease Approval (RLA).

A. REQUEST FOR TENANCY APPROVAL

The Request for Tenancy Approval (RFTA) and a copy of the proposed Lease must be submitted by the family during the term of the voucher.

The Request for Tenancy Approval must be signed by both the owner and Voucher holder. The lease may be executed up to 60 days prior to contract execution but cannot be executed without approval of MCHA.

MCHA will not permit the family to submit more than one RFTA at a time.

MCHA will review the documents to determine whether or not they are approvable.

The Request will be approved if:

1. The unit is eligible type of housing.
2. The unit meets HUD's Housing Quality Standards (and any additional criteria as identified in this Administrative Plan).
3. The rent is reasonable.
4. The security deposit amount is approvable.
5. The proposed lease complies with HUD, MCHA and State and Local requirements.
6. The owner is approvable, and there are no conflicts of interest.
7. The owner (including a principal or other interested party) is not the parent, child, grandparent, grandchild, sister, or brother of any member of the family, unless the Housing MCHA has determined (and has not 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.

Disapproval of RFTA

If MCHA determines that the Request cannot be approved for any reason, the landlord and the family will be notified in writing. MCHA will instruct the owner and family of the steps that is necessary to approve the Request.

The owner will be given ten calendar days to submit an approvable RFTA from the date of disapproval.

When, for any reason, an RFTA is not approved, MCHA will furnish another RFTA form to the family along with the notice of disapproval so that the family can continue to search for eligible housing.

The time limit on the Voucher will be suspended while the RFTA is being processed.

B. ELIGIBILITY OF HOUSING

MCHA will approve any of the following types of housing in the Voucher programs:

- All structure types can be utilized.
- Manufactured homes where the tenant leases the mobile home and the pad.
- Independent Group Residences
- Congregate facilities (only the shelter rent is assisted).
- Single Room Occupancy
- Units owned (but not subsidized) by MCHA (following HUD-prescribed requirements).

A family can own a rental unit but cannot reside in it while being assisted, except for manufactured homes when the tenant owns the mobile home and leases the pad. A family may lease and have an interest in a cooperative housing development.

MCHA may not permit a Voucher holder to lease a unit which is receiving Project-Based Section 8 assistance or any duplicative rental subsidies.

MCHA will not approve:

- A unit occupied by the owner or by any person with an interest in the unit, other than manufactured homes described above.
- Nursing homes or other institutions that provide care
- School dormitories and institutional housing
- Any other types of housing prohibited by HUD

C. LEASE REVIEW

MCHA will review the lease, particularly noting the approvability of optional charges and compliance with regulations and State/local law. Responsibility for utilities, appliances and optional services must correspond to those provided on the Request for Tenancy Approval.

Owners must submit a copy of their own lease (or may request a copy of the Public Housing lease for reference) to MCHA to furnish the lease. In cases where the owner's lease is used, the HUD lease addendum must be attached and executed.

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.

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 MCHA.

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, appliances or other item.

MCHA is not liable for unpaid charges for items covered by separate agreements and nonpayment of these agreements cannot be cause for eviction.

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 and 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 MCHA. If agreements are entered into a later date, they must be approved by MCHA and attached to the lease.

MCHA will not approve separate agreements for modifications to the unit for persons with disabilities. The modifications are usually within the dwelling and are critical to the use of the dwelling.

If the owner makes modifications to the unit, the costs should be recovered through the rent collected, not by having the tenant pay for the modifications. Exception would be considered if the modifications are such that they most likely would be removed if the tenant moved out.

D. INITIAL INSPECTIONS

See Chapter 10, "Housing Quality Standards and Inspections."

E. RENT LIMITATIONS

Rent reasonableness will still be used as a measure of whether the rent is approvable.

MCHA will make a determination as to the reasonableness of the proposed rent in relation to comparable units available for lease on the private unassisted market, and the rent charged by the owner for a comparable assisted or unassisted unit in the building or premises.

F. DISAPPROVAL OF PROPOSED RENT

When a landlord offers a unit for rent to a Voucher holder, and the rent amount is higher than non-voucher assisted units, MCHA will work with the Voucher holder to negotiate a lower rental amount. If the Owner accepts the offer of a revised rent, MCHA will continue processing the Request for Tenancy Approval and Lease.

If the Owner is not willing to reduce or adjust the rent and the Voucher holder still desires to rent the property, MCHA must be assured that the Voucher holder does not pay more than 40% of the family's adjusted monthly income towards rent and utilities.

If the calculated rent results in a Rent Burden which exceeds 40% of adjusted income.

If the owner does not agree on the Contract Rent after MCHA has tried and failed to negotiate a revised rent, MCHA will inform the family and owner that the lease is disapproved.

G. INFORMATION TO OWNERS

MCHA is required to provide prospective owners with the address of the applicant and the names and addresses of the current and previous landlord, if known.

MCHA will make an exception to this requirement if the family's whereabouts must be protected due to domestic abuse or witness protection.

MCHA will inform owners that it is the responsibility of the landlord to determine the suitability of prospective tenants. Owners will be encouraged to screen applicants for rent payment history, eviction history, damage to units, and other factors related to the family's suitability as a tenant.

H. OWNER DISAPPROVAL

For purposes of this section, "owner" includes a principal or other interested party.

MCHA will disapprove the owner for the following reasons:

- Any related agency has informed MCHA that the owner has been disbarred, suspended, or subject to a limited denial of participation under 24 CFR part 24.
- HUD has informed MCHA 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 are pending.
- HUD has informed MCHA that a court or administrative agency has determined that the owner violated the Fair Housing Act or other federal equal opportunity requirements.
- The owner has violated obligations under a housing assistance payments contract under Section 8 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 Housing MCHA reserves the right to conduct criminal history checks through the allowable agencies on any or all landlords. Such action may be necessary to protect the integrity of MCHA and the Section 8 Program.
- The owner has defaulted another Housing MCHA's housing programs.
- The owner has engaged in drug trafficking or other drug offenses.
- The owner has a history of practice of non-compliance with the HQS for units leased under the tenant-based programs or with applicable housing standards for units leased with project-based Section 8 assistance or leased under any other federal housing program.
- The owner has a history or practice of renting units that fail to meet State or local housing codes.
- The owner has not paid State or local real estate taxes, fines, or assessments.

I. CHANGE IN TOTAL TENANT PAYMENT (TTP) PRIOR TO HAP EFFECTIVE DATE

When the family reports changes in factors that will affect the Total Tenant Payment (TTP) prior to the effective date of the HAP contract, the information will be verified and the TTP will be recalculated. If the family does not report any change, MCHA need not obtain new verifications before signing the HAP Contract, even if verifications are more than 60 days old.

J. CONTRACT EXECUTION PROCESS

MCHA prepares the Housing Assistance Contract for execution. The family and the owner will execute the Lease agreement, and the owner and MCHA will execute the HAP Contract. Copies of the documents will be furnished to the parties who signed the respective documents.

MCHA will provide group briefings for new owners and any other owners who wish to attend on a periodic basis.

MCHA makes every effort to execute the HAP Contract before the commencement of the lease term. The HAP Contract may not be executed more than 60 days after commencement of the lease term and no payment will be made until the contract is executed.

The following MCHA representatives are authorized to execute a contract on behalf of MCHA: Any Housing MCHA Board member, the Executive Director, or any other staff person that may be assigned by the Executive Director

All owners will be required to complete a landlord packet, which includes but is not limited to the following information (no HAP payments will be made until completed packet is returned):

- Owners must provide the current address of their residence (not a Post Office Box).
- The owner must provide a business or home telephone number.
- Owners must provide an Employer Identification Number or Social Security Number.
- Owners will provide certification relevant to their ownership of the property as required by MCHA.
- If owner contracts with a third party property manager, evidence of this agreement must be provided by the owner to MCHA.
- Owner must provide banking information to MCHA for direct deposit of the HAP payment.

K. CHANGE IN OWNERSHIP

A change in ownership requires the execution of a new contract with the new owner.

MCHA will consider a contract change of ownership upon written notice from the current owner, under contract, that the property is being sold; and the new owner must provide a letter to MCHA of their intentions to continue renting the property in the Section 8 Program. Upon receipt of these notifications, MCHA will request a copy of the sales agreement, the Employee Identification Number or Social Security number, address and telephone number of the new owner(s).

MCHA must receive all documents before a payment can be issued to a new owner.

In the event that the previous owner does not provide the requested documentation, staff may secure a copy of the recorded deed from the new owner.

Chapter 10

HOUSING QUALITY STANDARDS AND INSPECTIONS

INTRODUCTION

Housing Quality Standards (HQS) are the HUD minimum quality standards for tenant-based programs. HQS standards are required both at initial occupancy and during the term of the lease. HQS standards apply to the building and premises, as well as the unit. The housing authority will follow all federal, state and local codes, whichever is more stringent when inspecting any unit.

These minimum Standards may be enhanced by MCHA, provided that by doing so, MCHA does not overly restrict the number of units available for lease under the program. The use of the term “HQS” in this Administrative Plan refers to the combination of both HUD and MCHA requirements. This chapter describes MCHA’s procedures for performing HQS and other types of inspections, and standards for the timeliness of repairs. It also explains the responsibilities of the owner and family, and the consequences of non-compliance with HQS requirements for both families and owners.

A. GUIDELINES/TYPES OF INSPECTIONS

Efforts will be made at all times to encourage owners to provide housing above HQS minimum standards.

All utilities must be in service when the unit is inspected.

The stove and refrigerator may be supplied by the owner or tenant and must be present when the unit is inspected.

Owner must have copy of rental permit (use and occupancy certificate – where available) and proof of ownership (property tax bill and/or deed).

As part MCHA's responsibility to assure HQS compliance, corrective action will always be required on units that do not meet the inspection criteria. Enforcement of HQS may include the suspension or reduction of assistance payments to an owner or the termination of the HAP Contract for violating its terms.

The owner will be allowed two re-inspections for deficiencies to be corrected, at MCHA's discretion, depending on the amount and complexity of work to be done.

There are five types of inspections MCHA will perform:

1. Initial/Move-in: Conducted upon receipt of Request for Lease Approval.

Inspections will be conducted prior to a family's leasing of a unit under the Housing Voucher Program. Once a family submits a Request for Tenancy Approval ("RFTA") or other HUD-required request form, MCHA will promptly process the request, and the inspector will schedule an appointment with the owner and/or family to occur within fifteen (15) days of the RFTA submission unless otherwise delayed by the landlord or tenant, or due to other reasons outside of MCHA's control. The RFTA must be properly completed and signed by both the family and owner before MCHA will process the request and inspect the unit.

During the inspection, the inspector may provide the owner with general information about the HCV Program or specific information pertaining to HQS. In addition, the inspector may negotiate the rental amount.

Immediately following a "failed" initial inspection, MCHA will issue to the owner of the property a notice of the deficiencies and a time limit for correction. The owner generally will be given up to thirty (30) days to correct the deficient item(s). The MCHA's Executive Director or designee may approve a reasonable extension of time depending upon the extent or scope of work required or weather conditions that prohibit remediation. In all cases, the owner will be encouraged to correct the deficiencies in a timely manner. The deficiency notice will instruct the owner to contact MCHA after all cited deficiencies have been corrected.

After the expiration date of the deficiency notice (or any approved extension thereof), the lease approval request will automatically be denied. Provided that time remains on their Voucher, the family may submit another Request for Tenancy Approval for the same unit or for another unit. Only one Request for Tenancy Approval form may be submitted at a time.

Occupancy prior to meeting HQS

The PHA may approve assisted tenancy and commence housing assistance payments (HAP) if the unit fails the inspection but only has non-life threatening HQS deficiencies. If the PHA makes payments under the exception, the PHA must withhold any assistance payments if the non-life-threatening deficiencies are not remedied within no more than 30 days of the PHA notifying the owner of the unit, in writing, of the unit's failure to comply with HQS.

Life-threatening deficiencies

HUD defines life-threatening conditions as follows:

- Gas (natural or liquid petroleum) leak or fumes. A life-threatening condition under this standard is one of the following:
 - A fuel storage vessel, fluid line, valve, or connection that supplies fuel to a HVAC unit is leaking; or
 - A strong gas odor detected with potential for explosion or fire, or that results in health risk if inhaled.
- Electrical hazards that could result in shock or fire. A life-threatening condition under this standard is one of the following:
 - A light fixture is readily accessible, is not securely mounted to the ceiling or wall, and electrical connections or wires are exposed;
 - A light fixture is hanging by its wires;
 - A light fixture has a missing or broken bulb, and the open socket is readily accessible to the tenant during the day to day use of the unit;
 - A receptacle (outlet) or switch is missing or broken and electrical connections or wires are exposed;
 - A receptacle (outlet) or switch has a missing or damaged cover plate and electrical connections or wires are exposed;
 - An open circuit breaker position is not appropriately blanked off in a panel board, main panel board, or other electrical box that contains circuit breakers or fuses;
 - A cover is missing from any electrical devise box, panel box, switch gear box, control panel, etc., and there are exposed electrical connections;

- Any nicks, abrasions, or fraying of the insulation that expose conducting wire;
 - Exposed bare wires or electrical connections;
 - Any condition that results in opening in electrical panels or electrical control device enclosures;
 - Water leaking or ponding near any electrical device; or
 - Any condition that poses a serious risk of electrocution or fire and poses an immediate life threatening condition.
- Inoperable or missing smoke detector. A life-threatening condition under this standard is one of the following:
 - The smoke detector is missing; or
 - The smoke detector does not function as it should.
- Interior air quality. A life-threatening condition under this standard is one of the following:
 - The carbon monoxide detector is missing; or
 - The carbon monoxide detector does not function as it should.
- Gas/oil fired water heater or heating, ventilation, or cooling system with missing, damaged, improper, or misaligned chimney or venting. A life-threatening condition under this standard is one of the following:
 - The chimney or venting system on a fuel fired water heater is misaligned, negatively pitched, or damaged, which may cause improper or dangerous venting of gases;
 - A gas dryer vent is missing, damaged, or is visually determined to be inoperable, or the dryer exhaust is not vented to the outside;
 - A fuel fired space heater is not properly vented or lacks available combustion air;
 - A non-vented space heater is present;
 - Safety devices on a fuel fire space heater are missing or damaged; or
 - The chimney or venting system on a fuel fired heater, ventilation, or cooling system is misaligned, negatively pitched, or damaged which may cause improper or dangerous venting of gases.
- Lack of alternative means of exit in case of fire or blocked egress. A life-threatening condition under this standard is one of the following:
 - Any of the components that affect the function of the fire escape are missing or damaged;
 - Stored items or other barriers restrict or prevent the use of the fire escape in the event of an emergency; or
 - The building's emergency exit is blocked or impeded, thus limiting the ability of occupants to exit in a fire or other emergency.
- Other interior hazards. A life-threatening condition under this standard is a fire extinguisher (where required) that is missing, damaged, discharged, overcharged or expired.
- Deteriorated paint, as defined by 24 CFR 35.110, in a unit built before 1978 that is to be occupied by a family with a child under 6 years of age. This is a life-threatening condition only for the purpose of a condition that would prevent a family from moving into the unit. All lead hazard reduction requirements in 24 CFR part 35, including the timeline for lead hazard reduction procedures, still apply.
- Any other condition subsequently identified by HUD as life threatening in a notice published in the Federal Register. HUD will notify PHAs if such changed are made.

- Any condition specifically required by local code enforcement, county enforcement and state regulations.

Documenting the absence of life-threatening conditions

- A PHA must ensure that the unit does not have any life-threatening deficiencies before the PHA approves the assisted tenancy and executes the HAP contract. The PHA must document that the unit passes all inspection items that relate to any life-threatening deficiencies identified in the PHA’s HCV administrative plan.

Notification of Owners and Tenants

- PHA’s must notify owners and tenants, as applicable, of the new procedures and timelines for assistance payments.
 - If the initial inspection on the unit identifies one or more non-life-threatening deficiencies, the PHA must provide the family a list of the deficiencies and offer the family the opportunity to decline to enter into the assisted lease without losing the voucher.
 - The PHA must also notify the family that if the owner fails to correct the non-life-threatening deficiencies within the PHA-specified time period, the PHA will terminate the HAP contract, which in turn terminates the assisted lease, and the family will have to move to another unit in order to receive voucher assistance.

Housing Assistance Payments

- PHA’s may, with the agreement of the family, approve the assisted tenancy, execute the HAP contract, and make HAP payments for unit that fails the initial HQS inspection only as a result of non-life-threatening conditions as defined above.
 - If the non-life-threatening conditions are not corrected within 30 days of the PHA notifying the owner of the unit, in writing, of the unit’s failure to comply with HQS, the PHA will follow the abatement procedure that is in the administrative plan.

2. **Annual:** Must be conducted within 12 months of the previous HQS or initial/move inspection.

Each unit under the HCV Program will be inspected at least annually to ensure continued compliance with Housing Quality Standards and/or any approved local variances. The MCHA maintains an accurate report of all units in its HCV Program, which includes HAP Contract anniversary dates by month and last inspection dates to ensure that each unit is inspected every twelve months. The MCHA will schedule annual inspections approximately 30 days in advance of the anniversary date of the expiration of the HAP contract.

Immediately following a "failed" annual inspection, MCHA will issue to the owner of the property a notice of the deficiencies and a time limit for correction. The owner generally will be given up to thirty (30) days to correct the deficient item(s).

Due to unpredictable weather during the months of November through May, MCHA will allow the landlord to delay correcting exterior deficiencies that exist in such areas as

painting and concrete. All work must be completed by June 1 of the given year. Non-compliance by the owner will result in the termination of the HAP contract.

3. **Special/Complaint:** At the request of owner, family or an agency or third-party.

Move-Out:

When a family vacates the unit and either the family or owner requests an inspection to verify the unit condition, MCHA will conduct a Move-Out inspection. The inspection must be requested within ten (10) days of date that the family actually moved or the unit was discovered vacant.

The owner or the owner's representative will be requested to attend the move-out inspection. The owner and tenant will be notified as to when the inspection will take place.

4. **Quality Control:** A quality control inspection will be conducted for 5 percent of all units (or a minimum of 5) which have been inspected throughout the current 12 month HAP period.

For monitoring purposes, MCHA will conduct a Quality Control inspection on a minimum number of units under HAP Contract as defined in Chapter 14 of this Plan and in accordance with HUD regulations.

B. ACCEPTABILITY CRITERIA AND EXCEPTIONS TO HQS

MCHA adheres to acceptability criteria in the program regulations and HUD inspection booklet.

C. INSPECTIONS

MCHA conducts an inspection in accordance with Housing Quality Standards at least annually, up to 120 days prior to the anniversary month of the contract. Special inspections may be scheduled between anniversary dates. Any unit that has passed two consecutive HQS inspections will only be inspected every other year.

HQS deficiencies which cause a unit to fail must be corrected by the landlord unless it is a fail for which the tenant is responsible. The family is only responsible for breaches of HQS which are caused by:

- Non-payment of utilities paid by the family,
- Not providing, or failing to maintain, appliances not provided by the owner, and
- Damages to the unit or premises caused by a household member or guest beyond normal wear and tear.

The family must allow MCHA to inspect the unit at reasonable times with reasonable notice.

Inspections will be conducted on business days only.

Reasonable hours to conduct an inspection are between 8:00 a.m. and 4:00 p.m. unless agreed to differently by the tenant and MCHA.

MCHA will notify the family in writing at least five days prior to the inspection unless other arrangements are made, and agreed to, by landlord and/or tenant.

Inspections

Participant families will be provided reasonable notice of the date and time inspections are to be conducted by MCHA. If the family is unable to be at home, they must either arrange for an adult representative to be present for the inspection or contact the Section 8 Department to reschedule. If the family or representative is not home for the appointment, and the inspector does not gain entry, MCHA will consider it to be a missed inspection. The MCHA will schedule a second appointment in the same manner.

If the family misses two (2) scheduled inspection appointments, MCHA will terminate their assistance for violating the Family Obligations as defined in 24 CFR 982.551(d). The family has a right to dispute the termination through MCHA's informal hearing process.

Time Standards for Repairs

Following each inspection, MCHA will notify the owner and/or tenant of the results and, if necessary, a deadline for compliance with HQS. HQS deficiencies must be corrected before assistance payments will be disbursed, regardless of how the deficiencies were caused. Reinspections by MCHA to verify HQS compliance will include only those fail items for which the owner (and/or tenant) was previously notified. If new deficiencies are discovered during a reinspection, a new deficiency notice will be issued, which will contain a compliance deadline date for the new deficiencies.

1. Emergency items which endanger the family's health or safety must be corrected within 24 hours of notification.
2. For non-emergency items, repairs must be made within 30 days.
3. For major repairs, the responsible HQS inspector or Executive Director may approve an extension beyond 30 days.

D. EMERGENCY REPAIR ITEMS

The following items are considered of an emergency nature and must be corrected by the owner or tenant (whomever is responsible) within 24 hours of notice by the Inspector:

- Lack of security for the unit
- Waterlogged ceiling in imminent danger of falling
- Major plumbing leaks or flooding
- Natural gas leak or fumes
- Electrical problem which could result in shock or fire
- Lack of heat due to inoperable heating system
- Utilities not in service
- No running water
- Broken glass where someone could be injured
- Obstacle which prevents tenant's entrance or exit
- Lack of functioning toilet.
- No working smoke detectors.

MCHA may give a short extension whenever the responsible party cannot be notified or it is impossible to do the repair within the 24-hour period.

In those cases where there is leaking gas or potential of fire or other threats to public safety, and the responsible party cannot be notified or it is important to do the repair, proper authorities will be notified by the tenant or MCHA.

If the emergency repair item(s) are not corrected in the time period required by MCHA, and the owner is responsible, the housing assistance payment will be abated and the HAP contract will be terminated.

If the emergency repair item(s) are not corrected in the time period required by MCHA, and it is an HQS breach which is a family responsibility, MCHA will terminate the assistance to the family and the owner's payment will not be abated for the breach of HQS.

E. CONSEQUENCES IF OWNER IS RESPONSIBLE (NON-EMERGENCY ITEMS)

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 MCHA, 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 from the day after the date of the failed inspection. The notice is generally for 60 days, depending on the nature of the repair(s) needed.

MCHA will inspect abated units within five days of the owner's notification that the work has been completed.

If the owner makes repairs during the abatement period, payment will resume on the day the unit passes inspection.

The owner and family will be notified of the re-inspection date.

No retroactive payments will be made to the owner for the period of time the rent was abated and the unit did not comply with HQS. The notice of abatement states that the tenant is not responsible for MCHA's portion of rent that is abated.

MCHA will grant an extension in lieu of abatement in the following cases:

- The owner has a good history of HQS compliance.
- The failed items are minor in nature.
- There is an unavoidable delay in completing repairs due to difficulties in obtaining parts or contracting for services.
- The owner makes a good faith effort to make the repairs.
- The repairs are expensive (such as exterior painting or roof repair) and the owner needs time to obtain the funds.
- The repairs must be delayed due to climate conditions.

The extension will be made for a period of time not to exceed 30 days. At the end of that time, at MCHA's discretion, if the work is not completed or substantially completed, MCHA will begin the abatement process.

Termination of Contract

If the owner is responsible for repairs, and fails to correct all the deficiencies cited prior to the end of the abatement period, the owner will be sent a HAP Contract Termination notice. Prior to the effective date of the termination, the abatement will remain in effect.

If repairs are completed before the effective termination date, the termination will be rescinded by MCHA if the tenant chooses to remain in the unit. Only one HQS inspection will be conducted after the termination notice is issued.

F. DETERMINATION OF RESPONSIBILITY

Certain deficiencies are considered the responsibility of the family:

- Tenant-paid utilities not in service
- Failure to provide or maintain family-supplied appliances
- Damage to the unit or premises caused by a household member or guest beyond normal wear and tear. Normal wear and tear is defined in Chapter 17, "Claims, Move-Out and Close-Out Inspections".

The owner is responsible for all other HQS violations.

The owner is responsible for vermin infestation even if caused by the family's living habits. However, if such infestation is serious and repeated, it may be considered a lease violation and the owner may evict for serious or repeated violation of the lease. MCHA may terminate the family's assistance on that basis.

If the family is responsible but the owner carries out the repairs, the owner will be encouraged to bill the family for the cost of the repairs and the family's file will be noted.

G. CONSEQUENCES IF FAMILY IS RESPONSIBLE

If non-emergency violations of HQS are determined to be the responsibility of the family, MCHA will require the family to make any repair(s) or corrections within 30 days. If the repair(s) or correction(s) are not made in this time period, MCHA will terminate assistance to the family. Extensions in these cases must be approved by MCHA. 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.

Family HQS Responsibilities and Related Actions:

1. The family is responsible for any breach of the HQS as listed in 24 CFR 982.404(b)(1) and as described herein:
 - a. The family fails to pay for any utilities that are to be paid by the family;
 - b. The family fails to provide and maintain any appliances that are required to be provided by the family; or
 - c. Any member of the household or guest damages the dwelling unit or premises.
2. The MCHA will take prompt action to enforce the family obligations for the family's breach of the HQS.
3. The MCHA will notify the owner and tenant of the HQS deficiencies for which the family is responsible. The notice will provide for the following:

- a. For HQS failures, the family will be given up to thirty (30) days to correct the item(s). The MCHA Executive Director or designee may, at his/her discretion, approve a reasonable extension of time depending upon the extent or scope of work required.
 - b. If the defect is "life threatening", the family will be given 24 hours to correct the violation.
 - c. If the family fails to correct failed items, MCHA will suspend assistance payments and/or terminate the family assistance in accordance with 24 CFR 982.552.
4. Any tenant-paid utilities must be in the name of an adult household member. If an adult family member is unable to get utilities connected in his/her name because of a previous balance owed the utility company at a prior address, the participant will not be permitted to move into a unit with participant-paid utilities.

H. INITIAL HQS INSPECTION

The Initial Inspection will be conducted to:

- Determine if the unit and property meet the HQS defined in this plan.
- Document the current condition of the unit as a basis to evaluate whether the future condition of the unit exceeds normal wear and tear
- Document the information to be used for determination of rent-reasonableness

If the unit fails the initial Housing Quality Standards inspection, the owner will be advised to notify MCHA once repairs are completed.

On an initial inspection, the owner will be given time to complete the repairs, however the HAP and lease will not start until the repairs are met and the unit has passed the HQS inspection.

The owner will be allowed up to two re-inspections for repair work to be completed.

If the time period given by the Inspector to correct the repairs has elapsed, or the maximum number of failed re-inspections has occurred, the family must select another unit.

I. ANNUAL HQS INSPECTION OR BI-ANNUAL INSPECTIONS

Self-Certification

If the unit fails the Annual HQS inspection, and the landlord is an established landlord with a positive history, the Housing MCHA will use a self-certification document for units that pass or fail to certify that the repairs have been made.

Rent Increases

MCHA will conduct an inspection using the Housing Quality Standards at least annually or bi-annually prior to the anniversary month of the contract. Contract rent increases may not be given until the unit passes the HQS.

Increases in Rent to Owner

Owners may not request rent increases prior to the expiration of the first term of the lease. If the owner desires a rent increase, it is his/her responsibility to notify the tenant and MCHA in writing 60 days prior to the anniversary date of the HAP contract. The new proposed rent must meet the rent reasonableness requirements, otherwise MCHA will deny the increase. Only annual increases in accordance with 24 CFR 982.519 is permitted.

The owner must give the PHA a written notice and lease 60 days prior to the effective date of the change.

The allowed rent increases is the *lesser* of the following:

- The reasonable rent as determined by the PHA; or
- The amount requested by owner

J. SPECIAL/COMPLAINT INSPECTIONS

If any time the family or owner notifies MCHA that the unit does not meet Housing Quality Standards, MCHA will conduct an inspection.

MCHA may also conduct a special inspection based on information from third parties such as neighbors or public officials.

MCHA will inspect only the items which were reported, but if the inspector notices additional deficiencies that would cause the unit to fail HQS, the responsible party will be required to make the necessary repairs.

If a special inspection takes place in the same month as the annual inspection would normally take place, it will be considered to be the Annual Inspection.

Complaint:

If an owner or family complains that an unsatisfactory condition exists with respect to HQS, MCHA will promptly conduct a complaint inspection. Immediately following a "failed" complaint inspection, MCHA will issue to the owner of the property a notice of the deficiencies and a time limit for correction.

K. QUALITY CONTROL INSPECTIONS

Quality Control inspections will be performed by the Executive Director and/or his/her designee on the required number of units per SEMAP regulations (or a minimum of 5, whichever is higher) of each inspector. 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.

Chapter 11

OWNER RENTS, RENT REASONABLENESS, AND PAYMENT STANDARDS

INTRODUCTION

MCHA is responsible to ensure that the rents charged by owners are reasonable based upon objective comparables in the rental market. When MCHA has determined that the unit meets the minimum HQS, that the lease is approvable, and that the rent is reasonable, it will make timely payments to the owner and notify the owner of the procedures for rent adjustments in the Voucher program.

This chapter explains MCHA's procedures for determination of rent-reasonableness, payments to owners, adjustments to the Payment Standards, and rent adjustments.

A. OWNER PAYMENT IN THE VOUCHER PROGRAM

The maximum subsidy for each family is determined by the Payment Standard for the Voucher size issued to the family, less 30% of the family's Monthly Adjusted Income. The actual subsidy level could be less if the family is required to pay the Minimum Total Tenant Payment (10% of the family's Monthly Income).

The PHA may approve, on a case-by-case basis, an exception rent between 110%-120% of the applicable Payment Standard as a reasonable accommodation for a disability. The PHA will evaluate the reasonableness of the rent and the extent to which the unit accommodates the disability in making its decision to approve these exception rents.

The Subsidy Standards are based on the number of bedrooms authorized by the family size. The payment standard for the family is based on the actual bedroom size authorized not the size of the unit rented.

B. MAKING PAYMENTS TO OWNERS

Once the HAP contract is executed, MCHA begins processing payments to the landlord. The effective date and the amount of MCHA payment are contained in the contract. 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 to the owner each month via direct deposit.

Payments will only be disbursed by the 5th of the month. Exceptions may be made with the approval of the Executive Director in cases of hardship.

C. RENT REASONABLENESS DETERMINATIONS

Rent reasonableness determinations are made when units are placed under HAP Contract for the first time, when owners request annual or special contract rent adjustments and when an owner requests a rent increase.

MCHA will determine and document on a case-by-case basis that the approved rent:

1. Does not exceed rents currently charged on new leases by the same owner for an equivalent assisted or unassisted unit in the same building or complex, and

2. Is reasonable in relation to rents currently charged by other owners for comparable units in the unassisted market.

At least two or three comparable units will be used for each rent determination, one of which must be from the first category above if possible. All comparables must be based on the rent that the unit would command if leased in the current market. Leased in the current market means that the unit has been leased within the last 90 days.

The data for other unassisted units will be gathered from newspapers, realtors, professional associations, inquiries of owners, market surveys, and other available sources.

The market areas for rent reasonableness are boroughs and townships within MCHA's jurisdiction. Subject units within a defined housing market area will be compared to similar units within the same area.

The following items may be used for rent reasonableness documentation:

- Square footage (if available)
- Number of bedrooms
- Facilities
- Location
- Number of Bathrooms
- Quality
- Amenities
- Date Built (if available)
- Unit Type
- Management and Maintenance Services

MCHA maintains a file which includes data on unassisted units for use by staff making rent reasonableness determinations. The data is updated on an ongoing basis and purged when it is more than 12 months old.

MCHA uses an "appraisal" method and tests the subject unit against selected units in the same area with similar characteristics. Adjustments are made for favorable and unfavorable differences between the subject unit and the comparables. Amenities, services, and facilities are given point values.

D. PAYMENT STANDARDS FOR THE VOUCHER PROGRAM

The Payment Standard is initially set by MCHA at 110% of the Fair Market Rent in effect at the time the Annual Contributions Contract for the first increment of Voucher funding is approved by HUD. The Payment Standard is used to determine the maximum subsidy which can be paid by MCHA on behalf of the family.

E. ADJUSTMENTS TO PAYMENT STANDARDS

Payment Standards may be adjusted to increase Housing Assistance Payments in order to keep families' rents affordable. MCHA will not raise the Payment Standards so high that the number of families that can be assisted under available funding is substantially reduced. Nor will MCHA raise Standards if the need is solely to make "high end" units available to Voucher holders.

MCHA will review the Payment Standard annually to determine whether an adjustment should be made for some or all unit sizes. The Payment Standard will be reviewed according to HUD's requirements and this policy and if an increase is warranted, the payment standard will be adjusted accordingly.

MCHA may use some or all of the measures below in making its determination whether an adjustment should be made to the Payment Standard.

Assisted Families' Rent Burdens

MCHA will review reports showing the percent of income used for rent by Voucher families to determine the extent to which the rent burden is more than 40% of income.

Availability of Suitable Vacant Units Below the Payment Standard

MCHA will review its rent reasonableness database and vacancy rate data to determine whether there is an ample supply of vacant units in areas without minority concentration/poverty impaction that are below the Payment Standard.

Quality of Units Selected

MCHA will review the quality of units selected by participant families before determining any change to the Payment Standard to ensure that Payment Standard increases are only made when needed to reach the mid-range of the market.

MCHA Decision Point

MCHA will review the quality and size of units where the Rents to Owner are above the Payment Standard by more than 25%. If more than 50% of families have selected above-average units or have selected larger units than the Voucher size, MCHA may elect not to increase the Payment Standard or continue the analysis.

If the analysis continues, MCHA will divide those rents between contracts within the first year and after the first year. If the Rents to Owner are more than 25% above the average, in any bedroom size, MCHA will continue the analysis. If not, MCHA may elect not to increase the Payments Standard for certain bedroom sizes.

Rent to Owner Increases

MCHA may review a sample of the units to determine how often owners are increasing rents after the first year of the lease and the average percent of increase by bedroom size. The sample will be divided into units with and without the highest cost utility included.

A comparison will then be made to the applicable annual adjustment factor to determine whether owner increases are excessive in relation to the published annual adjustment factor.

Rent Reasonableness Data Base/Average Contract Rents

MCHA will compare the Payment Standards to average rents in its Rent Reasonableness Data Base and to the average Contract Rents by unit size.

Lowering of the Payment Standard

Statistical analysis may reveal the Payment Standard should be lowered, in which case, the Payment Standard should not be less than 80% of the current FMR. If the FMR is lowered, the Payment Standard may not exceed the FMR except in those cases where families are held harmless until they move to a different dwelling unit or have a change in family composition which would affect their Voucher size.

Financial Feasibility

Before increasing the Payment Standard, MCHA may review the budget and the project reserve, to determine the impact projected subsidy increases would have on funding available for the program and number of families served.

For this purpose, MCHA will compare the number of families who could be served under a higher Payment Standard with the number assisted under current payment standards.

File Documentation

A file will be retained by MCHA for at least three years to document the analysis and findings to justify whether or not the payment standard was changed.

F. RENT ADJUSTMENTS

Disapproval of Requests for Adjustment

If MCHA rejects the owner's request for rent adjustments as exceeding rent reasonableness and the owner rejects MCHA's determination, the owner may offer the tenant a new lease (after receiving MCHA's approval) with a sixty-day notice to the tenant. If the tenant refuses or the owner does not offer a new lease, the owner may institute action to terminate tenancy for business or economic reasons in accordance with the lease after giving 90 day notice to MCHA, HUD, and the family as required by law. MCHA will issue a new Voucher to the family.

After the tenant has begun searching for a new housing unit and/or after court action has been initiated, the owner may decide to accept the current lease. If the owner and tenant agree, the lease can continue.

If the tenant accepts the offer of a new lease, an RFTA must be submitted and the requested rent subjected to rent reasonableness.

If a new lease is executed, a new Contract must also be executed.

Voucher Program

Owners may not request rent adjustments in the Voucher Program to be effective prior to the expiration of the first year of the lease. Rent adjustments are effective with a sixty-day notice to the family and a copy to MCHA. MCHA will advise the family as to whether the rent is reasonable and shall approve or disapprove the rent increase.

Chapter 12

RECERTIFICATIONS

INTRODUCTION

The MCHA will, for each family who participates in the HCV Program, examine family income, size and composition, at admission and at least annually for the purposes of determining rent, assistance payments and eligibility. The examination will include a review of income and other family information. Verification will be in accordance with Chapter 3 of this Plan. The family must submit documentation and verification that MCHA deems to be necessary for the purpose of determining annual income, adjusted income or total tenant payment, or for the purpose of auditing the family's eligibility to receive assistance. Each family will be given a *Notice of Right to Reasonable Accommodation/Modification* at recertification.

This chapter defines MCHA's policy for conducting annual recertifications and coordinating the three annual activities. It also explains the interim reporting requirements for families, and the standards for timely reporting.

A. ANNUAL ACTIVITIES

There are two activities MCHA must conduct on an annual basis. These activities will be coordinated whenever possible:

1. Recertification of Income and Family Composition
2. HQS Inspection

MCHA produces a monthly listing of units under contract to ensure that timely reviews of contract rent, housing quality, and factors related to Total Tenant Payment can be made. Requests for rent adjustment and other monetary changes will be transmitted to MCHA.

Annual activities for contracts that did not commence on the first of the month must be conducted no later than the first of the month in which the lease was effective.

Annual Inspections: See Chapter 10, "Housing Quality Standards and Inspections"

Rent Adjustments: See Chapter 11, "Owner Rents, Rent Reasonableness and Payment Standards"

B. ANNUAL RECERTIFICATION/RE-EXAMINATIONS

Families are required to be recertified at least annually. At the first interim or annual certification on or after June 19, 1995, family members must report and verify their U.S. citizenship/eligible immigrant status.

Income limits are not used as a test for continued eligibility at recertification unless the family is moving under portability and changing their form of assistance.

Annual Reexaminations

1. At least every twelve months MCHA will conduct effective on the examination anniversary date of the family, a reexamination of the family's income, composition and circumstances. The process will begin approximately 120 days prior to the anniversary date, when MCHA will mail to the family an application for continued occupancy and other forms deemed to be necessary by MCHA for the purpose of the reexamination.
2. A master list of annual reexaminations that are due or HAP register will be maintained based upon the monthly anniversary date of the participant. This will assure that each eligible family will have an annual reexamination every twelve months. In addition, the list will be used for record keeping and tracking of the reexamination progress. Such lists and reports will be maintained by MCHA for at least three (3) years as evidence of payment and for the purposes of monitoring the Program.
3. Generally, two attempts will be made to obtain the required reexamination documents from the family. Failure by the family to comply with MCHA's requests for information or to sign consent forms will result in the termination of the family's participation in the HCV Program. The family will have the right to an informal hearing in accordance with Chapter 12 of this Plan.
4. The effective date of an annual reexamination will occur on the annual reexamination anniversary date of the family.

Reexamination Notice to the Family

MCHA will maintain a reexamination tracking system and the household will be notified by mail for their reexamination at least 120 days in advance of the anniversary date. If requested as an accommodation by a person with a disability, MCHA will provide the notice in an accessible format. MCHA will also mail the notice to a third party, if requested as reasonable accommodation for a person with disabilities. These accommodations will be granted upon verification that they meet the need presented by the disability.

Collection of Information

MCHA will require every family member 18 years of age and older to complete a recertification packet. There are two ways in which this will occur:

1. The packet will be mailed on the 1st day of the month, 120 days prior to the new contract date. The paperwork must be completed and returned no later than the 15th of the same month.
2. Upon receiving the recertification packet the family may request a date and time for a personal interview, if they need addition help completing the packet.

Persons with Disabilities

Persons with disabilities, who are unable to come to MCHA's office, will be granted an accommodation of conducting the reexamination at the person's home or by mail, upon verification that the accommodation requested meets the need presented by the disability.

Failure to Respond to Notification to Recertify

The written notification must state which family members are required to complete the paperwork. The family may call to request an appointment for assistance in filling out the paperwork.

If the completed paperwork is not returned by the deadline, a reminder letter will be sent with a new deadline. If the paperwork is not returned by the 2nd deadline, a third and final letter will be mailed stating MCHA will terminate assistance to the family, and offer them an informal hearing.

Exceptions to these policies may be made by the Section 8 Coordinator if the family is able to document an emergency situation that prevented them from completing the paperwork.

Documents Required From the Family

In the recertification packet to the family, MCHA will request the following information for each family member:

- Documents to support preference claims
- Documentation of income for all family members
- Documentation of liquid and non-liquid assets
- Documentation of any deductions/allowances
- Personal Declaration Form completed by head of household
- Other: Documents required by HUD or other federal, state or local government agencies (i.e., LBP notices, 214 Declarations, etc.)

REPORTING REQUIREMENTS

1. Families who participate in the HCV Program must report all changes in family income, assets, composition, and other related items as identified in 24 CFR parts 5 subpart B in accordance with the "Reporting" requirements of this Plan. Participants who report no income will be subject to the "Zero Income" requirements of this Plan.
2. Families must supply all information requested by MCHA or HUD for use during admission of an applicant, a regularly scheduled reexamination or interim reexamination of family income and composition in accordance with HUD requirements. "Information" includes any requested certification release or documentation.
3. The MCHA must approve the composition of the assisted unit including approval of the inclusion of a foster child or live-in aide.
4. Any information supplied by the family must be true and correct.
5. Failure by the family to comply with these reporting requirements is considered to be a violation of their obligations and grounds for termination of participation.

REPORTING EXCEPTIONS

Families who receive Social Security, Social Security Disability, or Supplemental Security Income (SSI) are not required to report their annual increase when it occurs. The MCHA will not increase the family's total tenant payment until their next regularly scheduled annual reexamination except when an interim recertification is necessary as a result of any other changes listed in the "Reporting Requirements" section of this chapter.

Verification of Information

MCHA 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 tenant rent increases, a thirty day notice is mailed to the family prior to the anniversary date.

If less than thirty days are remaining before the anniversary date, the tenant rent increase will be effective on the first of the month following the thirty 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 anniversary date.

Tenant Rent Decreases

If tenant rent decreases during 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 MCHA. If the family misses two appointments to re-certify or fails to mail in the required documentation to complete the re-certification they may be terminated from the program.

C. REPORTING INTERIM CHANGES

HUD requires program participants to report all changes in household composition to MCHA between annual re-examinations. This includes additions due to birth, adoption, and court-awarded custody, or reductions in family size due to death, divorce, or separation and any family member that leaves the household. The family must obtain MCHA and landlord approval prior to all other additions to the household.

Before a minor can be added to the household, the applicant must show proof that they have legal custody of the minor.

All adults must pass a criminal background check before they will be allowed to join the household.

The U.S. citizenship/eligible immigrant status of additional family members must be declared and verified as required at the time that the new addition is added to the household.

Increases in Income

Interim Re-examination Policy

MCHA will conduct interim re-examinations when families have an increase of monthly income of more than \$200.00 which continues for 2 consecutive months.

Families will be required to report all increases in income/assets over \$50.00 which continues for 2 consecutive months of all household members, to MCHA, in writing, within ten days of the increase.

Decreases in Income

Participants **may** report a decrease in income and other changes which would reduce the amount of tenant rent. MCHA **must** calculate the change if a decrease in income of at least \$50 or more is reported, and continues for 2 consecutive months. The interim rent change will be put into effect at the beginning of the 3rd month following the decrease.

MCHA Errors

If MCHA makes a calculation error at admission to the program or at an annual re-examination, an interim re-examination will be conducted to correct the error, but the family **will not** be charged retroactively. MCHA will give a 30-day notice to the family of the increase in family rent. In the event of an MCHA error which results in a family rent being too high, MCHA will immediately refund the total amount due to the family.

Other Interim Report Issues

An interim re-examination does not affect the date of the annual recertification.

In the following circumstances, MCHA **may** conduct an interim recertification:

1. Changes that will not result in a change in tenant rent or bedroom size.
2. Changes in income that is normal for the family, such as seasonal employment.
3. As a reasonable accommodation when requested (See Chapter 1) (“Statement of Policies and Objectives”).

Any changes reported by participants other than those listed in this section will be noted in the file by the staff person but will not be processed between regularly-scheduled annual recertifications.

Seasonal Employment

Tenants will have their income annualized. Interim examinations may not be done during the contract year when normal seasonal employment changes (i.e., school district employees, Paramount Nursery, etc.) However, tenants are required to report changes when they occur.

D. NOTIFICATION OF RESULTS OF RECERTIFICATION

The HUD form 50058 will be completed and transmitted as required by HUD.

The Notice of Rent Change is mailed to the owner and the tenant. If the family disagrees with the rent adjustment they may request an informal hearing.

E. TIMELY REPORTING OF CHANGES IN INCOME (AND ASSETS)

Standard for Timely Reporting of Changes

MCHA requires that families report interim changes to MCHA within 10 working 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 days of the change.

If the change is not reported within the required time 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

MCHA 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 is effective on the first of the month following at least thirty days' notice.

Decreases in the Tenant Rent are effective the first month following that in which the change occurred. However, no rent reductions will be processed until all the facts have been verified, even if a retroactive adjustment results. For interview examinations the adjustment will be effective as of the month following the date that the tenant supplies documentation needed for the decrease change.

Procedures when the Change is Not Reported by the Tenant in 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 or make a lump sum payment. Failure to sign a repayment agreement will result in termination of the tenant and family.

Decrease in Tenant Rent will be effective on the first month following completion of processing by MCHA and not retroactive.

Procedures when the Change is Not Processed by MCHA 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 MCHA 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 MCHA.

If the change resulted in a decrease, the overpayment by the family will be calculated retroactively to the date it should have been effective, and the family will be credited for the amount.

F. REPORTING CHANGES IN FAMILY COMPOSITION

All changes in family composition must be reported within ten calendar days of the occurrence.

Increases in Family Size

Increases other than by birth, adoption, or court-awarded custody must have the prior approval of the owner and MCHA.

If an addition would result in overcrowding according to HQS maximum occupancy standards:

- MCHA will issue a Voucher allowing the family to find a larger unit (if needed under the subsidy Standards) for additions to the family in the following cases:
- Addition by marriage/or marital-type relation
- Addition of a minor who is a member of the nuclear family who had been living elsewhere.
- Addition of an MCHA-approved live-in aide
- Addition of parent if parent is incapable of self-care (verification required).
- Addition due to birth, adoption or court-awarded custody.

Families who need a larger Voucher because of voluntary additions will have lower priority on the Transfer List than other families who are required to change unit size.

If a change due to birth, adoption, court-awarded custody, or need for a live-in aide requires a larger size unit due to overcrowding, the change in Voucher shall be made effective immediately. If there is no funding availability in either program, the family will be placed on the Transfer list.

G. CONTINUANCE OF ASSISTANCE FOR “MIXED” FAMILIES

Under the Noncitizens Rule, “mixed” families are families that include at least one citizen or eligible immigrant and any number of ineligible members.

“Mixed” families who were participants on June 19, 1995, shall continue receiving full assistance if they meet the following criteria:

1. The head of household or spouse is a U.S. citizen or has eligible immigrant status;
AND
2. All members of the family other than the head, the spouse, parents of the head, parents of the spouse and children of the head or spouse are citizens or eligible immigrants. The family may change the head of household to qualify under this provision.
- 3.

If they do not qualify for continued assistance, the member(s) that cause the family to be ineligible for continued assistance may move, the family may choose prorated assistance (See Chapter 6, “Factors Related to Total Tenant Payment Determination”), or MCHA may offer temporary deferral of termination (See Chapter 15, “Denial or Termination of Assistance”).

CHAPTER 13

MOVES WITH CONTINUED ASSISTANCE/PORTABILITY

INTRODUCTION

HUD regulations permit families to move with continued assistance to another unit within MCHA's jurisdiction, or to a unit outside of MCHA's jurisdiction under Portability procedures. The regulations also allow MCHA the discretion to develop policies which define any limitations or restrictions on moves. This Chapter defines the procedures for moves, both within and outside of, MCHA's jurisdiction, and the policies for restriction and limitations on moves.

A. ALLOWABLE MOVES

A family may move to a new unit if:

1. The assisted lease for the old unit has terminated because MCHA has terminated the HAP contract for owner breach, or the lease was terminated by mutual agreement of the owner and the family.
2. The owner has given the family a notice to vacate, or has compressed an action to evict the tenant, or has obtained a court judgment or other process allowing the owner to evict the family (unless assistance to the family will be terminated).
3. The family has given proper notice of lease termination (if the family has a right to terminate the lease on notice to owner).

B. RESTRICTIONS ON MOVES

Families will not be permitted to move within MCHA's jurisdiction during the initial year of assisted occupancy.

Families will not be permitted to move outside MCHA's jurisdiction under portability procedures during the initial year of assisted occupancy.

Families will not be permitted to move more than once in a 12-month period. MCHA may make exceptions to this rule under certain documented conditions.

MCHA will deny permission to move if the family has violated a Family Obligation or the family owes MCHA money.

MCHA may make exceptions to these restrictions if there is an emergency reason for the move over which the participant has no control.

Transfers

If the family desires to move to a new unit, MCHA will issue to the family a new Voucher if the family has complied with all the tenant obligations while in their current unit. However, if MCHA does not have sufficient funding for continued assistance, no move will be permitted. If a family moves to another unit without notifying MCHA in writing, it will be considered to be a violation of the Family Obligation(s) and reason for termination.

C. PROCEDURE FOR MOVES

Issuance of Voucher

If the family has not been recertified within the last 120 days, MCHA will issue the voucher to move as soon as the family requests the move.

If the family does not locate a new unit, they may remain in the current unit so long as the owner permits.

The annual recertification date will be changed to coincide with the new lease-up date.

Notice Requirements

Briefing sessions emphasize the family's responsibility to give the owner and MCHA proper written notice of any intent to move.

The family must give the owner the required number of day's written notice of intent to vacate specified in the lease and must give a copy to MCHA simultaneously.

Time of Contract Change

In a move, assistance stops at the old unit at the end of the month in which the tenant ceased to occupy, unless proper notice was given to end a lease midmonth. Assistance will start on the new unit on the effective date of the lease and contract. Assistance payments may not overlap for the month in which the family moves.

D. PORTABILITY

Portability applies to families moving in or out of MCHA's jurisdiction within the United States and its territories. Under portability, families are eligible to receive assistance to lease a unit outside of the initial HA's jurisdiction. The unit may be located:

1. In the same state as the initial HA;
1. In the same metropolitan statistical area (MSA) as the initial HA, but in a different state;
2. In an MSA adjacent to the MSA of the initial HA, but in a different state.
3. in the jurisdiction of an HA anywhere within the United States that Administers a tenant based program.

E. OUTGOING PORTABILITY

When a family requests to move to outside of MCHA's jurisdiction, the request must specify the area to which the family wants to move.

If the family is moving to a unit located in the same state as the initial HA, in the same MSA, but in a different state, or in an adjacent MSA in a different state, and there is not an HA in the area where the unit is located, the initial HA will be responsible for the administration of the family's assistance.

MCHA will choose a management company, another HA or a private contractor to administer the assistance.

If there is more than one HA in the area in which the family has selected a unit, MCHA will choose the receiving HA.

Restrictions on Portability

1. Families will not be permitted to exercise portability during the initial 12 month period after admission to the program.
2. If the family is in violation of a family obligation.
3. If the family owes money to MCHA.
4. Families will not be permitted to exercise portability from the waiting list.

Outgoing Portability Procedures

MCHA will provide counseling for those families who express an interest in portability. If the receiving HA will absorb and the family will be changing its form of assistance, MCHA will determine if the family is within the low income limit of the receiving HA, and advise the family accordingly. If the receiving HA will not absorb, the restrictions on portability stand.

MCHA will notify the Receiving HA that the family wishes to relocate into its jurisdiction.

MCHA will advise the family how to contact and request assistance from the receiving HA.

MCHA will provide the following documents and information to the Receiving HA:

1. Part 1 of the form HUD 52665.
2. A copy of the family's Voucher, with issue and expiration dates, formally acknowledging the family's ability to move under portability.
3. The most recent HUD 50058 form and verifications from EIV.
4. Declarations and verifications of U.S. citizenship/eligible immigrant status.
5. A copy of the social security cards and birth certificates.

The Receiving HA must notify MCHA within 30 days of the following:

1. The Receiving HA decides to absorb the family into their own program.
2. The family leases up or fails to submit a Request for Lease Approval by the required date.
3. Assistance to a portable family is terminated by the Receiving HA.
4. The family requests to move to an area outside the Receiving HA's jurisdiction.

Payment to the Receiving HA

MCHA will requisition funds from HUD based on the anticipated lease-ups of portable Vouchers in other HA's jurisdictions. Payments for families in other jurisdictions will be made to other HA's when billed or in accordance with other HUD approved procedures for payment.

When billed, MCHA will reimburse the Receiving HA for 100% of the Housing Assistance Payment, and 80% of the Administrative Fee (at the initial HA's rate), and any other HUD-approved fees.

Claims

MCHA will be responsible for collecting amounts owed by the family for claims paid and for monitoring the repayment. MCHA will notify the Receiving HA if the family is in arrears or if the family has refused to sign a Repayment Agreement, and the Receiving HA will be asked to terminate assistance to the family as allowed by this Administrative Plan.

Receiving Authorities will be required to submit hearing determinations to MCHA within 20 days.

F. INCOMING PORTABILITY

Absorption or Administration

MCHA will accept a family with a valid Voucher from another jurisdiction and administer or absorb the Voucher. If administering, the family will be issued a “Portability” Voucher by MCHA with the same start date. MCHA may grant extensions in accordance with this Administrative Plan.

Extensions will only be granted if the extension does not exceed the billing date requested from the initial HA. If the Initial HA does not agree to the extension and change in the billing date then an extension will not be granted. This only applies to Administration of the portable Voucher.

Incoming portable families who have not yet been absorbed will be absorbed before MCHA selects new applicants from the waiting list.

MCHA may absorb Vouchers if such absorption does not exceed ten percent of households assisted or there are a large number of vouchers on hand.

When the receiving HA does not absorb the incoming Voucher, it will administer the Initial HA’s Voucher and the receiving HA’s policies will prevail.

For initial lease-up, the family must be within MCHA’s Very-Low Income limits. .

MCHA 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, MCHA will change to the proper size based on its own Subsidy Standards.

MCHA will decide whether to extend the “Portability Voucher” and for what period of time. MCHA’s policy on suspensions will apply. However, if the family decides not to lease-up in MCHA’s jurisdiction, the family must request an extension from the initial HA.

For old rules contracts, MCHA’s unpaid rent, damage and vacancy loss claim policies prevail.

Income and TTP of Incoming Portables

As receiving HA, MCHA will conduct a recertification interview but only verify the information provided if the documents are missing or are over 120 days old, whichever is applicable, or there has been a change in the family’s circumstances.

If the family’s income exceeds the income limit of MCHA, the family will not be denied

Assistance unless the family is an applicant (and over the Very-Low Income Limit).

If the family's income is such that a \$0 subsidy amount is determined prior to lease-up in MCHA's jurisdiction, MCHA will refuse to enter into a contract on behalf of the family at \$0 assistance.

Requests for Lease Approval

When the Family submits a Request for Lease Approval, it will be processed using MCHA's policies. If the Family does not submit a Request for Lease Approval or does not execute a lease, the Initial HA will be notified within ten calendar days by MCHA.

If the Family leases up successfully, MCHA will notify the Initial HA within 20 days, and the billing process will commence.

If MCHA denies assistance to the family, MCHA will notify the Initial HA within 20 days and the family will be offered a review or hearing.

MCHA will notify the Family of its responsibility to contact the Initial HA if the Family wishes to move outside MCHA's jurisdiction under continued portability.

Terminations

MCHA will notify the Initial HA in writing of any termination of assistance within 20 days of the termination. If an Informal Hearing is required and requested by the Family, the hearing will be conducted by MCHA, using the regular hearing procedures included in this Plan. A copy of the hearing decision will be furnished to the Initial HA.

The Initial HA will be responsible for collecting amounts owed by the Family for claims paid and for monitoring repayment. If the Initial HA notifies MCHA that the Family is in arrears or the Family has refused to sign a Repayment Agreement, MCHA will terminate assistance to the family.

Required Documents

As Receiving MCHA, MCHA will require the following documents from the Initial HA:

1. Part 2 of the form HUD 52665.
2. A copy of the family's Voucher, with issue and expiration dates, formally acknowledging the family's ability to move under portability.
3. The most recent HUD 50058 form and verifications from EIV.
4. Declarations and verifications of U.S. citizenship/eligible immigrant status.
5. A copy of the social security cards and birth certificates.

Billing Procedures

As Receiving MCHA, MCHA will bill the Initial HA monthly for Housing Assistance Payments only if MCHA decides not to absorb the family.

MCHA will bill 100% of the Housing Assistance Payment, and 80% of the Administrative Fee (at the Initial MCHA's rate) and any other HUD-approved fees, for each "Portability" Voucher leased as of the first day of the month.

MCHA will notify the Initial HA of changes in subsidy amounts and will expect the Initial HA to notify MCHA of changes in the Administrative Fee amount to be billed.

Chapter 14

CONTRACT TERMINATIONS

INTRODUCTION

The Housing Assistance Payments (HAP) Contract is the contract between the owner and MCHA which defines the responsibilities of both parties. This chapter describes the circumstances under which the contract can be terminated by MCHA and the owner, and the policies and procedures for such termination.

A. CONTRACT TERMINATION

The term of the HAP Contract is the same as the term of the lease. The contract between the owner and MCHA may be terminated by MCHA, or by the owner or tenant terminating the lease.

No future subsidy payments on behalf of the family will be made by MCHA to the owner after the month in which the contract is terminated. The owner must reimburse MCHA for any subsidies paid by MCHA for any period after the contract termination date.

If the family continues to occupy the unit after the Section 8 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 MCHA for vacancy loss.

After a contract termination, if the family meets the criteria for a move with continued assistance, the family may lease-up in another unit. The contract for the new unit may begin during the month in which the family moved from the old unit. However, no tenant will be subsidized for two units for the same period of time.

B. TERMINATION BY THE FAMILY: MOVES

The lease stipulates that the family cannot move from the unit until after the first year of the lease. The notice period to the landlord is determined by the lease, but may not exceed 60 days.

C. TERMINATION BY THE OWNER: EVICTIONS

If the owner wishes to terminate the lease, the owner is required to evict, using the notice procedures in the HUD regulations and State/local law. The owner must provide MCHA with a copy of the eviction notice.

The owner must provide the tenant a written notice specifying the grounds for termination of tenancy, at or before the commencement of the eviction action. The notice may be included in, or may be combined with, any owner eviction notice to the tenant.

The owner eviction notice means a notice to vacate, or a complaint, or other initial pleading used under State or local law to commence an eviction action.

The contract and lease require that the owner may only evict for the following reasons:

1. Serious or repeated violation of the terms and conditions of the lease
2. Violation of Federal, State, or local law that imposes obligations on the tenant in connection with the occupancy or use of the premises

3. Other good cause, including:

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 participants, or persons residing in the immediate vicinity of the premises.

Any drug-related criminal activity on or near the premises

Tenant history of disturbance of neighbors, destruction of property, or behavior resulting in damage to the premises.

4. Other good cause, after the first year of the lease, includes:

Business or economic reason for regaining possession of the unit;

Owner's desire to repossess the unit for personal use;

Tenant's refusal to accept offer of a new lease.

The eviction notice must specify the cause for the eviction.

Housing assistance payments are paid to the owner under the terms of the HAP contract. Except in the cases involving drug or criminal activity, if the owner has begun eviction and the family continues to reside in the unit, MCHA may 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.

MCHA will continue housing assistance payments until the family moves or is evicted from the unit, unless the eviction is for criminal activity such as a DUI, drug related arrests or sexual deviate arrests.

If the action is finalized in court, the owner must provide MCHA with the documentation, including notice of the lock-out date.

If the owner opts out for business or economic reasons, the tenant must be given 90 day notice, with a copy to MCHA. Such reasons include desire to sell the property, renovation of the unit, or desire to obtain a higher rent than MCHA will approve.

MCHA must continue making housing assistance payments to the owner in accordance with the contract as long as the tenant continues to occupy the unit and the contract is not violated. By accepting the monthly payment from MCHA, the owner certifies that the tenant is still in the unit and she/he is in compliance with the contract.

If the eviction is not due to a serious or repeated violation of the lease, and if MCHA has no other grounds for termination of assistance, MCHA will issue a new voucher so that the family can move with continued assistance.

D. TERMINATION OF THE CONTRACT BY MCHA

The term of the HAP contract terminates when the lease terminates, when MCHA terminates program assistance for the family, and when the owner has breached the HAP contract.

Any of the following actions will be considered a breach of contract by the owner:

1. The owner has violated any obligation under the HAP contract for the dwelling unit, including the owner's obligation to maintain the unit to HQS standards, including any standards MCHA has adopted in this policy.
2. The owner has committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.

3. 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.
4. The owner has engaged in any criminal activity, such as DUI, drug-related arrests and sexual deviate arrests.
5. The owner has not paid State or local real estate taxes, fines or assessments.

MCHA may also terminate the contract if:

1. MCHA terminates assistance to the family.
2. The family is required to move from a unit which is overcrowded.
3. Funding is no longer available under the ACC.

The contract will terminate automatically if 180 days have passed since the last housing assistance payment to the owner.

Notice for Termination

MCHA will provide the owner and family with at least thirty day written notice of termination of the contract. Along with the notice, MCHA will provide a *Notice of Right to Reasonable Accommodation/Modification*.

E. TERMINATIONS DUE TO INELIGIBLE IMMIGRATION STATUS

Families who were participants on June 19, 1995, terminations due to the ineligible immigration status of all members of the family, or because a “mixed” family chooses not to accept proration of assistance, may be temporarily deferred for intervals not to exceed six months (up to a maximum of three years) if necessary to permit the family additional time for transition to affordable housing.

Deferrals may be granted for intervals not to exceed six months, up to an aggregate maximum of three years for deferrals granted prior to November 29, 1996, or 18 months for deferrals granted after November 29, 1996.

The family will be notified in writing at least 60 days in advance of the expiration of the deferral period that termination of assistance will not be deferred because:

- granting another deferral will result in an aggregate deferral period longer than three years, or
- a determination has been made that other affordable housing is available.

F. TERMINATION DUE TO OWNER DISAPPROVAL

If MCHA terminates the contract due to owner disapproval (See Chapter 9, “Request for Lease Approval and Contract Execution”), MCHA will provide the owner and family with at least thirty days written notice of termination of the contract.

TERMINATION OF ASSISTANCE TO FAMILY

The MCHA may at any time terminate Program assistance for a participant for any of the following reasons:

1. If the family violates its obligations under the Program as required by 24 CFR 982.551;
2. If the family does not comply with the regulations listed in 24 CFR 982.552 (b) and (c);

3. If MCHA determines that any family member has engaged in illegal drug activity, criminal activity, or alcohol abuse (see applicable definitions in Chapter 2 of this Plan);
or
4. If the family commits fraud in connection with the HCV Program.

The MCHA will immediately and permanently terminate the HCV assistance, of persons who are convicted of manufacturing or producing methamphetamine ("speed") on the premises of the assisted housing development or unit in violation of any federal or state law. "Premises" is defined as the building or complex in which the dwelling unit is located, including common areas and grounds.

Chapter 15

DENIAL OR TERMINATION OF ASSISTANCE

INTRODUCTION

MCHA may deny or terminate assistance for a family because of the family's action or failure to act. MCHA will provide families with a written description of the Family Obligations under the program, the grounds under which MCHA can deny or terminate assistance, MCHA's informal hearing procedures. In the event that MCHA denies or terminates assistance, it will provide a *Notice of Right to Reasonable Accommodation/Modification*.

This Chapter describes when MCHA is required to deny or terminate assistance, and MCHA'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

If denial or termination is based upon behavior resulting from a disability, MCHA will delay the denial or termination in order to determine if there is an accommodation which would negate the behavior resulting from the disability.

Form of Denial/Termination

Denial of assistance for an applicant may include any or all of the following:

1. Denial for placement on MCHA waiting list
2. Denying or withdrawing a voucher
3. Refusing to enter into a HAP contract or approve a lease
4. Refusing to process or provide assistance under portability procedures

Termination of assistance for a participant may include any or all of the following:

1. Refusing to enter into a HAP contract or approve a lease
2. Terminating housing assistance payments under an outstanding HAP Contract
3. Refusing to process or provide assistance under portability procedures

Mandatory Denial and Termination

MCHA must deny assistance to applicants, and terminate assistance for participants:

1. If any member of the family fails to sign and submit HUD or MCHA required consent forms for obtaining information.
2. If no member of the family is a U.S. citizen or eligible immigrant.
3. If the family is under contract and 180 days have elapsed since MCHA's last housing assistance payment was made.

Grounds for Denial or Termination of Assistance

MCHA may at any time deny program assistance for an applicant, or terminate program assistance for a participant, for any of the following reasons:

1. The family violates any family obligation under the program as listed in 24 CFR 982.551, and the authority's admin plan.
2. Any member of the family has ever been evicted from HCV.

3. The family currently owes rent or other amounts to MCHA or to a prior Section 8 Landlord MCHA in connection with Section 8 or HCV assistance under the 1937 Act.
4. The family has not reimbursed any MCHA 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.
5. The family breaches an agreement with an MCHA to pay amounts owed to an MCHA, or amounts paid to an owner by an MCHA.
6. The family has engaged in or threatened abusive or violent behavior toward MCHA personnel.

“Abusive or violent behavior towards MCHA personnel” 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 customarily used to insult or intimidate, may be cause for termination or denial.

“Threatening” refers to oral or written threats or physical gestures that communicate an intent to abuse or commit violence.

Actual physical abuse or violence will always be cause for termination.

7. If any member of the family has been charged with or arrested for any drug, alcohol or deviate sex crime, any questionable criminal history as to be reviewed by the Executive Director.

Debts Owed by the Family:

If the family owes any amounts for rent, utilities, damages or other amounts owed under the lease, the family may not move.

Prior to relocating, the family must obtain a clearance letter from the landlord indicating all amounts are paid in full or a landlord approved payment agreement. Documentation of same must be provided to MCHA.

DEFINITION OF 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 HCV Program. The MCHA will continuously assist a family if no more than 120 days have elapsed since the family has received assistance, except as required as a reasonable accommodation for a family that includes a person with disabilities.

B. FAMILY OBLIGATIONS

1. The family must supply any information that MCHA 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 para 812). “Information” includes any requested certification, release or other documentation.
2. The family must supply any information requested by MCHA 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 report all income changes to MCHA a phone call is not considered reporting a change in income. The tenant must bring in documents such as pay stubs or other documents pertaining to the income.

3. The family must disclose and verify Social Security Numbers (as provided by 24 CFR part 750) and must sign and submit consent forms for obtaining information in accordance with 24 CFR part 760 and 24 CFR part 813.
4. All information supplied by the family must be true and complete.
5. The family is responsible for HQS breach caused by the family as described in 982.404(b).
6. The family must allow MCHA to inspect the unit at reasonable times and after reasonable notice.
7. The family may not commit any serious or repeated violation of the lease.
8. The family must notify the owner and, at the same time, notify MCHA before the family moves out of the unit or terminates the lease on notice to the owner.
9. The family must promptly give MCHA a copy of any owner eviction notice.
10. The family must use the assisted unit for residence by the family. The unit must be the family's only residence.
11. The composition of the assisted family residing in the unit must be approved by MCHA. The family must promptly inform MCHA of the birth, adoption or court-awarded custody of a child. The family must request MCHA approval to add any other family member as an occupant of the unit.
12. The family must promptly notify MCHA if any family member no longer resides in the unit.
13. If MCHA has given approval, a foster child or live-in aide may reside in the unit. If the family does not request approval or MCHA approval is denied, the family may not allow a foster child or live-in aide to reside with the assisted family.
14. 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.
15. The family must not sublease or sublet the unit.
16. The family must not assign the lease or transfer the unit.
17. The family must supply any information or certification requested by MCHA to verify that the family is living in the unit, or relating to family absence from the unit, including any MCHA-requested information or certification on the purposes of family absences. The family must cooperate with MCHA for this purpose. The family must promptly notify MCHA of absence from the unit.
18. The family must not own or have any interest in the unit.
19. The members of the family must not commit fraud, bribery or any other corrupt or criminal act in connection with programs.
20. The members of the family may not engage in drug-related criminal activity or questionable criminal activity.
21. An assisted family, or members of the family, may not receive Section 8 tenant-based assistance while receiving another 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.

Housing MCHA Discretion

In deciding whether to deny or terminate assistance because of action or failure to act by members of the family, MCHA has discretion to consider all of the circumstances in each case, including the seriousness of the case, the extent of participation or culpability of individual family members, the length of time since the violation occurred and more recent record of compliance, and the effects of denial or termination of assistance on other family members who were not involved in the action or failure to act, before applying "warranted and appropriate" action.

MCHA may impose, as a condition of continued assistance for other family members, a requirement that family members who participated in or were culpable for the action or failure will not reside in the unit. MCHA may permit the other members of a family to continue in the program.

Enforcing Family Obligations

Explanations and Terms

The term “promptly” when used with the Family Obligations always means “within ten calendar days.” Denial or termination of assistance is always optional except where this Plan or the regulations state otherwise.

HQS Breach: The inspector will determine if an HQS breach as identified in 24 CFR 982.404 (b) is the responsibility of the family. Families may be given extensions to cure HQS breaches.

The family is responsible for an HQS breach caused by the family as described in 24 CFR 982.404(b).

Lease Violations: The following criteria will be used to decide if a serious or repeated violation of the lease will cause a termination of assistance:

1. If the owner terminates tenancy through court action for serious or repeated violation of the lease.
2. If the owner notifies the family of termination of assistance for serious or repeated lease violation, and the family moves from the unit prior to the completion of court action, and MCHA determines that the cause is a serious or repeated violation.
3. If the owner notifies the family of termination of assistance for serious or repeated lease violations, and the family moves from the unit prior to the completion of court action.
4. If there are police reports, neighborhood complaints or other third party information, and MCHA has verified the information.
5. The family may not commit any serious or repeated violation of the lease.

Notification of Eviction: If the family requests assistance to move and they did not notify MCHA of an eviction within ten calendar days of receiving the Notice of Lease Termination, the move will be denied.

Proposed additions to the family may be denied to:

1. Persons who have been evicted from HCV.
2. Persons who have previously violated a family obligation.
3. Persons who have been part of a family whose assistance has been terminated under the Voucher program.
4. Persons who commit drug-related criminal activity or questionable criminal activity.
5. Persons who do not meet MCHA’s definition of family.
6. Persons who commit fraud, bribery or any other corrupt criminal act in connection with any federal housing program.
7. Persons who currently owe rent or other amounts to MCHA or to another housing authority in connection with Section 8 or HCV assistance under the 1937 Act.
8. Persons who have engaged in or threatened abusive or violent behavior toward MCHA personnel.

Family Member moves out: Families are required to notify MCHA if any family member leaves the assisted household. When the family notifies MCHA, they must furnish the following information:

1. The date the family member moved out.
2. The new address, if known, of the family member.
3. A statement as to whether the family member is temporarily or permanently absent.

Limitation of Profit-making Activity in Unit:

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.

The business activity will be approved if MCHA determines that the use of the unit as a business is not incidental to its use as a dwelling unit. All state and local permits must be approved by and filed with MCHA before commencing business activities.

Interest in Unit: The owner may not reside in the assisted unit regardless of whether she/he is a member of the assisted family. The family must not own or have any interest in the unit.

Fraud: In each case, MCHA will consider which family members were involved, the circumstances, and any hardship that might be caused to innocent members.

In the event of false citizenship claims, MCHA will give the family member the opportunity to elect not to contend their status in lieu of termination of the entire family.

The members of the family must not commit fraud, bribery or any other corrupt or criminal act in connection with the Program.

Drug Related and Questionable Criminal Activity

It is MCHA's policy to conduct screening for drug abuse and other criminal activity. 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 families, and as required by 24 CFR part 5, Subpart J, and 24 CFR 982.553, MCHA 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 who is 18 years of age or older.

(a)Denial of admission

(1)Prohibiting admission of drug criminals.

(i) The PHA *must* prohibit admission to the program of an applicant for three years from the date of eviction if a household member has been evicted from federally assisted housing for drug-related criminal activity. However, the PHA may admit the household if the PHA determines:

(A) That the evicted household member who engaged in drug-related criminal activity has successfully completed a supervised drug rehabilitation program approved by the PHA; or

(B) That the circumstances leading to eviction no longer exist (for example, the criminal household member has died or is imprisoned).

(ii) The PHA must establish standards that prohibit admission if:

(A) The PHA determines that any household member is currently engaging in illegal use of a drug;

(B) The PHA 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; or

(C) Any household member has ever been convicted of drug-related criminal activity for manufacture or production of methamphetamine on the premises of federally assisted housing.

(2) Prohibiting admission of other criminals –

(i) **Mandatory prohibition.** The PHA must establish standards that prohibit admission to the program if any member of the household is subject to a lifetime registration requirement under a State sex offender registration program. In this screening of applicants, the PHA must perform criminal history background checks necessary to determine whether any household member is subject to a lifetime sex offender registration requirement in the State where the housing is located and in other States where the household members are known to have resided.

(ii) Permissive prohibitions.

(A) The PHA may prohibit admission of a household to the program if the PHA determines that any household member is currently engaged in, or has engaged in during a reasonable time before the admission:

(1) Drug-related criminal activity;

(2) Violent criminal activity;

(3) Other criminal activity which may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents or persons residing in the immediate vicinity; or

(4) 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 the PHA (including a PHA employee or a PHA contractor, subcontractor or agent).

(B) The PHA may establish a period before the admission decision during which an applicant must not have engaged in the activities specified in paragraph (a)(2)(i) of this section (“reasonable time”).

(C) If the PHA previously denied admission to an applicant because a member of the household engaged in criminal activity, the PHA may reconsider the applicant if the PHA has sufficient evidence that the members of the household are not currently engaged in, and have not engaged in, such criminal activity during a reasonable period, as determined by the PHA, before the admission decision.

(1) The PHA would have “sufficient evidence” if the household member submitted a certification that she or he is not currently

engaged in and has not engaged in such criminal activity during the specified period and provided supporting information from such sources as a probation officer, a landlord, neighbors, social service agency workers and criminal records, which the PHA verified.

(2) For purposes of this section, a household member is “currently engaged in” criminal activity if the person has engaged in the behavior recently enough to justify a reasonable belief that the behavior is current.

(3) *Prohibiting admission of alcohol abusers.* The PHA must establish standards that prohibit admission to the program if the PHA determines that it has reasonable cause to believe that a household member's abuse or pattern of abuse of alcohol may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.

(b) Terminating assistance -

(1) *Terminating assistance for drug criminals.*

(i) The PHA must establish standards that allow the PHA to terminate assistance for a family under the program if the PHA determines that:

(A) Any household member is currently engaged in any illegal use of a drug; or

(B) A pattern of illegal use of a drug by any household member interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents.

(ii) The PHA must immediately terminate assistance for a family under the program if the PHA determines that any member of the household has ever been convicted of drug-related criminal activity for manufacture or production of methamphetamine on the premises of federally assisted housing.

(iii) The PHA must establish standards that allow the PHA to terminate assistance under the program for a family if the PHA determines that any family member has violated the family's obligation under § 982.551 not to engage in any drug-related criminal activity.

(2) *Terminating assistance for other criminals.* The PHA must establish standards that allow the PHA to terminate assistance under the program for a family if the PHA determines that any household member has violated the family's obligation under § 982.551 not to engage in violent criminal activity.

(3) *Terminating assistance for alcohol abusers.* The PHA must establish standards that allow termination of assistance for a family if the PHA determines that a household member's abuse or pattern of abuse of alcohol may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.

(c) Evidence of criminal activity. The PHA may terminate assistance for criminal activity by a household member as authorized in this section if the PHA determines, based on a preponderance of the evidence, that the household member has engaged in the activity, regardless of whether the household member has been arrested or convicted for such activity.

(d) Use of criminal record -

(1) Denial. If a PHA proposes to deny admission for criminal activity as shown by a criminal record, the PHA must provide the subject of the record and the applicant with a copy of the criminal record. The PHA must give the family an opportunity to dispute the accuracy and relevance of that record, in the informal review process in accordance with § 982.554. (See part 5, subpart J for provision concerning access to criminal records.)

(2) Termination of assistance. If a PHA proposes to terminate assistance for criminal activity as shown by a criminal record, the PHA must notify the household of the proposed action to be based on the information and must provide the subject of the record and the tenant with a copy of the criminal record. The PHA must give the family an opportunity to dispute the accuracy and relevance of that record in accordance with § 982.555.

(3) Cost of obtaining criminal record. The PHA may not pass along to the tenant the costs of a criminal records check.

(e) The requirements in 24 CFR part 5, subpart L (Protection for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking) apply to this section.

Confidentiality of Criminal Records

MCHA will ensure that any criminal record received is maintained confidentially, not misused or improperly disseminated, and destroyed once the purpose for which it was requested is accomplished.

Required Evidence

Preponderance of evidence is defined as evidence which is greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows the fact sought to be proved is more probable than not. The intent is not to prove criminal liability, but to establish that the act(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 raids or arrest warrants.

MCHA will pursue fact-finding efforts as needed to obtain credible evidence.

Notice of Termination of Assistance

In any case where MCHA decides to terminate assistance to the family, MCHA 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 termination of assistance.

- The date by which a request for an informal hearing must be received by MCHA.

MCHA 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.

C. PROCEDURES FOR NON-CITIZENS

Termination due to Ineligible Immigrant Status

Assistance may not be terminated while verification of the participant family's eligible immigration status is pending.

Participant families in which all members are neither U.S. citizens nor eligible immigrants must have their assistance terminated. They must be given an opportunity for a hearing.

Temporary Deferral of Termination of Assistance Due to Ineligible Immigrant Status

Ineligible families who were participants as of June 19, 1995, may request a temporary deferral of termination of assistance in order to allow time to locate affordable housing and thereby preserve the family.

Temporary deferral of termination of assistance is also available to mixed families who were participants on June 19, 1995, who elect not to accept prorated assistance, and are not eligible for Continued Assistance. (See Chapter 14, "Contract Terminations.") MCHA must allow the mixed family time to find housing for ineligible members or for the entire family by deferring the termination.

Mixed families who choose temporary deferral of termination of assistance may change to prorated assistance at the end of any deferral period, if they have made a good-faith effort to locate housing.

Criteria for Approving Temporary Deferral of Termination of Assistance

MCHA will grant temporary deferral so long as the family makes reasonable efforts to find affordable housing and the Consolidated Plan indicates that the market lacks sufficient affordable housing.

Affordable housing is defined as housing that is standard based on HQS/other standard, of appropriate size based on HQS/some other standard, and for which the rent plus utilities is no more than 25% greater than MCHA calculated Total Tenant Payment.

To determine whether a family is eligible for temporary deferral of termination of assistance, or for a renewal of temporary deferral of termination of assistance, MCHA will:

1. Calculate Total Tenant Payment plus 25% for the family, and compare this amount to the data in its rent reasonableness survey for the unit size. If MCHA's data indicates that units are not available at the affordable rent, the deferral will be renewed.
2. If MCHA determines that the vacancy rate for affordable housing is less than 5% in its jurisdiction, it will accept a written statement from the family that they have been unable to find affordable housing.
3. Require a search record to document the family's efforts to locate housing before granting or extending temporary deferral of termination of assistance.

4. Conduct market studies to determine the availability of affordable housing and, if the vacancy rate in affordable housing is less than 5%, MCHA may continue temporary deferral of termination of assistance.
5. Automatically grant and extend temporary deferral of termination of assistance so long as the market for affordable housing is limited in the jurisdiction.

The initial deferral interval shall be granted on the family's request. Subsequent requests for deferral shall be granted on the basis of the family's statement that they are making efforts to find affordable housing, so long as the supply of affordable housing in the area remains low as determined by comparing 125% of Total Tenant Payment to the data in MCHA's Rent Reasonableness System.

Length of Deferral

The initial temporary deferral is granted for an interval not to exceed six months. Additional deferrals can be made up to a maximum of three years. A notice is sent to the family at the beginning of each deferral period reminding them of their ineligibility for full assistance and their responsibility to seek other housing.

The family will be notified in writing sixty days before the end of the three year maximum deferral period that there cannot be another deferral, and will be offered the option of prorated assistance if they are a mixed family and have made a good-faith effort to locate affordable housing.

False or Incomplete Information

When MCHA has clear, concrete, or substantial documentation (such as a permanent participant card or information from another agency) that contradicts the declaration of citizenship made by an applicant or participant, an investigation will be conducted and the individual given an opportunity to present relevant information.

If the individual is unable to verify their citizenship, MCHA may give him/her an opportunity to provide a new declaration as an eligible immigrant, or to elect not to contend their status. MCHA will then verifies eligible status, deny, terminate, or prorate as applicable.

MCHA will deny or terminate assistance based on the submission of false information or misrepresentations.

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 MCHA either after the INS appeal or in lieu of the INS appeal.

After MCHA has made a determination of ineligibility, the family will be notified of the determination and the reasons and informed of the option for prorated assistance (if applicable) or, for participants who qualify, for Temporary Deferral of Termination of Assistance.

D. \$0 ASSISTANCE TENANTS

Old Contracts

For contracts which were effective prior to October 2, 1995, MCHA is liable for unpaid rent and damages if the family vacates during the allowable 12 months after the last HAP payment. MCHA must perform all of the functions normally required, such as reexaminations and inspections. The participant will be notified of the right to remain on the program at \$0 assistance for six months. If the family is still in the unit after six months, the assistance will be terminated.

New Contracts

For contracts effective after October 2, 1995, MCHA has no liability for unpaid rent or damages, and 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 assistance will be terminated. If within the 180 day timeframe an owner rent increase or a decrease in the Total Tenant Payment cause the family to be eligible for a housing assistance payment, MCHA will resume assistance payments for the family.

In order 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.

E. OPTION NOT TO TERMINATE FOR MISREPRESENTATIONS

If the family has misrepresented any facts that caused MCHA to overpay assistance, MCHA may choose not to terminate and may offer to continue assistance provided that the family executes a Repayment Agreement and makes payments in accordance with the agreement or reimburses MCHA in full when warranted and appropriate.

F. MISREPRESENTATION IN COLLUSION WITH OWNER

If the family willingly and knowingly commits fraud or is involved in any other illegal scheme with the owner, MCHA may deny or terminate assistance.

In making this determination, MCHA will carefully consider the possibility of overt or implied intimidation of the family by the owner and the family's understanding of the events.

G. MISSED APPOINTMENTS AND DEADLINES

It is a family obligation to supply information, documentation, and certification as needed for MCHA to fulfill its responsibilities. MCHA schedules appointments and sets deadlines in order to obtain the required information. The obligations also require that the family allow the MCHA 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 MCHA may be sent a Notice of Denial or Termination of Assistance for failure to provide required information, or for failure to allow MCHA to inspect the unit.

The family will be given information about the requirement to keep appointments, and the number of times the appointments will be rescheduled as specified in the Plan.

Appointments will be scheduled and time requirements will be imposed for the following events and circumstances:

1. Eligibility for Admissions
2. Verification Procedures
3. Voucher Issuance and Briefings
4. Housing Quality Standards and Inspections
5. Recertifications
6. Appeals

Acceptable reasons for missing appointments or failing to provide information by deadlines are:

- Medical emergency
- Incarceration
- Family emergency

Procedure when Appointments are Missed or Information not Provided

For most purposes in this Plan, the family will be given two opportunities before being issued a notice of termination or denial for breach of a family obligation.

After issuance of the termination notice, if the family offers to correct the breach within the time allowed to request a hearing the notice will not be rescinded even if the family offers to cure the breach.

Suspension due to Insufficient Funding

The PHA monitors income and expenditure data for the Housing Choice Voucher Program on a monthly basis. If at any time the PHA determines that insufficient funding is available to meet Housing Assistance Payment obligations, the PHA will take action to ensure fiscal solvency of the Housing Choice Voucher Program. The Authority will take the following actions to balance anticipated voucher program expenditures with voucher program income:

- Suspend Issuances of vouchers to applicants from the Section 8 Voucher Program waiting list.
- Termination of vouchers previously issued to applicant, but not yet under an assistance contract.
- Suspend assistance to current program participants.

In the event that the PHA must suspend assistance to current participants, such suspensions will be performed as follows:

- The PHA will compile a list of all current program participants. This participant list shall be in descending order of date of admission into the program (that is the oldest date of admission shall appear first)
- The PHA will review the participant list and will initially exclude from the list all participant families in which the Head of Household or Co Head of Household is elderly (defined as age 62 or older) or is disabled.

- The PHA will then select non-elderly/non-disabled households from the participant list in order of program admission date, beginning with the participant with the oldest admission date.
- The PHA will continue to select participants from the list until a sufficient number of participants are selected such that the sum of their monthly assistance payments is sufficient to reduce total monthly payments to an amount commensurate with program income.
- In the event that there are not a sufficient number of non-elderly/non-disabled households available to reduce expenditures to the required level, then the PHA will select elderly/disabled households for suspension in the order of the household's program admission date (beginning with the oldest date of admission).
- All participants selected for suspension as described in this section shall receive no less than 30 days written notification of the suspension of assistance. Such notice shall also be provided to the affected property owner.
- Suspension of assistance under this section shall not be subject to the PHA's Grievance Policy and any participant suspended solely due to lack of sufficient funding shall not be entitled to a hearing to contest the PHA's action.
- Suspension of assistance to the participant under this section shall result in termination of the Housing Assistance Payment Contract with the property owner on the same date as assistance to the participant is suspended. The PHA shall have no obligation for any additional assistance payments to the property owner beyond the date of suspension of assistance.

Restoration of assistance

Any participant whose assistance is suspended due solely to lack of sufficient funding may be entitled to reinstatement of assistance. Reinstatement shall be available to any suspended participant who, as of the date of the reinstatement offer, is not already receiving another form of subsidized housing assistance. Such other subsidized housing assistance shall mean a housing program in which the participant is required to pay no more that 30% of their adjusted income for rent and utilities. Assistance shall be reinstated in the same order in which assistance was originally suspended. However, reinstatement may be subject to termination of participation in the event the participant has engaged in an act or acts during the suspension period, which act or acts would have resulted in program termination had the assistance suspension not been in effect. For example during the suspension period the participant engages in a criminal act which would have resulted in a termination action had assistance not been suspended. In the event of such a termination action, all requirements in this policy governing termination of program participant shall be in effect.

Reinstatement will include the execution of a new Housing Assistance Payment contract with the property owner. If at the time of reinstatement the new HAP contract is executed for the same dwelling occupied by the participant at the time of assistance suspension, the PHA shall have no obligation for assistance payments during the time period in which the suspension action was in effect. When offered the opportunity for reinstatement, the affected participants will be subject to the procedures outline in this policy for new participants, including but not limited to: issuance of the voucher, time period for locating a dwelling, execution of the HAP contract, rent reasonableness and Housing Quality Standards.

In no event shall the PHA admit any new participant families from the waiting list nor absorb any incoming portable voucher holders until all eligible participants with suspended assistance have been offered the opportunity for reinstatement.

All suspended participants shall be notified in writing of the offer of reinstatement. Such written notice shall be sent to the last known mailing address provided by the participant. Failure of the participant to respond to the offer of reinstatement within 30 days shall be grounds for termination of assistance in accordance with the procedures for termination outlined in this Administrative Plan.

Preference of Public Housing

Any participant subject to suspension of assistance shall be eligible to receive a preference for admission into the PHA's Public Housing Program. Applications of participants who have previous active Public Housing applications shall be updated to reflect the suspension preference. Participants with suspended assistance who have not previously applied for the PHA's Public Housing program will be invited to submit an application at the time their Section 8 assistance is suspended. Admission into the Public Housing program for suspended participants will be subject to the same admission and eligibility requirements in effect for all other Public Housing applicants.

Multiple Suspension Events

In the event that the PHA must suspend assistance on more than one occasion, additional restrictions on suspension will take effect. In no case shall any participant be subject to a 2nd or subsequent suspension event until all participants have been subject to suspension.

Treatment of Suspended Participants During Suspension

Any participants with suspended assistance shall remain a current program participant. As such reinstatement of assistance shall not be considered a new program admission for purposes of the income targeting requirements outline in this Administrative Plan.

Chapter 16

OWNER DISAPPROVAL AND RESTRICTION

INTRODUCTION

It is the policy of MCHA to recruit owners to participate in the program, and to provide owners with prompt and professional service in order to maintain an adequate supply of available housing throughout the jurisdiction of MCHA.

The regulations define when MCHA must disallow an owner participation in the program, and they provide MCHA discretion to disapprove or otherwise restrict the participation of owners in certain categories. This chapter describes the criteria for owner disapproval, and the various penalties for owner violations.

A. DISAPPROVAL OF OWNER

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.

MCHA will disapprove the owner for the following reasons:

1. HUD or other related agency has informed MCHA that the owner has been disbarred, suspended, or subject to a limited denial of participation under 24 CFR part 24.
2. HUD has informed MCHA 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 are pending.
3. HUD has informed MCHA that a court or administrative agency has determined that the owner violated the Fair Housing Act or other federal equal opportunity.
4. The owner has committed fraud, bribery or any other corrupt act in connection with any federal housing program.
5. The owner has engaged in any illegal drug activity, DUI, deviate sexual crime or questionable criminal activity.
6. The owner has a history or practice of non-compliance with the HQS for units leased under the tenant-based programs or with applicable housing standards for units leased with project-based Section 8 assistance or leased under any other federal housing program.
7. The owner has a history or practice of renting units that fail to meet State or local housing codes.
8. The owner has not paid State or local real estate taxes, fines or assessments.

B. OWNER RESTRICTIONS AND PENALTIES

If an owner commits fraud or abuse or is guilty of frequent or serious contract violations, MCHA will restrict the owner from future participation in the program for a period of time commensurate with the seriousness of the offense. MCHA may also terminate some or all contracts with the owner.

Before imposing any penalty against an owner MCHA 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.

MCHA guidelines for restrictions are contained in the table below:

DISAPPROVAL OF OWNERS/PARTICIPATION RESTRICTIONS

BREACH	PENALTY
HUD notification of owner debarment/suspension	<u>Termination</u>
HUD notification of violation of fair housing/federal equal opportunity	<u>Termination</u>
Violation of contract obligations	<u>Termination</u>
Owner fraud, bribery or other corrupt act in federal housing program	<u>Termination</u>
Owner engaged in drug trafficking	<u>Termination</u>
History of noncompliance with HQS	<u>Termination</u>
History of renting units below code	<u>Termination</u>
State/local real estate taxes, fines, or assessment	<u>Termination</u>

C. OTHER REMEDIES FOR OWNER VIOLATIONS

Overpayments

If the landlord has been overpaid as a result of fraud, misrepresentation or violation of the Contract, MCHA may terminate the Contract and arrange for restitution to MCHA and/or family as appropriate.

MCHA will make every effort to recover any overpayments made as a result of landlord fraud or abuse. Payments otherwise due to the owner may be debited in order to repay MCHA or the tenant, as applicable.

Chapter 17

OWNER OR FAMILY DEBTS TO THE AUTHORITY

INTRODUCTION

This chapter describes MCHA'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. It is MCHA'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 MCHA'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 families or owners owe money to MCHA, MCHA will make every effort to collect it. MCHA will use a variety of collection tools to recover debts including, but not limited to:

- Request for lump sum payments
- Civil suits
- Repayment agreements
- Abatements
- Reductions
- Collection agencies
- Credit Bureaus
- Income tax set-off programs

A. REPAYMENT AGREEMENT FOR FAMILIES

The MCHA provides, in certain instances, an opportunity for families who owe money to MCHA to enter into repayment agreements and continue to participate in the HCV Program. At the discretion of MCHA, and in accordance with this Administrative Plan, the family may be offered an opportunity to enter into a repayment agreement to pay for amounts owed to MCHA or to reimburse MCHA for amounts paid to an owner for special claims or overpayments of assistance resulting from unreported or misreported family information. The MCHA will calculate the installment amounts and prescribe the terms of the repayment agreements.

Only one repayment agreement will be offered to families who owe MCHA money. If circumstances result in additional monies owed by the family to MCHA, such monies must be reimbursed in one payment, which will be due within no more than 60 days of the notice to the family by MCHA. Failure by the family to meet this requirement will result in the termination of the HAP Contract.

B. DEBTS OWED FOR CLAIMS

If a family owes money to MCHA for claims paid to an owner, MCHA will enter into a Repayment Agreement.

C. DEBTS DUE TO FRAUD/NON-REPORTING OF INFORMATION

HUD'S definition of program fraud and abuse is a single act or pattern of actions that constitute false statement, omission, or concealment of a substantive fact, made with intent to deceive or mislead, and that results in payment of Section 8 program funds in violation of Section 8 program requirements.

MISREPORTED OR UNREPORTED INCOME

When MCHA identifies cases where the family has erroneously reported their household income, or has not reported all of their household income, a determination will be made as to whether the family's action or inaction appears to be deliberate and whether any Family Obligations have been violated. A repayment agreement may be offered if the family has not:

- Committed fraud or willfully misrepresented information;
- Violated any of the Family Obligations; or
- Previously breached a repayment agreement with MCHA

Family Error/Late Reporting

Families who owe money to MCHA due to the family's failure to report increases in income will be required to repay in accordance with the guidelines in the Repayment Section of this Chapter.

Program Fraud

Families who owe money to MCHA due to program fraud will be required to repay in accordance with the guidelines in the Repayment Section of this Chapter.

If a family owes an amount which equals or exceeds \$2500 as a result of program fraud, the case will be referred to the Inspector General. Where appropriate, MCHA will refer the case for criminal prosecution.

OTHER AMOUNTS OWED THE MCHA

A family may owe MCHA money for reasons other than overpayments for incorrect rental calculations or disbursements for special claims. Repayment agreements for other amounts owed may be offered to families by MCHA depending upon the origin of the outstanding debt and any rules governing the type of debt. The decision to offer a repayment agreement in this category will be made on an individual basis and is at the sole discretion of MCHA.

Repayment Procedures for Program Fraud

Families who commit program fraud or untimely reporting of increases in income will be subject to the following procedures:

- The duration of the agreement will not exceed the duration of the violation.
- The maximum time period for a Repayment Agreement will be twelve months.
- The family will be required to pre-pay 10% of the amount owed prior to or upon execution of the Repayment Agreement.
- The minimum monthly payment will be \$50.
- The amount of the monthly payment will be determined in accordance with the families current income.

REPAYMENT AGREEMENT POLICY

The repayment agreement will be specific, identifying the reason for the reimbursement, term of the agreement, payment frequency and due date, installment amount and other binding conditions structured by MCHA.

A repayment agreement must be executed by the family's head of household within thirty (30) days of the offer by MCHA; otherwise, it will be considered to be a refusal by the family to enter into the agreement.

The repayment agreement policy conforms to the following:

- Each installment will be due in advance without notice by the family.
- Payments will be made to MCHA's main office or address identified in the repayment agreement.
- A repayment agreement for a family will consist of a term of no longer than 12 months unless a longer time is approved by the Executive Director.
- Any breach of the terms or conditions of a repayment agreement will result in the termination of program assistance for the family in accordance with 24 CFR 982.552(c)(vii).

If a family is offered a repayment agreement for moneys owed MCHA, and the family refuses, the entire amount will be due immediately.

Failure by the family to pay MCHA will be considered reason for the termination of program assistance under 24 CFR 982.552(c)(v).

Advance notice of a termination of program assistance under this paragraph and a right to an Informal Hearing will be provided to the family prior to discontinuation of assistance.

If the family participates in the FSS or the HUD VASH program, MCHA may reduce the amount of the family's escrow balance by the amount owed MCHA.

D. OWNER DEBTS TO THE AUTHORITY

If MCHA determines that the owner has accepted Housing Assistance or Claim Payments the owner is not entitled to, MCHA may reclaim the amounts from future Housing Assistance or Claim Payments owed the owner for any units under contract.

If future Housing Assistance or Claim Payments are insufficient to reclaim the amounts owed, MCHA will:

1. Enter into a repayment agreement with the owner for the amount owed
2. Restrict the owner from future participation

REPAYMENT AGREEMENTS BY OWNERS

In some cases the owner of an assisted unit under a HCV Program HAP Contract may have received excess assistance payments through no fault of his/her own. When overpayments cannot be deducted from the owner's monthly HAP check, an agreement may be offered by MCHA for

reimbursement. Such agreement will be for no longer than 12 months and will include specific terms and conditions structured at the discretion of MCHA and agreed to by the owner.

E. WRITING OFF DEBT

Debts will be written off based on established accounting procedures for the Section 8 Program.

PROSECUTION FOR FRAUD

If MCHA determines that the family (or owner, if applicable) has committed fraud after a repayment agreement has been executed, MCHA may terminate assistance and may seek prosecution through the courts. In all cases involving fraud, MCHA has the right to prosecute in accordance with applicable laws.

Chapter 18

COMPLAINTS AND APPEALS

INTRODUCTION

The informal hearing requirements defined in HUD regulation are applicable to participating families who disagree with an action, or inaction of MCHA. This chapter describes the policies, procedures and standards to be used when families disagree with an MCHA decision.

The procedures and requirements are explained for preference denial meetings, informal reviews and hearings. It is the policy of MCHA to ensure that all families have the benefit of all protections due to them under the law.

INFORMAL REVIEWS & HEARINGS

The MCHA will conduct Informal Reviews and Hearings in accordance with all applicable HUD regulations contained in Section 24 of the Code of Federal Regulations; HUD Notices; any applicable federal, state, or local law governing such process; and this Administrative Plan. An Informal Review will be offered to an applicant when MCHA has denied Program assistance. An Informal Hearing will be offered to a participant family when specific decisions have been made by MCHA relating to individual circumstances of the family.

A. COMPLAINTS TO THE AUTHORITY

MCHA will respond promptly to complaints from families, owners, employees, and members of the public. All complaints will be documented. MCHA may require that complaints other than HQS violations be put in writing. HQS complaints may be reported by telephone. MCHA will respond to any complaint of housing discrimination which would include discrimination regarding disabilities.

Categories of Complaints

1. Complaints from families: If a family disagrees with an action or inaction of MCHA or owner. Complaints from families will be referred to the Director of Housing or Executive Director.
2. Complaints from Owners: If an owner disagrees with an action or inaction of MCHA or a family. Complaints from Owners will be referred to the Director of Housing or Executive Director.
3. Complaints from Staff: If a staff person reports an owner or family either violating or not complying with program rules. Complaints from staff will be referred to the Director of Housing or Executive Director.
4. Complaints from the general public: Complaints or referrals from persons in the community in regard to MCHA, a family or an owner. Complaints from the general public will be referred to the Director of Housing or Executive Director.

B. PREFERENCE DENIALS

When MCHA denies a preference to an applicant, the family will be notified in writing of the specific reason for the denial and offered the opportunity for a meeting with MCHA staff to discuss the reasons for the denial and to dispute MCHA's decision.

The person who conducts the meeting must be:
Any officer or employee of MCHA except the person who made or approved the decision or a subordinate of those persons.

C. INFORMAL REVIEW PROCEDURES FOR APPLICANTS

Reviews are provided for applicants who are denied assistance before the effective date of the HAP Contract. The exception is that when an applicant is denied assistance for citizen or eligible immigrant status, the applicant is entitled to an informal hearing.

When MCHA 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 a review if the applicant does not agree with the decision and
- The time limit for requesting a review.

MCHA must provide applicants with the opportunity for an Informal Review of decisions denying:

- Qualification for preference
- Listing on MCHA's waiting list
- Issuance of a Voucher
- Participation in the program

Informal Reviews are not required for established policies and procedures and MCHA determinations such as:

1. Discretionary administrative determinations by MCHA
2. General policy issues or class grievances
3. A determination of the family unit size under MCHA subsidy standards
4. Refusal to extend or suspend a Voucher
5. Disapproval of lease
6. Determination that unit is not in compliance with HQS
7. Determination that unit is not in accordance with HQS 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 14 calendar days from the date of MCHA's notification of denial of assistance. The informal review will be scheduled within 14 calendar days from 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 anyone equal to or above the staff person handling the case as approved by the Executive Director.

The applicant will be given the option of presenting oral or written objections to the decision. Both MCHA and the family may present evidence and witnesses. The family may use an attorney or other representative to assist them at their own expense.

The review may be conducted by mail and/or telephone if acceptable to both parties.

A Notice of the Review findings will be provided in writing to the applicant within 5 days after the review. It shall include the decision of the review officer, and an explanation of the reasons for the decision.

All requests for a review, supporting documentation, and a copy of the final decision will be retained in the family's file.

D. INFORMAL HEARING PROCEDURES

MCHA will provide a copy of the hearing procedures in the family briefing packet.

When MCHA makes a decision regarding the eligibility and/or the amount of assistance, applicants and participants must be notified in writing. MCHA will give the family prompt notice of such determinations which will include:

- The proposed action or decision of MCHA;
- The date the proposed action or decision will take place;
- The family's right to an explanation of the basis for MCHA's decision.
- The procedures for requesting a hearing if the family dispute the action or decision;
- The time limit for requesting the hearing.

MCHA must provide participants with the opportunity for an Informal Hearing for decisions related to any of the following MCHA determinations:

1. Determination of the family's annual or adjusted income and the computation of the housing assistance payment
2. Appropriate utility allowance used from schedule.
3. Family unit size determination under MCHA subsidy standards
4. Determination to terminate assistance for any reason.
5. Determination, if applicable, to terminate a family's FSS Contract, withhold supportive services, or propose forfeiture of the family's escrow account.

MCHA must always provide the opportunity for an informal hearing before termination of assistance.

1. Discretionary administrative determinations by MCHA
2. General policy issues or class grievances
3. Establishment of MCHA schedule of utility allowances for families in the program
4. An MCHA determination not to approve an extension or suspension of a voucher term
5. An MCHA determination not to approve a unit or lease

6. An MCHA determination that an assisted unit is not in compliance with HQS (MCHA must provide hearing for family breach of HQS because that is a family obligation determination)
7. An MCHA determination that the unit is not in accordance with HQS because of the family size.
8. An MCHA determination to exercise or not exercise any right or remedy against the owner under a HAP contract.

9. If a family refuses to allow the inspector to enter the premises to complete the HQS Inspection they will be terminated.

Notification of Hearing

It is MCHA'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, MCHA will ensure that applicants and participants will receive all of the protections and rights afforded by the law and the regulations.

When MCHA receives a request for an informal hearing, a hearing shall be scheduled within 14 calendar days. The notification of hearing will contain:

1. The date and time of the hearing
2. The location where the hearing will be held
3. The family's right to bring evidence, witnesses, legal or other representatives at the family's expense
4. The right to view any documents or evidence in the possession of MCHA upon which MCHA based the proposed action and, at the family's expense to obtain a copy of such documents prior to the hearing. Such documents or evidence must be received no later than three days before the hearing date.
5. A notice to the family that MCHA will request a copy of any documents or evidence the family will use at the hearing. Such documents or evidence must be received no later than three days before the hearing date.

MCHA's Hearing Procedure

If a family does not appear at a scheduled hearing and has not rescheduled the hearing in advance, the family must contact MCHA within 24 hours, excluding weekends and holidays. MCHA will reschedule the hearing only if the family can show good cause for the failure to appear.

Families have the right to:

- Present written or oral objections to MCHA's determination.
- Examine the documents in the file which are the basis for MCHA'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 MCHA 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, MCHA 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 documents to be used by the family prior to the hearing;
- Have its attorney present; and
- Have staff persons and other witnesses familiar with the case present.

The Informal Hearing shall be conducted by an impartial representative appointed by MCHA who is neither the person who made or approved the decision, nor a subordinate of that person.

The hearing shall concern only the issues for which the family has received the opportunity for 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" includes records and regulations.

The Hearing Officer may ask the family for additional information and/or might adjourn the Hearing in order to reconvene at a later date, before reaching a decision.

If the family misses an appointment or deadline ordered by the Hearing Officer, the action of MCHA shall take effect and another hearing will not be granted.

The Hearing Officer will determine whether the action, inaction or decision of MCHA is legal 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 MCHA and the family within 5 days and shall include:

- A clear summary of the decision and reasons for the decision;
- If the decision involves money owed, the amount owed, and the date the decision goes into effect.

MCHA is not bound by hearing decisions:

- Which concern matters in which MCHA is not required to provide an opportunity for a hearing
- Which conflict with or contradict HUD regulations or requirements;
- Which conflict with or contradict Federal, State, or local laws; or
- Which exceed the authority of the person conducting the hearing.

MCHA shall send a letter to the participant if it determines MCHA is not bound by the Hearing Officer's determination within five calendar days. The letter shall include MCHA's reasons for the decision.

All requests for a hearing, supporting documentation, and a copy of the final decision will be retained in the family's file.

E. HEARING AND APPEAL PROVISIONS FOR "RESTRICTIONS ON ASSISTANCE TO NON-CITIZENS"

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 MCHA hearing is pending but assistance to an applicant may be delayed pending MCHA 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, MCHA notifies the applicant or participant within ten days of their right to appeal to the INS within thirty days or to request an informal hearing with MCHA either in lieu of or subsequent to the INS appeal.

If the family appeals to the INS, they must give MCHA a copy of the appeal and proof of mailing or MCHA may proceed to deny or terminate. The time period to request an appeal may be extended by MCHA for good cause.

The request for an MCHA hearing must be made within fourteen days of receipt of the notice offering the hearing or, if an appeal was made to the INS, within fourteen days of receipt of that notice.

CHAPTER 19

REASONABLE ACCOMMODATIONS FOR SECTION 8 VOUCHER PROGRAM

INTRODUCTION

It is the policy and intention of MCHA to not discriminate against individuals with disabilities with regard to the development or operation of MCHA's housing, housing services, and housing programs. MCHA is committed to complying with the federal Fair Housing Act ("FHA"), Section 504 of the Rehabilitation Act of 1973 ("Section 504"), Title II of the American with Disabilities Act ("ADA"), other federal disabilities laws, state and local disabilities laws, and the regulations implementing those laws, as those laws and regulations are amended. MCHA will provide for accessibility throughout all of its services and programs.

MCHA recognizes that some elderly, near-elderly, and qualified individuals with disabilities need, and are entitled to, reasonable changes or waivers to MCHA's usual rules and policies in order to fully enjoy and participate in MCHA's housing, housing services, and programs ("Reasonable Accommodations"). MCHA will foster a corporate culture of acceptance of reasonable accommodations. MCHA will consider reasonable accommodations on an individualized, case-by-case basis. MCHA will engage in the interactive process to ensure that reasonable accommodation requests are handled fairly and thoroughly. It is MCHA's policy and intention to provide reasonable accommodations to individuals with disabilities that are reasonable, do not place an undue financial and administrative burden on MCHA, do not fundamentally alter the nature of MCHA programs, and are not otherwise infeasible or unreasonable.

MCHA will provide a *Notice of Right to Reasonable Accommodation/Modification* to applicants and participants that informs them about the reasonable accommodations process. MCHA will provide the *Notice of Right to Reasonable Accommodation/Modification* on each of the following five (5) occasions: 1) to an applicant, when s(h)e applies to the HCV program, 2) to an applicant when MCHA denies his/her application, 3) to a participant when s(h)e is admitted to the HCV program, 4) during a family's regular recertification; and 5) whenever MCHA notifies a participant that MCHA is planning to take certain adverse actions against them (e.g., termination or eviction, denial of a request, etc.).

Verification of a Request for Accommodation

All requests for accommodation will be verified by a reliable, knowledgeable, licensed professional.

HUD DEFINITION OF A DISABLED PERSON:

HUD'S definition of a "handicapped person" is now "person with a disability." The terms "handicapped" and "disabled" are interchangeable in current HUD regulations.

The HUD definition of a person with a disability is quite narrow for purposes of receiving the Disabled Family Preference; the \$400 disabled household deduction, the medical deduction expense or allowances for disability assistance expenses. Many people have substantial impairments that will not qualify as a disabled person under the Section 8 program. The person must provide third-party documentation that they meet at least **ONE** of the three qualifying definitions of disabled.

Persons are considered disabled for eligibility purposes if:

1. They have a disability as defined in 42 U.S.C. 423
2. They are determined, pursuant to HUD regulations, to have a physical, mental or emotional impairment that:
 - a. is expected to be a long-continued and indefinite duration;
 - b. substantially impedes their ability to live independently; and
 - c. is of such a nature that the ability to live independently could be improved by more suitable housing conditions.
3. They are functionally disabled as defined in Section 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001). “Severe chronic disability that:
 - a. is attributable to a mental or physical impairment or combination of mental and physical impairments;
 - b. is manifested before the person attains age 22;
 - c. is likely to continue indefinitely
 - d. results in substantial functional limitation in three or more of the following areas of major life activity:
 - 1) self care
 - 2) receptive and responsive language,
 - 3) learning,
 - 4) mobility,
 - 5) self direction,
 - 6) capacity for independent living, and
 - 7) economic self-sufficiency; an
 - e. reflects the person’s need for a combination and sequence of special interdisciplinary or generic care, treatment or other services which are of lifelong or extended duration and are individually planned and coordinated.”
4. They meet the definition of an individual with handicaps under 24CFR 8.3 (for purposes of reasonable accommodation and program accessibility for persons with disabilities). An individual with handicaps is a person having a physical or mental impairment that (a) is expected to be of long-continued and indefinite duration, (b) substantially impedes his or her ability to live independently, and (c) is of such a nature that such ability could be improved by more suitable housing conditions.

Persons who have acquired immunodeficiency syndrome (AIDS) or any conditions arising from the AIDS virus are not excluded from the definition.

For purposes of qualifying for low-income housing, the definition does not include a disability based solely on any drug or alcohol dependence.

Receipt of Supplemental Social Security Disability Income or SSI sufficiently proves the person meets the HUD definition of disabled for allowances purposes.

FOR REASONABLE ACCOMMODATION PURPOSES:

Though the HUD definition is quite narrow for purposes of determining allowances, the definition of a person with a disability for purposes of granting a reasonable accommodation request under either 504, FHAA or the ADA is much broader. The Fair Housing Act defines “handicap” as

1. “a physical, mental or emotional impairment that substantially limits one or more of a person’s major life activities;
2. “has a record of such impairment; or
3. “is regarded as having such an impairment.”

This definition is virtually identical to the 504 definition at 29 U.S.C. section 706(8) (B) and the definition of a disabled person under the ADA.

The physical or mental impairment can include practically any condition, disease, illness, disfigurement or disorder, as long as the impairment substantially limits one or more major life activities. Examples include: Alcoholism; Cerebral palsy; Cancer; Mental Illness; Emotional disorder; Former drug addiction; HIV infection.

Major life activities include, but are not limited to: Caring for oneself; Performing tasks; Walking; Seeing; Hearing; Breathing; Learning; Working.

These federal civil rights laws were intended to cover a wide range of disabilities and do not require the severity of the HUD definition for qualification as a disabled person for purposes of requesting an accommodation. This is because the laws were intended to ensure that a person with some limitation due to an impairment was excluded from a program simply by virtue of that impairment so long as a reasonable shift in a program’s rules or practices could allow them full access to the program.

If an applicant, or program participant, finds themselves in need of a “reasonable accommodation”, they must make the Housing MCHA aware of their request for Reasonable Accommodation. This notification can be in writing, by telephone, in person, through a third party, or by whatever means possible.

Limitations specifically excluded from disability protection:

The following three categories are specifically excluded from the protections of disability laws:

1. Current drug users
2. People whose alcohol use interferes with the rights of others
3. A person with any disability that poses a direct threat or substantial risk of harm to others that cannot be controlled with a reasonable accommodation under the Section 8 program.

ADMINISTRATIVE PROCEDURES FOR ASSISTING PEOPLE WITH DISABILITIES:

MCHA has an affirmative obligation to make reasonable adjustments to our rules, policies, practices, procedures, and physical premises so people with disabilities have equal access to the housing program.

All applicants for the Section 8 program must file an application for assistance with the Housing MCHA. These applications are available by visiting the Housing MCHA’s main office at 415 W Main Street, Smethport, PA or the Central Towers office at 130 Greeves Street, Kane, PA. Both of these offices are handicapped accessible. Applications are also made available by calling either office, and requesting that an application be mailed directly to the applicant.

Also, the Housing MCHA has a TDD telephone line for the hearing impaired to contact the office for an application or information.

All applications are maintained on a waiting list for assistance. Assistance is offered based on the date of application with the oldest application being offered assistance first. People with disabilities are not given any preference over people without disabilities. Applications do ask if the applicant has any special housing needs.

Initial income eligibility for the Section 8 program is determined when the application is received. If the applicant does not qualify under the published income limits, a letter is sent informing the applicant that their application would not be considered due to being over income.

Group briefing sessions for new applicants are generally held on a quarterly basis. If an applicant scheduled to be briefed is unable to attend the session, Housing MCHA staff will conduct a home visit. There are many reasons for an applicant not being able to attend such briefings; among them are disabilities, illness, elderly, or lack of transportation. It is the responsibility of the applicant to notify the Housing MCHA that they are unable to attend the briefing session. The Housing MCHA will make alternative arrangements for those who have special needs.

At briefings, applicants bring all eligibility information and they are issued a numbered voucher based on initial application information. Formal and final acceptance into the program comes after third party verifications are received and a criminal report is returned from a law enforcement agency.

BRIEFING OF PEOPLE WITH DISABILITIES

MCHA must assume that an individual with special needs will inform staff if they have specific special needs. The needs of the applicant are what are taken into consideration when setting up a briefing. We will conduct home visits, conduct briefings over the phone or we will set up an appointment at a location to make it more convenient for the applicant. The Housing MCHA will provide assistance and accommodations to any individual with needs when setting up a briefing for the Section 8 program.

PROVIDING REASONABLE ACCOMMODATIONS THROUGH SECTION 8 LANDLORDS:

When landlords contact the Housing MCHA about the Section 8 Program and participation, the Housing MCHA sends out a FACT Sheet which describes the program and includes information about making units accessible.

If an applicant, or program participant, finds themselves in need of a “reasonable accommodation”, for an accessible unit, they must make the Housing MCHA aware of their request for Reasonable Accommodation. This notification can be in writing, by telephone, in person, through a third party, or by whatever means possible.

The PHA may approve, on a case-by-case basis, an exception rent between 110%-120% of the applicable Payment Standard as a reasonable accommodation for a disability. The PHA will evaluate the reasonableness of the rent and the extent to which the unit accommodates the disability in making its decision to approve these exception rents.

If the Housing MCHA knows that there is an applicant with special housing needs looking for an accessible unit, the Housing MCHA staff will refer the applicant to the participating landlord.

WE DO NOT REQUIRE THAT AN APPLICANT WITH SPECIAL HOUSING NEEDS RENT FROM ANY PARTICULAR LANDLORD OR REQUIRE THAT THEY ACCEPT A MODIFIED UNIT.

SPECIAL ACCOMMODATIONS FOR PEOPLE WITH DISABILITIES:

For disabled participants with a verified need for a live-in aide, and/or medical equipment, the Housing MCHA will recognize these as reasonable and provide an extra bedroom subsidy.

MAKING EXCEPTIONS:

Even though all participants are treated the same, this Administrative Plan allows for certain exceptions on behalf of certain people with disabilities. Latitude will be given if mitigating factors show that the violation or exception was caused by the disability. An example of this would be if an applicant did not return paperwork in a timely manner or if an applicant/participant failed to show up for a meeting.

The Housing MCHA will grant additional time for finding a unit to an applicant that has special accommodation needs. Usually, applicants have 60 days to find eligible housing with two 30 day extensions, if requested. Applicants with special needs will be given extra extensions to find eligible housing. Each case will be reviewed on an individual basis. Applicants must prove a continued effort to find housing.

All requests for program accommodations, exceptions or alterations will be reviewed on a one-to-one basis. However, the Housing MCHA will not (1) waive essential lease obligations like the requirement of the family to pay their portion of the rent; (2) add supportive services that fall outside of the scope of auxiliary aids necessary to ensure clear communication with the participant; (3) impair the ability of the Section 8 office to collect the required information from the participant.

Finding accessible units:

Section 504 requires housing agencies to assist in finding accessible units for disabled voucher holders. This duty includes recruiting landlords with accessible units and searching for units when requested by the individual. The McKean County Housing MCHA will assist with lease negotiations with the landlord, if requested.

DISCRIMINATION BY LANDLORD(S)

In addition to the general prohibition of discrimination under the Fair Housing Amendments Act, private landlords who rent to Section 8 participants are also bound in their housing assistance payments contract not to discriminate against a person with disabilities. If a particular landlord is not in compliance with fair housing laws, the Section 8 program should evaluate whether the landlord has taken adequate steps to ensure future compliance. If there is evidence of egregious or repeated violations, the McKean County Housing MCHA will terminate its relationship with the landlord or face liability itself for contracting with a known discriminatory entity.

Applicants who feel that they have been unfairly discriminated against will be provided information concerning HUD's Fair Housing complaint process and assisted with filing the necessary complaint forms.

LIVE-IN AIDE POLICY:

A live-in aide will be required to sign a lease addendum clarifying that the person is present pursuant to an employment agreement and has no property interest in the unit.

An elderly (62 years of age or older) or near-elderly household member (50 to 61 years of age or older) or a household member with a disability may be eligible to add a live-in aide to the unit if they can show that a live-in aide is necessary to afford them an equal opportunity to use and enjoy their rental unit.

MCHA will allow a Section 8 participant to have a live-in aid, if the participant has a third-party verification that the accommodation is required.

The family (or individual) that needs the live-in aide will be allowed a larger living unit and an equally larger subsidy standard in order to house the aide.

A **live-in aide** is a person who resides with one or more elderly people, or near-elderly people, or people with disabilities and who:

- Is determined to be essential to the care and well-being of the person or people.
- Is not obligated for the support of the person or people; and
- Would not be living in the unit except to provide the necessary supportive services.

If a **family member** is providing the necessary medical care, the Housing MCHA must require that the family member meet the three parts of the HUD definition (listed above.)

If the family member resides with the participant and they live as a family and share resources, they are **NOT** considered to be live-in aides. They are family members taking care of their disabled family.

MCHA has adopted the following test to determine whether the family member is a family member or a live-in aide:

- The person is capable of and essential to providing the required care.
- The person (family member) has not made regular contributions to the household while the family was receiving housing assistance.
- There is no reason for the person to live in the unit other than to provide care for the disabled household member.
- The person intends to maintain separate finances and live independently from the assisted household except to provide the necessary care and will not be considered a remaining family member.

MCHA will require that the family member claiming to be a live-in aide provide verification of previous address and a signed release of information form and criminal check form just as a housing applicant must do.

A decision will be made on the live-in aide status based on the information provided. If the participant and the live-in aide do not agree with the decision, the normal grievance procedures will apply.

All proposed live-in aides will have a criminal check conducted. No live-in aide who owes the Housing MCHA money from a previous program participation, has a drug or alcohol criminal record, or is a registered sex offender will be allowed to serve as a live-in aide.

NON-RELATED LIVE-IN AIDE:

When the live-in aide meets all of the definitions by not being considered a household member, the live-in aide's income is not counted in the family's rental assistance contribution. This is because the live-in aide is presumably there only to provide the service and will not be combining their resources with that of the family.

If a live-in aide wants to switch to family member status, they must provide documentation to the Housing MCHA for approval.

PRIVACY STATEMENT

It is the policy of MCHA to facilitate the privacy of individuals conferred under the Privacy Act of 1974, and to ensure the protection of such individuals' records maintained under MCHA's Public Housing program.

Therefore, MCHA shall not disclose any personal information contained in its records to any person or agency unless the individual about whom information is requested gives MCHA written consent to such disclosure.

This privacy policy in no way limits MCHA's ability to collect such information as it may need to determine eligibility, compute rent, or determine an applicant's suitability for tenancy.

CHAPTER 20

PROJECT BASED SECTION 8 PROGRAM

INTRODUCTION

This chapter describes HUD regulations and PHA policies related to the project-based voucher (PBV) program.

The term “Project-based” Assistance is used to distinguish this assistance from the “Tenant-based” assistance provided under the Section 8 Housing Choice Voucher program. In the Project-based Assistance Programs, the assistance is attached to the structure, rather than to the tenant. The Project-based Assistance Program is designed to meet the housing needs of low-income individuals not met by the Housing Choice Voucher program or other housing programs in McKean County. Project-based Assistance is also used as an important tool in the development of affordable housing. The formal and binding commitment of Project-based Assistance to housing owners is made through either a Housing Assistance Payments (HAP) Contract or an Agreement to enter into a HAP Contract (AHAP). During the term of the HAP Contract, MCHA makes housing assistance payments to the Owner for units leased and occupied by eligible Families.

The project-based voucher (PBV) allow 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 voucher program budget authority and attach the funding to specific units rather than sing 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 goal of deconcentrating poverty and expanding housing and economic opportunities.

GENERAL REQUIREMENTS

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 AHAP contract or HAP contract, the PHA is not required to reduce the number of these units if the amount of budget authority 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 ACC [24CFR 983.6].

Much of the tenant-based voucher program regulations also apply to the PBV program. Consequently, many 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.

MCHA Policy

Except as otherwise noted in this chapter, or unless specifically prohibited by PBV program regulations, the MCHA policies for the tenant-based voucher program contained in this administrative plan also apply to the PBV program and its participants and is administered and implemented by MCHA's Section 8 Department, which also administers the Housing Choice Voucher Program.

PURPOSE

The purpose of the Project-based Assistance Program and Policy is designed to meet the following goals:

1. Increase the supply of the affordable housing stock in McKean County through the support of new development.
2. Increase the level of affordability of existing affordable housing stock.
3. Preserve and revitalize existing affordable housing stock.
4. Increase housing choice for "special needs" Households by strengthening and expanding the continuum of supportive housing programs in McKean County.
5. Focus on the needs of extremely low income Households.
6. Assist in deconcentration initiatives by replacing public housing units targeted for demolition.
7. Reduce concentrations of subsidized households, especially families with children.
8. Enhance the opportunities for families to become economically self-sufficient.
9. Maximize coordination of Section 8 assistance, housing development and support service resources.

PROJECT-BASED ASSISTANCE PROGRAMS

Project-based Assistance may be allocated for a range of population groups and purposes according to a number of Project-based Assistance Programs. These Programs may include both transitional and conditional housing for individuals and families with children who may or may not need on-site support services. Because each of these Programs has unique goals and target populations, specialized implementation procedures are identified in this Administrative Plan for each Program as needed. The following are Project-based Programs:

Transitional and Conditional Supportive Housing:

Assistance may be made available for Project-basing to create or preserve service-enriched transitional or conditional housing opportunities for homeless and/or disabled families and individuals who need on-site support services. This model allows for a higher level of on-site care for these households. Project-based assistance may include

one-bedroom units and group homes serving individuals, and larger bedroom units serving families. Project-based assistance is competitively allocated in conjunction with service funding to provide integrated housing and services. In some cases, tenant-based or sponsor-based assistance may be reallocated as Project-based assistance to better serve the needs of the identified special populations.

POTENTIAL PROJECT-BASED ASSISTANCE PROGRAMS

In addition to those Programs listed above, MCHA may also enter into other Project-based contracts with owners for programs designated to address specific segments of the low income special needs community such those listed below. This is a non-inclusive list and additional programs may be added through changes to our Annual Plan.

Demonstration Programs: MCHA reserves the right to provide Project-based assistance to a limited number of housing projects that will serve an important public purpose, but may not qualify under the Project-based Program's policies.

OWNER PROPOSAL SELECTION PROCEDURES [CFR 983.51(b)]

MCHA must select PBV proposals in accordance with the selection procedures in MCHA's administrative plan. MCHA must select PBV proposals by either of the following two methods.

1. **MCHA request for PBV Proposals**

MCHA may solicit proposals by using a request for proposals to select proposals on a competitive basis in response to MCHA request. MCHA may not limit proposals to a single site or impose restrictions that explicitly or practically preclude submission of proposals for PBV housing on different sites.

2. **MCHA may select proposal that were previously selected based on a competition.**

This may include selection of a proposal for housing assisted under a federal, state, or local government housing assistance program that was subject to a competition in accordance with the requirements of the applicable program, community development program, or supportive services program that requires competitive selection of proposals (e.g., HOME, and units for which competitively awarded LIHTCs have been provided), where the proposal has been selected in accordance with such program's competitive selection requirements within three years of the PBV proposal selection date, and the earlier competitive selection proposal did not involve any consideration that the project would receive PBV assistance. The PHA need not conduct another competition.

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

MCHA 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 MCHA. 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 MCHA request for PBV proposals must specify the submission deadline. Detailed application and selection information must be provided at the request of interested parties

Unless otherwise described in a solicitation that uses Selection Method 1 above, when MCHA requests PBV proposals under Selection Method 1, its procedures will involve public notice which may include publication of the notice in a local newspaper of general circulation or on MCHA's website and other means designed to provide broad public notice. Detailed application and selection information will be provided at the request of interested parties.

MCHA may rate and rank proposals for rehabilitated and newly constructed housing using the following criteria:

1. Owner experience and capability to build or rehabilitate housing as identified in the RFP;
2. Extent to which the project furthers MCHA's goal of deconcentrating poverty and expanding housing and economic opportunities;
3. If applicable, the extent to which services for special populations are provided on-site or in the immediate area for occupants of the property; and
4. Other factors identified by MCHA in the specific RFP for PBV assistance.

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

Using Selection Method 2, MCHA may award PBV assistance to owners that were competitively selected under another federal, state or local housing assistance program, including projects that were competitively awarded Low-Income Housing Tax Credits.

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

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

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

3. Other factors that further the mission and goals of MCHA.

Owner Proposal Submission Requirements

1. A proposal package will be prepared and provided to interested parties upon request.
2. This package may include at least:
 - a. Detailed information required to be included in the proposal
 - b. Selection evaluation factors
 - c. Instructions to mark the outside of the proposal with the words "PBV Proposal" in the lower left hand corner of the envelope or package.
 - d. As MCHA may limit housing types among existing, new construction, or rehabilitation, include a description of the housing types that will be considered with the definition of housing types provided in the HUD PBV regulation.
3. As appropriate MCHA may select what items are to be included in a PBV proposal and list these items in the PBV Proposal Submission Package from the following items:
 - a. A description of the housing to be constructed or rehabilitated, including:
 - Property type: existing rehabilitation, new construction
 - The number of units by size (square footage)
 - Bedroom count
 - Bathroom count
 - Sketches of the proposed new construction or rehabilitation
 - Unit plans
 - Listing of amenities and services and
 - Estimated date of completion
 -
 - b. For rehabilitation, the description must describe the property as

is and must also describe the proposed rehabilitation.

- c. Evidence of site control
- d. For new construction, identification and description of the proposed site, site plan, and neighborhood.
- e. Evidence the proposed new construction or rehabilitation is permitted by current zoning or regulations, or evidence to indicate the needed re-zoning is likely and will not delay the project.
- f. Proposed contract rent per unit, including:
 - Indication of utilities, services and equipment included in rent.
 - Indication of utilities, services and equipment not Included; and
 - For utilities not included, estimated monthly average cost for each unit type for the first year of occupancy.
- g. A statement identifying:
 - The number of persons (families, individuals, businesses and non-profit organizations) occupying The property on application submission date.
 - Number of persons to be displaced, temporarily relocated or moved permanently with in the building or complex.
 - Estimated cost of relocation payments and services, and the sources of funding.
 - The organization(s) that will carry out the relocation activities.
 - Identify of the owner and other project principals and the names of officers and principal members, shareholders, investors and other parties having a substantial interest.
 - Certifications showing the above-mentioned parties are not

on the U.S. General Services Administration list of parties excluded from Federal procurement and non-procurement programs.

- Disclosure of any possible conflict of interest by any of the parties that would be in violation of the Agreement to Enter into a HAP Contract or the HAP, Contract itself.
- Any information on the qualifications and experience of the principal participants.
- The owners plan for managing and maintaining the units.
- Evidence of financing or lender interest and the proposed terms of financing.
Documentation that site is free from environmental or safety hazards.
- Documentation that site is not on a 100 year Flood Plan or does not involve a historic property, and
- Statement the rehabilitation is or is not being undertaken in areas targeted for revitalization.

Site Selection Standards

Project-based voucher assistance at a selected site will be consistent with the goal of deconcentrating poverty and expanding housing and economic opportunities consistent with 24CFR Part 983. The site will be suitable for facilitating and furthering compliance with all Civil Rights and Section 504 regulations. The site will also meet HQS site standards.

PHA Notice of Owner Selection

MCHA will give prompt written notice to the party that submitted a selected proposal. Such notice may include a deadline by which the parties must enter into an AHAP/HAP contract. MCHA will also give prompt public notice of such selection and Board Approval. Public notice procedures may include publication of public notice in a local newspaper of general circulation, on PHA's website or other means designed and actually operated to provide broad public.

PHA Board of Commissioners Approval

Prior to entering into an AHAP for rehabilitated or new construction projects or a HAP contract for existing projects, MCHA's Board of Commissioners (Board) must approve the issuance of PBV assistance for each project. After the project has received Board approval, MCHA's Executive Director may approve modifications to the project proposal, including extension of the term of the HAP Contract, changes to the number of units receiving subsidy and/or bedroom sizes, or modifications to the unit designation (elderly, disabled, supportive services, etc.).

HOUSING TYPE (24 CFR 983.52]

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

MCHA must decide what housing type, new construction, rehabilitation, or existing housing, will be used to develop project-based housing. MCHA choice of housing type must be reflected in its solicitation for proposals. However, MCHA reserves the right not to provide PBV assistance to Excepted units pursuant to 24CFR 983.56(c) (2).

Excepted Units for Elderly, Disabled, and Supportive Services Families

- A. Excepted units may be part of the PBV contract and are not to be counted toward the cap on the number of PBV units in a building. However, MCHA reserves the right to not provide PBV assistance to Excepted units, pursuant to 24CFR 983.56(c) (2).
- B. Excepted units must be used for a "Qualifying" family.
- C. The following families may be considered as "Qualifying" families:
 - 1. Elderly or disabled families.
 - 2. Families receiving any type of supportive services from an accredited source and receiving any level of supportive services.
 - 3. Families receiving supportive services needed to transition from homelessness to permanent housing through a social service agency qualified professional will be a qualified family. The family must receive the level of supportive services deemed

necessary by the social service agency or professional assisting the family subject to availability and other appropriate limitations. Any service deemed necessary by the social service agency or professional assisting the family shall be an "approved" service to maintain eligibility as a "Qualifying" family.

4. The services do not need to be provided at the project.
5. If supportive services are discontinued because the family no longer needs them or because the services are no longer available the family shall continue to be a "Qualified" family as long as the family resides in the unit.
6. If the family vacates the unit, the unit shall remain as "Excepted" if it is re-rented to another "Qualifying" family.
7. MCHA shall monitor the family's participation in supportive services once each year as part of the annual recertification of the family. The family shall provide a third party verification to document participation in supportive services.
 8. If the family does not fulfill its obligations to participate in supportive services and does not demonstrate a good cause for lack of participation the family may be in violation of the Housing Choice Voucher Family Obligations and in violation of the lease. The family must vacate the unit within four months of the date of the written vacate notice. An extension of this time period may be granted as appropriate. If the family does not vacate within the time period the unit will be removed from the PBV HAP Contract.
9. "General Cause" for not participating in supportive service includes items that are not in control of the family, including stipulations under the Violence Against Women Act.
10. MCHA reserves the right to place a cap less than 25 percent on the number of units receiving PBV or other project based assistance in a building with "Excepted" units.

D. New construction or Rehabilitation

If an owner is proposing to pledge the HAP Contract as security for financing, the owner must submit the financing document to MCHA for review. In determining approvability of the pledge arrangement, MCHA must ensure that the financing documents do not modify the contract and do not contain any requirements inconsistent with the contract. Any contract must be limited to amount payable under the contract in accordance with the terms of the contract

Subsidized Housing [24 CFR 983.54)

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

- A public housing unit;
- A unit subsidized with any other form of Section 8 assistance;
- A unit subsidized with any governmental rent subsidy;
- A unit subsidized with any governmental subsidy that covers all or any part of the operating costs of the housing;
- A unit subsidized with Section 236 rental assistance payments (except that a PHA may attach assistance to a unit subsidized with Section 236 interest reduction payments);
- A Section 202 project for non-elderly with disabilities;
- Section 811 project-based supportive housing for persons with disabilities;
- Section 202 supportive housing for the elderly;
- A Section 10I rent supplement project;
- A unit subsidized with any form of tenant-based rental assistance;

A unit with any other duplicative federal, state, or local housing subsidy, as determined by HUD or the PHA in accordance with HUD requirements

Project-based Housing Assistance Payments Contract (HAP) Process For Rehabilitated or Newly Constructed Units

- A. The MCHA and the owner will enter into an Agreement to Enter into a HAP Contract for Project Based Voucher provided by HUD (AHAP).
- B. "Timely Completion" of the development shall be defined in the AHAP.
- C. If the development work is not completed (i.e. occupying permit being issued) within the timely completion period, MCHA reserves the right to either terminate the AHAP or provide an extension to the timely completion

period.

- D. MCHA may, as needed determine the acceptability of work drawings and specifications and require additional drawings and specifications in the work description section of the AHAP.
- E. The AHAP cannot be executed until after MCHA receives approval of the subsidy layering review (if needed) and approval of the environmental review.
- F. After receiving the approval in item E (above) the AHAP shall be executed within 30 calendar days.
- G. The AHAP will clearly describe the required evidence of completion that will be provided by the owner.
- H. MCHA will review all evidence of completion and either approve or require additional evidence.
- I. MCHA will use the HUD issued Project Based Voucher Housing Assistance payments (HAP) contract.
- J. For existing housing, the HAP Contract shall be executed within fourteen (14) calendar days after the units and buildings pass HQS inspection.
- K. For newly constructed or rehabilitated housing, the HAP Contract will be executed fourteen calendar days after:
 - 1. MCHA has inspected the completed units and buildings and determined the development work was completed pursuant to the AHAP.
 - 2. The Owner has submitted all required evidence of completion; and
 - 3. MCHA has accepted the evidence of completion.

PBV Housing Assistance Payments Contract

- A. The initial term of the contract shall be up to ten (10) years.
- B. One extension of the HAP Contract may be granted for a period of up to five (5) years at the discretion of the MCHA.
- C. For existing housing, the HAP Contract shall be executed within fourteen (14) calendar days after the units and building pass HQS inspection.

Conduct of Development Work

- A. If needed, MCHA shall monitor Davis-Bacon wage requirements bi-weekly
- B. MCHA will maintain adequate documentation in an easily audited format for all items required to be monitored per the AHAP.
- C. MCHA will provide a Documentation of Completion Certification to the owner pursuant with 24CFR 983.155.

Extension of HAP Contract

- A. The HAP Contract may be extended for terms of up to five years if deemed appropriate by MCHA.
- B. When determining appropriateness for a HAP Contract extension, MCHA may consider:
 - 1. The Owner's history of compliance with the HAP contract;
 - 2. The Owner's history of properly screening clients and enforcing the lease;
 - 3. The PBV units can still be properly supported by the MCHA Five Year and Annual Plan or other documented community needs; and
 - 4. MCHA determines that PBV is still the best use of the Housing Choice Voucher Program Budget Authority.

Substitution and Addition of Contract Units

- A. When considering the substitution of a contract unit, in addition to the substitute unit meeting HQS, MCHA may take into consideration:
 - 1. A request for reasonable accommodation;
 - 2. Changes in the condition or use of units in the building;
 - 3. A resulting improvement in program or building management; and
 - 4. Other reasonable justifications
- B. When adding units to the PBV HAP Contract during the first three years

of the contract, MCHA may take into consideration:

1. The regulatory limits per building and budget authority;
2. A request for reasonable accommodation;
3. Changes in the condition or use of units in the building;
4. A resulting improvement in program or building management; and
5. Other reasonable justifications.

Condition of Contract Unit

A. When determining the need for additional HQS requirements, the following items may be considered:

1. Assurance of continued compliance with any design, architecture or quality requirements listed in the AHAP or HAP Contract; and
2. Request for reasonable accommodation.

B. Additional HQS requirements are located in the HQS section of the Section 8 Administrative Plan.

Management

A. Owner Responsibilities

1. The owner shall develop a written management plan that will be reviewed by MCHA during the proposal evaluation/rating process.
2. MCHA will review the owner's compliance performance with the HAP Contract on or about the anniversary date of the c o n t r a c t .
3. The owner shall appropriately screen applicants referred by MCHA.
4. Provide MCHA with a copy of any termination of tenancy notifications on the following business day.
5. Offer vacant, accessible units to a family with one or more members with a disability requiring accessibility features of the vacant unit.

B. Waiting List and Selection for Participation

1. MCHA will establish a separate waiting list for each PBV project unless increased efficiency can be achieved by having the same waiting list for two or more PBV developments.
2. All applicants of the appropriate bedroom size(s) on the Section 8 HCV Program will have the opportunity to be placed on the PBV waiting list when it is first established.
3. MCHA reserves the right to limit admission to a PBV building to individuals or families who require some type of supportive service, which may include a self-sufficiency service.
4. Applicants who pass the HUD required Section 8 Program screening would be referred to the Owner.
5. MCHA may place families referred by the owner of project-based voucher units on its PBV waiting list. Families will be referred to housing units from the waiting list.
6. Concerning Income Targeting, in any fiscal year, not less than 75% of families admitted to the combined tenant-based and project-based voucher program should be extremely low-income families.
7. PBV units will not remain vacant for an excessive period of time to meet the Income targeting percentage.

C. Filling Vacant Units

1. When the Owner notifies MCHA of vacancies in the PBV units, MCHA will refer to the owner one or more families of the appropriate size on the waiting list. A family that refuses the offer of a unit with Project-Based assistance will maintain its place on the waiting list.
2. The owner must notify MCHA within two (2) business days of learning of a vacancy.
3. The owner will confirm occupancy, usually through rent payment, once each month.
4. MCHA will refer applicants to the Owner within two (2) business days after receiving notice of vacancies. Such referral shall be in the form of providing the Owner with a copy of the Section 8 pre-application or application.
5. The Owner must rent all vacant units to eligible families referred

by MCHA from its waiting list. MCHA will determine eligibility for participation in accordance with HUD requirements.

6. If the MCHA does not refer a sufficient number of interested applicants on the MCHA Waiting List to the Owner within thirty (30) calendar days of the Owner's notification to MCHA of a vacancy, the Owner may advertise for or Solicit applications from eligible very low-income families. The Owner must refer these applicants to MCHA to determine final eligibility.

7. The Owner shall notify rejected applicants within three (3) business days of the decision in writing with a copy to MCHA.

D. Briefing the Family

Within five (5) business days after accepting PBV, MCHA will provide an oral briefing and a written briefing packet pursuant to 24CFR 983.252.

E. Overcrowded and Under Occupied Units

1. If MCHA determines that a contract unit is not decent, safe and sanitary due to an increase in family size that causes the unit to be overcrowded or that a contract unit is larger than appropriate for the size of the family in occupancy under MCHA's occupancy standards, MCHA will offer the family an appropriate size unit through the following resources as applicable and in the order:

- a.* PBV unit in the same building;
- b.* PBV unit in another building;
- c.* Section 8 Housing Choice Voucher;
- d.* Public Housing unit; or
- e.* unit in another project-based program

Reduction of Number of Units Covered by HAP Contract

- A. Owners must lease all assisted units under HAP Contract to eligible families. Leasing of vacant units to ineligible tenants is a violation of the HAP Contract and grounds for all available legal remedies including suspension or debarment from HUD contracts and reducing the number of contract units.
- B. MCHA may reduce the number of units if a unit is vacant for 120 days since Notice of Vacancy from the Owner to MCHA and MCHA has made good faith efforts to refer applicant to Owner.
- C. Restoration

MCHA will agree to an amendment of the HAP contract to provide Subsequent restoration of any reduction made, if:

- a. MCHA determines that the reduction is justified by Demand
- b. The Owner otherwise has a record of compliance with obligations under the HAP contract and
- c. Contract authority is available.

Maintenance and Inspections

- A. The owner must provide all services, maintenance, and utilities as agreed under the HAP Contract, subject to abatement of housing assistance payments or other applicable remedies if the owner fails to meet these obligations.
- B. MCHA will inspect 100% of the PBV units under contract at least annually and at other times as may be necessary to assure the owner is meeting the obligations to maintain the units in decent, safe and sanitary condition and to provide the agreed upon utilities and services.
- C. If MCHA notifies the owner the unit(s) under contract are not in decent, safe and safe sanitary condition and the owner fails to take corrective action within the time prescribed in the notice, MCHA may exercise any or all of its rights or remedies under the HAP Contract, including abatement of the housing assistance payment or termination of the HAP Contract.

Rent and Housing Assistance Payments

- A. The Owner will not charge more than one month's rent as a security deposit and will not charge a security deposit that is higher than non-subsidized units are.
- B. MCHA will maintain documents to clearly justify the determination of rent to owner pursuant to 24CFR 983.301.

C. Rent Adjustments

1. If the Owner wishes a rent increase, the Owner must request a rent increase by written notice to MCHA at least 90 days before the HAP Contract anniversary date.
2. To be eligible for an increase, the Owner must comply with all requirements of the HAP Contract, including HQS for all contract units.
3. The adjusted rent will be reasonable in comparison with rents charged for comparable dwelling units in the private, unassisted local market

D. Special Rent Adjustments

1. A special rent adjustment may be approved only to reflect increases in the actual and necessary cost of owning and maintaining the contract units due to substantial and general increases in:
 - a. Real Property taxes;
 - b. Special governmental assessments;
 - c. Cost of utilities not covered by regulated rates.
2. The owner must submit financial information, as requested by MCHA that supports the request for a special adjustment.

E. Owner Certification of Rent

By accepting each monthly housing assistance payment from the MCHA, the owner certifies that the rent to owner is not more than rent charged by the owner for comparable unassisted units in the premises.

F. Reasonable Rent

1. MCHA will not enter into an agreement or HAP Contract until it is determined the initial rent to the owner is a reasonable rent in comparison to rent for other comparable unassisted units. To make this determination the MCHA will consider:
 - a. The location, quality, size, unit type, and age of the contract unit; and
 - b. Any amenities, housing services, maintenance, and utilities to be provided by the owner in accordance with the lease.
2. The initial rent to the owner for a unit may not exceed the reasonable rent as determined by the MCHA in accordance with 24 CFR 983.

G. FMR/Exception Rent Limit

The initial gross rent for the unit shall not exceed 110% of the established Fair Market Rent on the date the Agreement to enter into a HAP Contract is executed. The FMR/exception rent is determined by MCHA in accordance with 24 CFR 982.504.

CHAPTER 21

APPENDIX

McKean County Housing Authority Limited English Proficiency

I. PLAN STATEMENT

The McKean County Housing Authority (MCHA) has adopted this plan to provide meaningful access to its programs and activities by persons with Limited English Proficiency (LEP). In accordance with federal guidelines the PHA will make reasonable efforts to provide or arrange free language assistance for its LEP clients, including applicants, recipients and/or persons eligible for public housing, Section 8/ Housing Choice Vouchers, homeownership and other PHA programs.

II. MEANINGFUL ACCESS; FOUR-FACTOR ANALYSIS

Meaningful access is free language assistance in accordance with federal guidelines. The PHA will periodically assess and update the following four-factor analysis, including but not limited to:

1. The number or proportion of LEP persons eligible to be served or likely to be encountered by the PHA.
2. The frequency with which with LEP persons using a particular language come into contact with the PHA.
3. The nature and importance of the PHA program, activity or service to the person's life.
4. The PHA's resources and the cost of providing meaningful access. Reasonable steps may cease to be reasonable where the costs imposed substantially exceed the benefits.

III. LANGUAGE ASSISTANCE

1. A person who does not speak English as their primary language and who has a limited ability to read, write, speak or understand English may be a Limited English Proficient (LEP) person and may be entitled to language assistance with respect to PHA programs and activities.
2. Language assistance includes interpretation, which means oral or spoken transfer of a message from one language into another language; and/or translation, which means the written transfer of a message from one language into another language. The PHA will determine when interpretation and/or translation are needed and are reasonable.
3. PHA staff will take reasonable steps to provide the opportunity for meaningful access to LEP clients who have difficulty communicating in English. If a client asks for language assistance and the PHA determines that the client is an LEP person and that language assistance is necessary to provide meaningful access, the PHA will make reasonable efforts to provide free language assistance. If reasonably possible the PHA will provide the language assistance in the LEP client's preferred language.

The PHA has the discretion to determine whether language assistance is needed, and if so, the type of language assistance necessary to provide meaningful access.

The PHA will periodically assess client needs for language assistance based on requests for interpreters and/or translation, as well as the literacy skills of clients.

IV. Translation of Documents

- a. The PHA will weigh the costs and benefits of translating documents for potential LEP groups, considering the expense of translating the documents, the barriers to meaningful translation or interpretation of technical housing information, the likelihood of frequent changes in documents, the existence of multiple dialects within a single language group, the apparent literacy rate in an LEP group and other relevant factors. The PHA will undertake this examination when an eligible LEP group constitutes 5 percent of an eligible client group (for example, 5 percent of households living in the PHA's public housing) or 1,000 persons, whichever is less.
- b. If the PHA determines that translation is necessary and appropriate, the PHA will translate the public housing lease and selected mailings and documents of vital importance into that language.
- c. As opportunities arise, the PHA may work with other housing authorities to share the costs of translating common documents, which may include language groups which do not (yet) reach the threshold level in the PHA's client population.
- d. HUD should provide prototype translations of standard housing documents in multiple languages in a timely fashion. HUD should provide this service to local housing authorities and the hundreds or thousands of other HUD grantees whose limited resources hinder their LEP efforts.
- e. The PHA will consider technological aids such as Internet-based translation services which may provide helpful, although perhaps not authoritative, translations of written materials.

V. Audiovisual Materials

- a. The PHA will use reasonable efforts to produce or obtain multiple translations of audiovisual materials it uses to inform or educate applicants, residents and other client groups. For example, the training video on housekeeping produced by PHA staff has four language options.
- b. The PHA will make such materials available for purchase by housing agencies and other organizations, to assist them in their LEP efforts.

1. Formal Interpreters

- a. When necessary to provide meaningful access for LEP clients, the PHA will provide qualified interpreters, including PHA bilingual staff and contract vendors. At important stages that require one-on-one contact, written translation and verbal interpretation services will be provided consistent with the four-factor analysis used earlier.
- b. The PHA may require a formal interpreter to certify to the following:
 - i. The interpreter understood the matter communicated and rendered a competent interpretation.

- ii. The interpreter will not disclose non-public data without written authorization from the client.
- c. Formal interpreters shall be used at the following:
 - i. Formal hearing for denial of admission to public housing;
 - ii. Informal settlement conferences and formal hearing for termination of public housing;
 - iii. Hearings or conferences concerning denial or termination of Housing Choice Voucher (Section 8) participation.
- d. A PHA staff interpreter may not be a subordinate to the person making the decision.

2. Informal Interpreters

- a. Informal interpreters may include the family members, friends, legal guardians, service representatives or advocates of the LEP client. PHA staff will determine whether it is appropriate to rely on informal interpreters, depending upon the circumstances and subject matter of the communication. However in many circumstances, informal interpreters, especially children, are not competent to provide quality and accurate interpretations. There may be issues of confidentiality, competency or conflict of interest.
- b. An LEP person may use an informal interpreter of their own choosing and at their expense, either in place of or as a supplement to the free language assistance offered by the PHA. If possible, the PHA should accommodate an LEP client's request to use an informal interpreter in place of a formal interpreter.
- c. If an LEP client prefers an informal interpreter, after the PHA has offered free interpreter services, the informal interpreter may interpret. In these cases the client and interpreter should sign a waiver of free interpreter services.
- d. If an LEP client wants to use their own informal interpreter, the PHA reserves the right to also have a formal interpreter present.

3. Outside Resources

- a. Outside resources may include community volunteers, PHA residents or Housing Choice Voucher/Section 8 participants.
- b. Outside resources may be used for interpreting services at public or informal meetings or events if a timely request has been made.

VI. MONITORING

- 1. The PHA will review and revise this LEP Plan from time to time. The review will include:

2. Reports from the PHA's computer business systems on the number of PHA clients who are LEP, to the extent that the software and staff data entry can provide such information. Such reports may be supplemented by staff observations.
3. Reports from the computer business systems and other sources listing the languages used by LEP clients.
4. A determination as to whether 5 percent or 1,000 persons from a PHA client group speak a specific language, which triggers consideration of document translation needs as described above.
5. Analysis of staff requests for contract interpreters: number of requests, languages requested, costs, etc.
6. The Resident Advisory Board (RAB) will be asked to review the LEP Plan annually as part of updating the Agency Plan.

VII. LEP PLAN DISTRIBUTION AND TRAINING

The LEP Plan will be:

1. Distributed to all PHA supervisors.
2. Available in PHA Management Offices and the Rental Office/Section 8 Office.
3. Posted on PHA's website, www.mckeancountyhousing.com
4. Explained in orientation and training sessions for supervisors and other staff who need to communicate with LEP clients.

**McKEAN COUNTY HOUSING AUTHORITY
CONFIDENTIALITY POLICY**

MCHA is the recipient of personal information from residents, applicants, landlords and those interested in our housing programs.

Much of this information comes to the Authorities in the form of applications, letters, telephone messages and various verifications from third party sources.

This information is confidential and should not be mistakenly made available to outside parties.

If the Authorities' at fault for outside parties becoming aware of personal information of any of our clients, it would put the Authorities in a liability position.

In order to secure the confidentiality of those individuals doing business with the Authorities', all staff and representatives will be required to:

1. **NOT** discuss Authority client information with **anyone** outside the office.
2. **NOT** discuss any client in the presence of non-staff in the office.
3. **NOT** have client information in full view of others in the office.
4. **NOT** discuss any client on the telephone in the presence of other clients.
5. **NOT** keep client applications or files on counters openly available for others to see.
6. **NOT** openly discuss any client, or their information, when others could be in the office.
7. **NOT** to discuss the personal matters of any resident with other residents.

If any staff person has a question about a confidentiality issue, they must discuss the matter with the Executive Director for guidance. Contact with the Authority's Solicitor may be necessary to legally review the situation.

MAINSTREAM HOUSING OPPORTUNITIES FOR PERSONS WITH DISABILITIES

PURPOSE AND SCOPE

The Mainstream Housing Opportunities for Persons with Disabilities (Mainstream) Program is a targeted voucher program for families with disabilities to allow such persons to rent affordable private housing.

The Mainstream program is designed to assist housing authorities in providing Section 8 vouchers to a segment of the population recognized by HUD's housing research as one of the worst case housing needs of any group in the United States (i.e. very-low income households with adults with disabilities).

Additionally, the Mainstream program will assist persons with disabilities who often face difficulties in locating suitable and accessible housing in the private market.

DEFINITIONS

Disabled Family: A family whose head, spouse, or sole member is a person with disabilities. The term "disabled family" may include two or more persons with disabilities living together, and one or more persons with disabilities living with one or more live-in aides. A disabled family may include a person with disabilities who is elderly.

Person with Disabilities: See the Section 8 Administrative Plan for definition.

Section 8 Search Assistance: Assistance to increase access by program participants to housing units in a variety of neighborhoods (including areas with low poverty concentrations) and to locate and obtain units suited to their needs.

All definitions in the main body of the Section 8 Administrative Plan apply to the Mainstream Program.

ELIGIBILITY

Only a disabled family may receive a rental voucher under the Mainstream program. Applicants with disabilities will be selected from the MCHA waiting list according to date and time of application.

RENTAL VOUCHER ASSISTANCE

This program will be administered in accordance with HUD regulations covering the regular Section 8 program

MAINSTREAM ADMISSIONS AND OCCUPANCY REQUIREMENTS

With the exception of waiting list management and turnover, all other aspects of the Mainstream program will be handled according to the regulations and MCHA Administrative policies governing the regular Section 8 program.

If there is ever an insufficient pool of disabled families on the waiting list, MCHA will conduct outreach to encourage eligible persons to apply for this special allocation of rental vouchers. Outreach may include contacting independent living centers, advocacy organizations for persons with disabilities, and medical, mental health, and social service providers for referrals of persons receiving such services who would benefit from Section 8 assistance.

TURNOVER

When a rental voucher under the Mainstream program becomes available for reissue (e.g. the family initially selected for the program drops out of the program, is unsuccessful in the search for a unit, or is terminated from the program), the rental assistance may be used only for another individual or family eligible for assistance under the Mainstream program for five years from the date the rental assistance is placed under an ACC.

WAITING LIST MANAGEMENT

When funding is received initially, the waiting list will be searched for all disabled families and their date and time of application. These applicants will be pulled without regard to their preference. Once all identified families had been through the eligibility determination a system put into place whereby each community could run its waiting list by disability designation and date and time of application, providing a waiting list for the Mainstream program to run concurrently with the regular Section 8 waiting list.

Currently, disabled families (including disabled single person households) are placed on the waiting list according to the established local preference for which they qualify, if any. At that time, a designation is made in the appropriate field in the computerized waiting list screen, designating the family as disabled. Each community is assigned a certain number of Mainstream slots. As a Mainstream slot becomes available, the office runs a listing of all those families within their area that are on the waiting list and designated disabled. The system is configured so that this listing will run all those that qualify as disabled by date and time of application. By maintaining all applicants who are families with disabilities in this manner, ensures that they are categorized by local preference as well as disability status, which enables them to be housed in proper order for whichever program, regular Section 8 Housing Choice Voucher or Mainstream, first becomes available.

OUTREACH

MCHA may choose to employ a variety of strategies to ensure households and owners are aware of the availability of housing assistance, such as publication of information in local newspapers of general circulation, public announcements, radio advertisements, and/or specific marketing through "minority media".

MCHA will follow the activities outlined in the Section 8 Administration Plan to ensure outreach to and selection of eligible households are performed without regard to race, religion, color, sex, age, disability, familial status, national origin, gender identity, sexual orientation or marital status.

Additionally, MCHA will notify extremely-low income and very-low income households, minorities, persons with disabilities, and others who may be least likely to apply, of the availability of housing assistance. MCHA will contact community organizations that primarily serve such persons. These community organizations typically provide information and eligibility requirements for assistance programs. It is MCHA's position that organizations that represent minorities and individuals with a disability are the most effective means for distributing information about the program to their clientele.

When MCHA becomes aware of vacant units that appear applicable to the Mainstream program, staff may contact the owner and present the program to the owner. If the owner is interested in participating, staff will record the names, addresses, and phone numbers of available units for future contact. MCHA is also involved in the development of new construction and rehabilitation projects through MCHA's HOME and Tax Credit Programs. A minimum of 5 percent of these units are accessible to physically disabled persons. Information regarding these units is provided to the Section 8 office and other service providers through the Homeless Service Providers Directory that includes a section on affordable housing projects.

MCHA may invite property owners to participate in the program through newspaper ads, minority media, landlord briefings, and other suitable means. Strives to develop and maintain positive "working relationships" with private landlords and real estate brokers' groups, and civic and local organizations with an interest in housing matters. By doing so, encourages participation in the Section 8 program among owners of a wide range of housing, including housing outside areas with concentrations of low-income or minorities.

MCHA is committed to ensuring that all potentially eligible persons who express an interest in a rental assistance program are given an equal opportunity to apply for assistance. In addition, MCHA is committed to receiving and processing applications in such a way that all applicants are treated fairly and consistently. MCHA will make every effort to assure accessibility for all individuals.

MCHA gives households with a disabled member 120 days initially to secure an appropriate rental unit. This time period is permitted without requiring the participant to request an extension every thirty days. If the first 120 days pass without a lease up occurring, MCHA will apply to HUD for a waiver requesting additional time, if warranted.