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ADMINISTRATIVE PLAN
HOUSING CHOICE VOUCHER / SECTION 8 PROGRAM

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STATEMENT OF OVERALL APPROACH

The Claremont Housing Authority (CHA) administers the Housing Choice Voucher (HCV)/Section 8 Housing Assistance Payments Program (“the program”) in order to assist extremely low and low-income families in procuring affordable housing that is safe, decent and sanitary. While CHA does not find apartments for applicants, there are a variety of services available to assist them in finding a suitable place to live. The CHA will also determine the availability and condition of the local housing stock and the needs of the extremely low and very low-income elderly and families in the community.

The CHA will administer the program in accordance with the most current Federal regulations and laws governing the program. Existing staff and organizational structure, set up to operate programs and projects already managed by the CHA, will be used.

To qualify for an apartment, there are certain standards and requirements that must be met by an applicant and his/her family members. The pre-admission policy incorporates the requirements of the U.S. Department of Housing and Urban Development (HUD) as established in the Federal Regulations and the CHA’s Annual Contributions Contract (ACC) with HUD. This Plan explains the application process and acts as a guide for those who are in need of housing assistance.

The opportunity will be offered to apply for the program without regard for race, color, national origin, religion (creed), sex, age, handicap, disability, or family status.

The Plan applies only to the HCV/Section 8 Assistance Payments Program administered by the CHA and does not apply to the Public Housing or any other program administered by the CHA.

NONDISCRIMINATION

The CHA does not discriminate or segregate or restrict access to programs because of race, color, national origin, religion (creed), sex, age, handicap, disability, or family status. The CHA is bound by nondiscrimination requirements of Federal, State and local law and, in particular, the requirements of the following:

1. Title VI of the Civil Rights Act of 1964, which prohibits discrimination based on race, color, or national origin in programs receiving Federal financial assistance.
2. Title VIII of the Civil Rights Act of 1968, which prohibits discrimination based on race, color, religion, national origin, or sex in the sale, rental, or advertising of housing.
3. The Age Discrimination Act of 1975, which prohibits discrimination based on age in programs receiving Federal financial assistance, and
4. Executive Order 11063, which requires HUD to take whatever action is necessary to prohibit discrimination, based on race, color, national origin, religion (creed), or sex in housing receiving Federal financial assistance.

5. Section 504 of the Rehabilitation Act of 1974, which prohibits discrimination, based on handicap in programs receiving Federal financial assistance.

PLAN FOR ADMINISTRATION OF THE INTAKE FUNCTION

OUTREACH TO FAMILIES AND OWNERS

1. The CHA will publicly notify prospective families and owners, encouraging them to participate in the Section 8 Program. In addition to the public notification, the CHA will meet with property owners and eligible families to discuss the program with them.
2. The CHA continues to have success in attracting property owners and extremely low-income families of all sizes, ages, races, etc. and as a result, foresees no difficulty in attracting eligible applicants.
3. Outreach methods can be changed if there is a greater need from different interest groups or if the response to outreach is greater than anticipated. The response to CHA's effort will dictate this.
4. Encouraging participation by owners in non-poverty/minority areas: Non applicable: Claremont is not a metropolitan city and does not have a minority population. The vast majority of the apartments in Claremont range from upper lower class to lower middle class and are not in a poverty neighborhood. Claremont neighborhoods are a blend of single homes and small apartment complexes, usually with only 2-3 units. Claremont does not have a section of town that is comprised of just large apartment buildings. Because some of the streets in downtown Claremont are better than others, every section has a mixture of income levels.

Disapproval of Owners

1. The CHA must not approve a unit if the CHA has been informed (by HUD or otherwise) that the owner is debarred, suspended or subject to a limited denial of participation under 24 CFR Part 24.
2. When directed by HUD, the CHA must not approve a unit if:
 - a. The federal government has instituted an administrative or judicial action against the owner for violation of the Fair Housing Act or other federal equal opportunity requirements, and such action is pending; or
 - b. A court or administrative agency has determined that the owner violated the Fair Housing Act or other federal equal opportunity requirements, and such action is pending; or
 - c. In its administrative discretion, the CHA may deny approval to lease a unit from an owner for any of the following reasons:
 1. The owner has violated obligations under a housing assistance payments contract under Section 8 of the 1937 Act (42 U.S.C. 1437t);
 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 engaged in drug trafficking;

4. The owner has a history or practice of noncompliance with the HQS for units leased under the tenant-based programs, or with applicable housing standards for units leased with project based HCV/Section 8 assistance or leased under any other federal housing program;
5. The owner has a history or practice of renting units that fail to meet State or local housing codes; or
6. The owner has not paid State or local real estate taxes, fines or assessments for a period of three years or more. CHA will consider circumstances if owner has entered into a re-payment agreement and is making re-payment.

APPLICATION, ELIGIBILITY AND SELECTION

Any person may apply by filling out a written preliminary application for the program administered by the CHA. Forms are available during normal business hours at the offices of the Claremont Housing Authority, 243 Broad Street, Claremont, NH 03743. Applications may either be picked up at the office or by calling (603) 542-6411 and requesting an application be mailed. The application must be completed in its entirety, signed by the head of household (and) or spouse and returned to the main office.

It is the responsibility of the applicant to accurately and completely fill out the application. Applicants with problems understanding the questions on the application, or who have trouble reading, will be encouraged to have a friend, relative or social worker assist them. Blank applications may also be supplied in quantity to social service agencies upon request.

Anyone who inquires will be given a general description of the program, eligibility requirements, equal opportunity requirements, and the process for screening and selecting applicants. It should be noted that final eligibility will not be determined during the pre-application stage but shall be determined when the applicant's name arrives at the top of the waiting list and they are invited onto the program.

The CHA maintains a waiting list for eligible HCV/Section 8 Voucher applicants. Seventy-five percent of all new lease-ups will fall within the extremely low-income category as set by HUD. Applicants will be listed in order by the date and time that their application has been received. Applicants who qualify for the Local Residency Preference (living or working in Claremont) plus one local preference shall be taken before all other applicants. CHA may stop accepting new applications when the waiting list is adequate and will notify the public of this in the local newspaper. When CHA re-opens the waiting list it will be advertised in the local newspaper to inform the public.

The waiting list will be updated yearly and applicant's names will be removed if there is no response from them or if they pass the deadline date.

LOCAL RESIDENCY PREFERENCES

A local residency preference shall be given to applicants who live or work in Claremont or have been notified that they are hired to work in Claremont at the time of the application. An applicant who qualifies for a local residency preference and one local preference will be placed on a priority waiting list and admission will be based on the date and time of the returned application.

However, the following categories of applicants will be given a local preference on the waiting list, each category being of equal weight, singly or collectively. The definitions of each category are attached to the pre-application.

The CHA's local preferences are ranked in order of applicants to be assisted and are listed below. An applicant who qualifies for any one or more of these preferences will be placed on a priority waiting list with the local residency preference; admission will be based on the date and time of the approved application. Applicants with preferences must still be income-eligible and must meet the CHA definition of a family and meet all CHA standards of admission.

OTHER LOCAL PREFERENCES

Involuntarily Displaced

To qualify as Involuntarily Displaced, the family must have been:

- involuntarily displaced and not yet living in standard replacement housing. Housing is not standard replacement housing if it is overcrowded or if the family is not occupying pursuant to a lease or occupancy agreement; or
- within six months from the date of certification or verification, the applicant will be involuntarily displaced.

Involuntary displacement includes:

- a disaster, such as a fire or flood, that has made the unit uninhabitable;
- code enforcement, public improvement or development program activities by a U.S. agency or a State or local governmental body or agency;
- action by a private owner that the applicant could not control or prevent which forces the applicant to vacate the unit and;
 - the action occurred despite the applicant's having met all previously imposed conditions or occupancy; and
 - the action was not a rent increase; and
 - the action was not an eviction for just cause.
- victims of actual or threatened domestic physical violence (applicant need not have moved out to qualify). (Must have occurred recently within six months or be of a continuous nature, and family must certify that the person who engaged in violence will not live in applicant's household.) The Violence Against Women Act (VAWA) protects tenants and family members of tenants who are victims of domestic violence, dating violence or stalking from being evicted or terminated from housing assistance based on acts of such violence against them.

- displacement to avoid reprisals such as applicant family cooperating with the police. Housing authorities may grant this only if a law enforcement agency carried out a threat assessment and recommends re-housing the family.
- displacements due to hate crimes when applicants have been victims of a hate crime. Hate crimes are defined as actual or threatened physical violence that is based on a victim’s race, color, religion, sex, national origin, handicap or family status. The housing authority must determine that this occurred recently or is of a recurring nature.
- displacement by inaccessibility of unit which occurs when a member of the applicant’s family has an impairment which makes the person unable to use critical elements of the unit, and the owner of the unit is not obligated to make the unit accessible.
- displacement due to HUD disposition of a multifamily rental housing project.

NOTE: Involuntary Displacement does not include “for cause” evictions or moving as the result of divorce or separation.

Substandard Housing

Substandard housing is defined as follows:

- is dilapidated;
- does not have operable indoor plumbing;
- does not have a useable flush toilet in the unit for the exclusive use of the family;
- does not have a useable bathtub/shower in the unit for the exclusive use of the family;
- does not have electricity, or has inadequate or unsafe electrical service;
- does not have a safe or adequate source of heat;
- should, but does not, have a kitchen; or
- has been declared unfit for habitation by an agency or unit of government.

NOTE: This definition of substandard housing does not include overcrowding.

A housing unit is dilapidated if it:

- does not provide safe and adequate shelter and endangers the health, safety or well-being of a family; or
- has one or more critical defects or a combination of intermediate defects in sufficient number or extent to require considerable repair or rebuilding. (The defects may involve original construction, or they may result from continued neglect or lack of repair or from serious damage to the structure.)

A homeless family is considered to be living in substandard housing. A homeless family is one that:

- lacks a fixed, regular and adequate night-time residence and has a primary night-time residence that is:
 - a supervised publicly or privately operated shelter designed to provide temporary living accommodations and includes welfare hotels, congregate shelters and transitional housing;

- an institution that provides a temporary residence for individuals intended to be de-institutionalized; or
- a public or private place not designed for or ordinarily used for sleeping.

NOTE: A homeless family does not include an individual imprisoned or otherwise detained by law.

NOTE: Single Room Occupancy Housing is not considered substandard solely because it does not contain sanitary or food preparation facilities.

Paying More Than 50 Percent of Income for Rent (Rent Burden)

Applicants qualify for this preference if they paid more than 50 percent gross monthly income for rent and utilities for at least 90 days. The definition of income is the one used to compute Total Tenant Payment (TTP). Rent is the amount due on a monthly basis to the family's current landlord under lease or rental agreement. Payments made to the family from an energy assistance program must be subtracted from rent if this amount is excluded from income.

The amount of tenant-paid utilities may be determined by using the housing authority's utility allowance schedule or, if the family chooses, it may document the actual average monthly utility costs for the last 12 months.

For applicants who own a manufactured home but rent the space for the home, rent includes rent for the space and debt service for the unit. For members of a cooperative, it is the amount agreed upon between the members and the cooperative.

A family does not qualify for the preference if the reason it is paying more than 50 percent of its income for housing is because HUD assistance was terminated for failure to comply with program requirements.

STANDARD APPLICATIONS

To qualify for a preference an applicant will follow a two-step process:

1. The applicant will certify to the CHA that they are eligible for a preference. The applicant's signature on the preliminary application will act as their certification.
2. Before the CHA will issue a Voucher, the applicant's current status will be verified. Residency will be verified by documentation such as rent receipts showing the applicant has a physical address in the City of Claremont, or verification from the employer that the applicant is employed in Claremont, or has been hired and what date they shall begin work. Involuntary Displacement will be verified in writing from the landlord or government agency responsible for the displacement. If displacement is due to a disaster, then verification by the Town or City where the disaster occurred will be

required. Domestic violence will be verified by police, clergy, physician or an agency such as Women's Supportive Services. Substandard housing must be verified in writing from the City (normally the Building Inspector or Community Development Office) or the landlord. In some cases inspection by CHA staff will be necessary. Homelessness will be verified by the facility providing shelter, police or a social service agency. Income verifications will be done in the same way (and usually at the same time) that income for eligibility is verified. The amount of rent will be verified by receipts, canceled checks copy of a lease or direct landlord verification. Receipts will verify amounts paid to amortize the purchase price of a mobile home, a copy of the current purchase agreement or direct verification from the lien holder.

The CHA will make a determination of any applicant's eligibility for a preference in a reasonable amount of time, not to exceed 30 days from the date the CHA receives the request in writing. If the CHA determines that the applicant is not eligible for a preference the applicant will be notified in writing. The notice will include an explanation of why the applicant is not eligible for the preference and will offer the applicant an opportunity for an informal review under the review process as described herein.

When an applicant reaches the top of the waiting list, they will be contacted by first-class mail at the address listed on the application, or most current address provided by applicant if applicant has moved since submitting application. Failure to respond, or return of the notice by the U.S. Postal Service, will result in the applicant's name being removed from the waiting list. When contacted the applicant will complete a final application and all information on the applicant will be verified. If applicant's status has changed so that he should be in a different category, the waiting list will be amended to list the applicant in the correct category using the original date of application.

3. An accurate recordkeeping system displaying number of units, by size, to be filled, those already filled and the number filled by extremely low income families will be used to assure the requirements concerning participation by extremely low income families. The HCV/Section 8 Administrator will be responsible for this procedure and for assuring that no more than the permitted number of Housing Assistance Payments are made. The record system will be maintained so as to provide HUD personnel readily available data with respect to family composition, race, gender and ethnic background.
4. A participant may be determined to owe money to CHA for such reasons as a failure to report income or a change in family composition that would require a voucher for a different-sized unit. In order to avoid termination, the participant must sign a repayment agreement noting the amounts to be repaid on a schedule lasting no longer than one year, and acknowledging that failure to make a payment on time will result in immediate termination. CHA will monitor the repayment schedule and, if the participant fails to make a payment, send a letter of termination.

5. Student Eligibility Requirements. No assistance will be provided to any individual who is enrolled as a full- or part-time student at an institution of higher education as defined under Section 102 of the Higher Education Act of 1965 (20 U.S.C 1002); is under 24 years of age; is not a veteran of the United States military; is unmarried; does not have a dependent child, and is not otherwise individually eligible; or has parents who, individually or jointly, are not eligible on the basis of income to receive HCV/Section 8 assistance.

This rule does not apply to students who live with their parents in an HCV/Section 8 assisted unit, or live with their parents who are applying to receive such assistance. The rule applies only to students seeking or receiving HCV/Section 8 rental assistance separately from their parents.

Any financial assistance in excess of the amounts received for tuition that an individual receives under the Higher Education Act of 1965 from private sources or from an institution of higher education shall be counted as income unless the person is over the age of 23 with dependent children. Financial assistance does not include loans. Parental contributions must be included in the calculation. If the student's financial assistance in excess of tuition exceeds the applicable income limit, then the student is ineligible to receive assistance. The student must meet the low-income limit of the area in which he/she resides.

If a student's income meets the income eligibility requirement, a determination of the parental income eligibility for those students that are under the age of 24, unmarried, non veteran and have no dependent children will be obtained. If a student's parents live together, then a joint certification of income will be obtained. If the parent is widowed or single, then the certification will be obtained from that parent. If the parents are divorced, then the certification will be obtained from the parent with whom the student has lived for the last 12 months. If the student lived with each parent for six months, then a certification will be submitted by the parent that provided the most assistance during the last 12 months.

A person who is under the age of 24 and meets the student eligibility criteria may be income-eligible for assistance in circumstances where an examination of the parents may not be relevant or where the student can demonstrate the absence of parents or independence from parents. HUD has established some criteria that must be met to be exempt from the parental income test. The criteria include but are not limited to the following: the student must be of legal contract age per state law, must have established a separate household for at least one year prior to application, or must meet the Department of Education's definition of an independent student, and must not be claimed as a tax dependent.

In addition to the above criteria, the student must obtain parental certification of the amount of support that will be provided even if the amount is zero.

The Department of Education considers a person to be an independent student if he or

she meets one or more of the following criteria: at least 24 years old, an orphan or ward of the court through age 18, a veteran, has a legal dependent other than spouse, is a graduate or professional student, and is married.

Verification of the student's independence must be obtained to establish that the person is qualified for the exemption. Verification policies will include verification of previous address to determine whether a student established a separate household for at least one year prior to application or verification that the student meets the Department of Education's definition of independent student, a review of the parent's prior year tax returns, and written certification of income provided by parents including certification of no support or financial assistance from persons not living in the unit. CHA will accept from a parent a declaration and certification of income which includes a penalty of perjury. CHA retains the right to request a review supporting documentation at any time that we determine that the declaration, certification and eligibility of the parent are in question. Supporting documentation may include but is not limited to Internal Revenue Service tax returns, consecutive and original pay stubs, bank statements, pension benefit statements, temporary assistance to Needy Families (TANF) award letter, Social Security Administration (SSA) award letter, and other official and authentic documents from a federal, state or local agency.

A student currently receiving HCV/Section 8 assistance may be affected by this new law. CHA will verify eligibility at each student's regularly scheduled annual recertification.

Termination of assistance only applies to students under the age of 24 who are unmarried, non-veterans, have no dependent children, and do not reside with their parents except those students considered independent. A student may also be determined ineligible at reexamination if he or she does not live with parents or his/her income including student financial aid exceeds the applicable limit. Students who are under 24 may also be determined ineligible if the income of their parent exceeds the applicable limit.

Any member of a household comprised of both eligible and ineligible students who is determined ineligible to receive HCV/Section 8 assistance will be terminated and ineligible to receive continued assistance under the voucher program. However, assistance for eligible students in the household shall not be terminated. The remaining eligible students will be given a voucher to move with continued assistance or permitted to lease in place if the ineligible student moves out of the unit.

VERIFICATION OF INCOME AND FAMILY COMPOSITION

1. Gross Family Income will be verified by a third party such as an employer, Social Security Administration, etc. Information will be documented and kept in the applicant's file. The signature of all family members 18 years of age and over will be needed. Applicant must inform the CHA of any changes in writing.

2. Some form of identification for proof of date of birth and Social Security Number will be required for each member of the household, including all children. Also, a Declaration of Section 214 Status must be signed and filled out by the applicant.
3. The CHA will notify applicants in writing as to their eligibility for the program. An ineligible applicant will be notified as soon as possible after determination of ineligibility. This notice will give the reason for the finding and inform the applicant of his rights under the grievance procedure.
4. The purpose of HUD's Enterprise Income Verification (EIV) system is to make integrated income data available from one source, via the Internet, for PHAs to use to improve income verification. The system:
 - provides wage, unemployment and Social Security Administration (SSA) benefit information through a data matching process for households covered by a HUD Form 50058 and maintained in the Public Housing Information Center (PIC) database;
 - allows PHAs to view quarterly wage, employer information, unemployment benefit payments, monthly Social Security and Supplemental Security Income benefits, and Medicare deductions and/or buy-ins for tenants within the PHA's jurisdiction; and
 - provides income discrepancy reports to identify families who may have substantially under-reported household income.

The Exceeds Threshold Report (ETR) contained in the EIV system identifies families that may have substantially under-reported wages, Social Security benefits and/or unemployment compensation. If verification data is greater than tenant-reported income by \$2,400 or greater annually, PHAs are expected to resolve these income discrepancies. PHAs are required to obtain written third-party verification data. The following are steps CHA will take to resolve income discrepancies that have been reported on the ETR, or when other information is received of under-reported household income: request written third-party verification of any income source allowed using the HUD Release Form 9886; confirm effective dates of unreported income source; notify the tenant in writing of the discrepancy; request current documents from the tenant, i.e. original, current and consecutive pay stubs, original SSA benefit verification letter, etc. In cases where CHA obtains additional income information via the EIV system (and verifies the verification data with the tenant and/or a third-party source) that would result in a more accurate income determination, CHA will adjust the rent accordingly to reduce the occurrence of improper subsidy payments. In the cases where CHA confirms that the tenant failed to report income source(s), CHA will determine retroactive rent due to CHA and execute a repayment agreement with the tenant or terminate housing assistance. CHA will be responsible for reviewing the ETR discrepancy, determining if the report is valid or invalid, and taking appropriate action with those tenants in accordance with our administrative procedures.

CHA will use the HUD EIV system Security Procedures for Upfront Income Verification data as guidance in its security procedures. The data provided by EIV system will be protected to ensure that it is used only for official purposes and not

disclosed in any way that would violate the privacy of the individuals represented in the system data.

OCCUPANCY STANDARDS

The following standards are used for assignment of the appropriate bedroom size on the Voucher, and at leasing for determination of the acceptability of the size of the chosen unit.

Number of Bedrooms	Number of Persons	
	Minimum	Maximum
0	1	2
1	1	3
2	2	5
3	3	7
4	4	9

These standards are based on the assumption that each bedroom will accommodate no more than two persons, and that the living room may be used as a living/sleeping room.

Families may rent larger or smaller units than listed on the Voucher as long as the Payment Standards are used for the number of bedrooms stated on the Voucher and Housing Quality Standards (HQS) requirements are met. CHA shall take into consideration reasonable accommodation requests when making decisions on a need for a different size unit. Requests for such consideration will be approved by the Executive Director.

A family that consists solely of a pregnant woman will be treated as a two-person family.

Dependents who are subject to a joint custody arrangement will be considered a member of the family if they live with the applicant or resident family 50 percent or more of the time. Verification of custody is needed.

Any live-in aide approved by CHA to reside in the unit to care for a family member who is elderly or disabled would be eligible for a separate bedroom. A live-in aide must be approved by CHA and landlord. The live-in aide does not qualify for continued occupancy as a remaining family member. The program participant and the live-in aide must sign an addendum to the lease outlining the live-in aide restrictions. At any time, CHA may refuse to approve a particular person as a live-in aide, or may withdraw such approval if the person commits fraud, bribery or any other corrupt or criminal act in connection with any federal program; commits drug related criminal activity or violent activity; or currently owes rent or other amounts to a Housing Authority.

If the household divides, the assistance will go with only one of the parties involved. If children are in the household, the Voucher will remain with the individual who retains custody of the children. If it is joint custody, the subsidy stays with the party who remains in the unit. If

no children are involved and the individuals are not elderly, disabled or handicapped, the subsidy will remain with the party who stays in the unit. If one of the parties is elderly, disabled or handicapped, the subsidy will go with that party. If both parties are elderly, disabled or handicapped, the subsidy will remain with the party who stays in the unit.

CHA will use the same standard for determining eligibility for someone adding a household member as it does for initial tenant selection. The tenant is required to first seek owner's written approval and then CHA's approval. Additions to the household, other than births, adoptions or court-awarded custody, require the family to request approval by CHA prior to permitting anyone not on the lease to occupy the unit.

The CHA will abide by a court determination of which family members continue to receive assistance in the program.

Children of the opposite sex, other than very young, cannot be required to share a bedroom or living /sleeping space.

CALCULATION OF TOTAL PAYMENT

When the above verifications are completed, the applicant's Total Payment will be computed in accordance with 24 CFR Part 813. The CHA will compute that tenant's rent four different ways (which are listed below) and will use the highest amount.

- * 30 percent of family monthly adjusted income (Net), or
- * 10 percent of family monthly income (Gross), or
- * \$50 for minimum tenant rent, or
- * Welfare Shelter Allowance amount

Exemptions for minimum rent will be granted if a determination is made that the family is unable to pay the amount due to financial hardship. Documentation of the hardship will be requested and a determination of whether the hardship is temporary or long-term will be made.

If the hardship is determined to be temporary, the minimum rent is suspended for a period of 60 days from the date of the family's request. At the end of the 60-day period, the minimum rent is reinstated retroactively to the date of suspension. CHA will offer to execute a reasonable repayment agreement to cover the minimum rent charges accumulated during the suspension period.

If the hardship is determined to be long-term, the family is exempted from the minimum rent from the date the suspension was originally granted until such time as a hardship no longer exists.

ISSUANCE OF VOUCHER OF FAMILY PARTICIPATION

1. The CHA will keep an up to date Master Control Log listing all the Vouchers the CHA has under our Consolidated Annual Contributions Contract with HUD. This log will

list the Voucher by Project Number, and family type and the proper number of Vouchers that have been issued (both pending and leased).

2. Each Voucher issued to an eligible applicant will be consecutively numbered and the HCV/Section 8 Administrator will keep a listing of all issuance.
3. The CHA will conduct a briefing session with all eligible applicants. The majority of briefing will take place in individual sessions. The applicant will be briefed on all the information and forms in the Voucher Holder's Packet, which will be issued to each applicant with his voucher. An explanation of how the Total Tenant Payment was computed will be given to all applicants.
4. The Executive Director must review all requests for extension of expired Vouchers. Approval or disapproval will be based on the reason for the Voucher Holder's failure to locate suitable housing and the belief that the Voucher Holder will be able to locate suitable housing within the new time limit.
5. The Initial Term of a voucher will be 60 days. Extensions of term will be done in 30-day intervals and the initial term plus any extensions may not exceed a total period of 120 calendar days from the beginning of the initial term. Any extension of the term is granted by the CHA notice to the family. If a member of the family is a disabled person, and the family needs an extension because of the disability, the CHA may consider whether to grant a request to extend the term of the voucher as a reasonable accommodation beyond the 120 days.
6. If an applicant declines a voucher they must re-apply in order to have their name placed back on the waiting list.
7. Vouchers are portable. Applicants and tenants may move anywhere in the United States. The area that the family moves to must have an active Housing Authority. One must still comply with the requirement of being able to exercise portability only if clients have lived in Claremont for the last twelve months. CHA will deny portability to a family that moves out of its unit in violation of the lease (except for reasons related to domestic violence). CHA may deny a move under portability to a higher cost area if it can demonstrate that it does not have sufficient funds to subsidize the higher costs and the receiving PHA in the area will not absorb the portable family.

HOUSING QUALITY STANDARDS AND INSPECTIONS

1. The Housing Quality Standards (HQS) will be discussed and explained during the briefing session. The inspection form will be reviewed. The family will be made aware of the Initial, Annual and Special inspections to be done by the CHA.
2. HQS used by the CHA will be according to the HUD-52580 (3/2001) form.
3. GFCI electrical outlets are required within six feet of sinks, showers and bathtubs.

TENANCY APPROVAL AND CONTRACT EXECUTION

1. The Family and Owner will complete the Request for Tenancy Approval. Upon receipt of the request the CHA will inspect the unit and notify the Family and Owner of its compliance with the HQS. If the unit fails HQS, the Owner will be informed of the nature and extent of the repairs necessary to bring the unit into compliance with HQS. When the unit meets HQS, "Owner Certification" will be signed by the owner/manager.
2. Rent Reasonableness will be determined by the CHA. See method for determining rent reasonableness.
3. The CHA will complete the Certification of Premises and HAP Contract and all necessary addenda and meet jointly with the Owner and Family to execute the documents.
4. Because of potential problems associated with conflicts between owner-prepared leases and the required addenda, the CHA will not approve any leases. CHA will attach to owner's lease the HUD-52641-A (Tenancy Addendum).
5. Tenants must remain in the unit for a minimum of one year before they will be permitted to move out of the unit to remain in good standing with the Housing Authority.
6. Tenants are limited to one move for any one-year period, unless the owner releases the tenant from the obligations of their lease in writing.

PAYMENTS TO OWNERS

Housing Assistance Payments will either be sent directly to the owners by first-class mail or direct-deposited on or about the first day of each month for which the payment is due.

REEXAMINATION OF FAMILY INCOME, EXPENSES AND COMPOSITION

1. In advance of the anniversary date of each lease, the CHA shall reexamine the family income, composition and extent of exceptional medical expenses incurred by the family. The CHA will then re-determine the family's eligibility for the program. The family and the owner will be notified in writing of any changes in the Tenant Rent, Housing Assistance Payment or eligibility of the family.
2. A family's eligibility for housing assistance payments shall continue until the amount payable by the family equals the entire Contract Rent for the unit. If this situation occurs, the family will be given a six-month period of time to determine if their income is stable, and if it is so, CHA's involvement with the tenancy and contract will automatically terminate.
3. A family may at any time request a re-determination of its Total Tenant Payment on the basis of changes in family income, composition or other relevant circumstances.
4. All families are required to report any and all changes in their family income, assets or composition to the CHA within 10 days of the change. An interim reexamination will not be processed for increases in a tenant's portion of rent unless the change amounts to

an increase in the tenant's portion or rent of \$25.00 or more per month. If there is an increase in the Total Tenant Payment the tenant will be notified thirty (30) days before the increase goes into effect.

5. All decreases in tenant portions of rent will be processed. Tenants who report changes in income, assets, allowances or family composition that would result in a decrease in the Total Tenant Payment must provide verification of the change(s) no later than close of business on the 25th day of the month (or the last business day before the 25th) in which the change occurs. This will allow the Authority time to process the rent change in time to be effective on the first day of the following month. Verifications not completed by the tenant in a timely manner will mean that the change will be effective on the first day of the month following the month following the change.

Overcrowded Units

Any change in family composition must be reported to the CHA and approved, in writing, by the CHA. If the CHA determines that a dwelling unit is not decent, safe and sanitary by reason of increase in family size, the tenant will be required to find a suitable apartment.

Guest Policy

Program participants are permitted visitors to their dwelling unit with owner's permission for a period not to exceed 14 consecutive calendar days and a total of 30 days per year. Program participants will notify CHA if guests are expected to stay in the unit for more than 14 consecutive calendar days. If the guest stays over 30 days, the participant would be in violation of the lease and the CHA Administrative Plan. At that point the tenant must decide if the guest should go through the approval process to be added as a household member or if they should make other housing arrangements. The owner's approval is necessary to add new members to the lease, and new household members must be approved by CHA. Participants in violation of this policy shall be subject to program termination.

Children who are subject to a joint custody arrangement or for whom a family has visitation privileges, who are not included as family members because they live outside of the assisted household more than 50% of the time, are not subject to the time limitations of guests as described above.

Fraud

Fraud is the misrepresentation or false statement of any information given to, the omission of or the information withheld from the CHA to either obtain or establish eligibility for HCV/Section 8 or a reduction in the rent charged. Title 18, Section 1001 of the U.S. Code states a person is guilty of a felony for knowingly and willingly making false or fraudulent statements to any department or agency of the U.S. Department of HUD. The CHA will take steps to prosecute anyone guilty of fraud against the CHA.

GROUNDINGS FOR CHA DENIAL OR TERMINATION OF ASSISTANCE

Denial of assistance for an applicant, or a participant, may include any or all of the following: denying listing on the CHA waiting list, denying or withdrawing a voucher, refusing to enter into a HAP contract or tenancy approval, and refusing to process or provide assistance under portability procedures.

This section does not limit or affect exercise of the CHA's rights and remedies against the owner under the HAP contract, including termination, suspension or reduction of housing assistance payments, or termination of the HAP contract.

The CHA may either deny assistance to an applicant with immediate notification or terminate assistance to a participant for any of the following grounds with proper notice of 30 days:

1. If the family violates any family obligations under the program. See 24 CFR 982.551, 982.552, 982.553.
2. If any member of the family has ever been evicted from public housing.
3. If CHA has ever terminated assistance under the certificate or voucher program for any member of the family for
 - a. Any drug-related criminal activity. Any criminal activity in violation of the preceding sentence shall be cause for termination of tenancy, and for eviction from the unit. The term drug-related criminal activity means the illegal possession, manufacture, sale, distribution, use or possession with intent to manufacture, sell, distribute or use, of a controlled substance as defined in Section 102 of the Controlled Substance Act (966.4(4) (12)).
4. If any member of the family commits drug-related criminal activity, or violent criminal activity.
5. If any member of the family commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.
6. If the family currently owes rent or other amounts to the CHA or to another HA in connection with any program assistance under the 1937 Act.
7. If the family has not reimbursed any CHA 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.
8. If the family breaches an agreement with the CHA to pay amounts owed to the CHA, or amounts paid to an owner by the CHA. The CHA, at its discretion, may offer a family the opportunity to enter an agreement to pay amounts owed to the CHA or amounts paid to an owner by the CHA. The CHA may prescribe the terms of the agreement.
9. If the family has engaged in or threatened abusive or violent behavior toward CHA personnel.
10. Failure by the family to establish either citizenship or eligible immigration status as stated in 24 CFR 812.

Termination due to methamphetamine-related activity

CHA will immediately terminate assistance to a participant if any covered person — participant, family member, guest or other person under the participant’s control — is found to have engaged or is currently engaged in the production, sale or distribution of methamphetamine. In such instances, CHA will not have to provide a 30-day notice of termination.

CHA has the discretion to consider circumstances:

1. In deciding whether to deny or terminate assistance because of action or failure to act by members of the family, the CHA 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, and the effects of denial or termination of assistance on other family members who were not involved in the action or failure.
2. The CHA 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. The CHA may permit the other members of a participant family to continue receiving assistance.
3. Requirement to sign consent forms: The CHA must deny or terminate assistance if any member of the family fails to sign and submit consent forms for obtaining information in accordance with 24 CFR Part 760 and 24 CFR Part 813.
4. Restrictions on assistance to non-citizens. The family must submit required evidence of citizenship or eligible immigration status.

Information for Family

The CHA must give the family a written description of:

1. Family obligations under the program.
2. The grounds on which the CHA may deny or terminate assistance because of family action or failure to act.
3. The CHA informal hearing procedures.

METHOD FOR DETERMINING RENT REASONABLENESS

Rent reasonableness must be determined in all of the following instances:

1. Before entering into a HAP contract. A HAP contract cannot be executed until the file has been documented that the rent to be charged is reasonable.
2. Before any increase in the rent to the owner. A rent increase cannot be approved until the proposed rent is determined reasonable.
3. At any time the CHA determines it is necessary. At all times during the assisted tenancy, the rent to the owner may not exceed the most recently determined or re-determined reasonable rent amount.
4. If directed by HUD.

The CHA has adopted the New Hampshire Housing Finance Authority (NHHFA) Point

System to determine rent reasonableness. Points will be used to categorize the units and a dollar spread will be assigned to the point spread. The CHA will then complete a rent reasonable checklist at inspection, assigning points for the comparison criteria. A rent will be determined reasonable if it falls within the Point/Rent range established by the NHHFA Plan. A rent reasonableness rating table is published every year by NHHFA. If the rent requested falls within the range, the unit can be approved. If it does not the owner will have to lower the rent or the unit will be rejected. If the unit is accepted, CHA will place their completed checklist in the file showing the total points earned and the approved range. CHA can request that the owner supply rent comparability information if determined to be needed.

The point value assigned to the nine criteria and how to assess them: Location, quality, size, housing type, age of unit, accessibility for persons with disabilities, amenities provided by owner, facilities supplied by owner, and maintenance and management services provided by owner are all to be evaluated using the descriptions. A form is also provided to gather the information at inspection.

Under the voucher program, CHA will not automatically disqualify a unit because the Contract Rent exceeds the Payment Standard Schedule. If the tenant is prohibited by regulation from renting a unit whose gross rent exceeds the payment standard, CHA will inform the tenant or owner of the problem and rent negotiations will take place. The CHA will inform the household if the rent is unreasonable compared to rent being charged for comparable unassisted units and will reject an unreasonable rent.

The CHA must always apply the Payment Standard for the voucher size approved by the family. CHA has the right to increase the Payment Standards by 110% above the Fair Market Rents, according to HUD regulations. The approval is done every year with a resolution by the CHA Board of Commissioners.

If an owner disputes the reasonableness of the rent approved, the owner can submit documentation such as current leases for other unassisted units subject to the evaluation of the same nine criteria. If they have other comparables in the same area for similar-type unassisted housing they can also submit information on those units. CHA may request any information they deem necessary to support any change in the approved rent. CHA will determine the measure of acceptable documentation and does not need to accept information submitted by an owner that cannot be verified as accurate or genuine. The burden of proof is on the owner to establish comparability if requesting something different than what the point system will support.

FAMILY ABSENCE FROM THE UNIT

Family must give written notice to the CHA of the family's intent to be absent from the unit for 30 consecutive days or more. The notice shall include the anticipated time to be away from the unit and purpose. A vacation absence cannot exceed 30 days. Assistance shall be terminated if absence is due to incarceration, which is the result of drug-related or violent criminal activity. Maximum absence period is not to exceed 180 consecutive calendar days.

The CHA shall verify absences through contact with the owner and neighbors, etc., when informed of an absence from a unit that exceeds the time limit or proper written notification was not received by the CHA of an anticipated absence. A Termination of Assistance notice shall be sent to the family's last known address if the absence is unauthorized or exceeds the time limit established by the CHA. The termination notice shall allow the family the opportunity to request an informal hearing.

REVIEW AND ADJUSTMENT OF ALLOWANCES FOR UTILITIES

Annually, the CHA shall determine if there has been a substantial change in utility rates and other applicable charges to judge whether an adjustment is required in the schedule of allowances for utilities. The CHA shall furnish a copy of the revised utility allowance schedule to HUD. CHA has adopted the New Hampshire Housing Finance Authority Utility Allowance.

No utility allowances will be mailed to participants under the amount of \$20. Only checks for \$20 or more will be mailed to participants unless a participant chooses a bank to bank transfer.

COMPLAINT AND APPEAL PROCEDURE

Tenants

Tenants who feel there has been an error made by the Claremont Housing Authority concerning their eligibility for the HCV/Section 8 Program, or the amount of rent they are charged, family's annual or adjusted income and its use to compute the HAP, appropriate utility allowance (if any) for tenant-paid utilities from the HA's schedule, or any other decision or finding concerning them as HCV/Section 8 participants must present their grievance to the Executive Director, either in person or in writing. Under the provisions of the program, the CHA is not the Landlord. Problems or grievances stemming from lease violations or other problems having to do with the landlord/tenant relationship will not be heard under this procedure. If the alleged error or problem cannot be remedied to the satisfaction of the tenant through the informal presentation to the Executive Director, the tenant has the right to request a hearing.

1. All requests for a hearing must be made in writing and present a brief description of the tenant's grievance.
2. The Executive Director will appoint a Hearing Officer within 10 working days of the date of the written request for a hearing.
3. The Hearing Officer may be any person other than the person who made the decision in question, the person who approved the decision, or their subordinates.
4. The Hearing Officer will set a time and place for the hearing within 10 working days of his/her appointment.
5. The Hearing Officer may regulate the conduct of the hearing, as long as it is in accordance with this Administrative Plan.
6. At his/her own expense, the tenant may be represented by an attorney or any other representative.
7. The Claremont Housing Authority and the tenant shall be given the opportunity to

- present evidence and question any witnesses. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.
8. The CHA will be allowed to copy, at CHA expense, family documents/evidence. If the family does not make the document available, the family may not rely on the document at the hearing
 9. The Hearing Officer shall issue a written decision, stating briefly the reasons for the decision. Factual determinations relating to the individual circumstances of the tenant shall be based on the evidence presented at the hearing. A copy of the decision shall be furnished to the Authority and to the tenant within 10 working days of the hearing.

The CHA is not bound by a hearing decision if:

1. The CHA is not required to provide an opportunity for a hearing.
2. The decision exceeds the authority of the Hearing Officer.
3. The decision is contrary to HUD regulations or requirements.
4. The decision is contrary to federal, state or local law.

If the CHA determines it is not bound by a hearing decision, the CHA must promptly notify the family of the determination and reasons for the determination.

The informal hearing provisions for denial of assistance on the basis of ineligible immigration status are contained in HUD rules regarding restrictions on assistance to non-citizens.

When informal review is not required, the CHA is not required to provide the tenant an opportunity for an informal review for any of the following:

1. Discretionary administrative determinations by the CHA.
2. General policy issues or class grievances.
3. A determination of the family unit size under the CHA subsidy standards.
4. Determination to terminate assistance because the family has been absent from the assisted unit for longer than HUD rules or HA policy allow.

Applicants

Applicants who feel there has been an error made by the Claremont Housing Authority concerning their eligibility for the HCV/Section 8 Program or any other decision or finding concerning them as HCV/Section 8 participants must present their grievance to the Executive Director, either in person or in writing. If the alleged error or problem cannot be remedied to the satisfaction of the applicant through the informal presentation to the Executive Director, the applicant has the right to request a hearing.

1. All requests for a hearing must be made in writing and present a brief description of the applicant's grievance.
2. The Executive Director will appoint a Hearing Officer within 10 working days of the date of the written request for a hearing.
3. The Hearing Officer may be any person other than the person who made the decision in

- question, the person who approved the decision, or their subordinates.
4. The Hearing Officer will set a time and place for the hearing within 10 working days of his/her appointment.
 5. The Hearing Officer may regulate the conduct of the hearing, as long as it is in accordance with this Administrative Plan.
 6. At his/her own expense, the applicant may be represented by an attorney or any other representative.
 7. The Claremont Housing Authority and the applicant shall be given the opportunity to present evidence and question any witnesses. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.
 8. The CHA will be allowed to copy, at CHA expense, family documents/evidence. If the family does not make the document available, the family may not rely on the document at the hearing
 9. The Hearing Officer shall issue a written decision, stating briefly the reasons for the decision. Factual determinations relating to the individual circumstances of the applicant shall be based on the evidence presented at the hearing. A copy of the decision shall be furnished to the Authority and to the applicant within 10 working days of the hearing.

The CHA is not bound by a hearing decision if:

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When informal review is not required, the CHA is not required to provide the applicant an opportunity for an informal review for any of the following:

1. Discretionary administrative determinations by the CHA.
2. General policy issues or class grievances.
3. A determination of the family unit size under the CHA subsidy standards.

USE OF SPECIAL HOUSING TYPES (i.e. shared housing, single room occupancy, etc.)

The following are the special housing types:

1. Single room occupancy (SRO)
2. Congregate housing
3. Group home
4. Shared housing
5. Cooperative (including mutual housing)

6. Manufactured home

The CHA is required to permit use of any special housing type if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities in accordance with 24 CFR part 8.

HOMEOWNERSHIP PROGRAM

CHA actively supports a Homeownership Program and has informed all of its voucher holders about it. Those who wish to get more information can schedule a meeting with CHA staff, who explain the program in more detail and direct those who wish to apply to New Hampshire Housing Finance Authority, which administers the program on a statewide basis.

WHEN A FAMILY IS CONSIDERED “CONTINUOUSLY ASSISTED”

It is CHA’s policy to re-issue the client’s voucher when payment is stopped for HQS violations and the family has 60 days to locate a new unit. The family may be eligible for extensions in accordance with CHA policy.

The CHA shall allow tenants to move from one program to another when:

1. The tenant has made the request in writing.
2. The request states why they wish to change programs.
3. The tenant is disabled and feels changing programs is made as an accommodation.
4. The tenant is eligible and qualifies for the program they are requesting.
5. The tenant has not been evicted, or lost their subsidy, due to non-compliance.

The Executive Director will review each case individually, and shall provide written approval to the program administrator.

ASSISTING A FAMILY THAT CLAIMS “ILLEGAL DISCRIMINATION” HAS PREVENTED IT FROM LEASING A UNIT

A family that claims “illegal discrimination” has prevented them from leasing a unit will be referred to HUD or New Hampshire Legal Assistance and will be directed to fill out the Discrimination Form in their briefing packet and to mail it to HUD. If the person is not a voucher holder from CHA, they will be referred to HUD or New Hampshire Legal Assistance and a Discrimination Form will be sent.

PROVIDING INFORMATION TO PROSPECTIVE OWNERS ABOUT THE FAMILY

The Claremont Housing Authority will notify prospective landlords of the family’s current and previous landlord, if known. It is the Owner’s responsibility to screen the family’s behavior or suitability for tenancy.

RESPONSIBILITIES

Claremont Housing Authority

The CHA does not authorize or deny evictions but must be notified of them. The CHA will then try to resolve the dispute; if the dispute cannot be resolved, then the eviction will proceed.

The CHA shall be responsible for the following:

1. Administration and enforcement of contracts with owners and taking of appropriate actions in case of noncompliance or default.
2. Public invitation of owners to make dwelling units available for leasing by eligible families and development of working relationships and contracts with landlords.
3. The CHA will inspect each dwelling unit leased to a family at least annually to assure

the landlord is maintaining the unit in decent, safe and sanitary condition and providing the agreed-upon utilities and other services. The CHA will notify the landlord in writing of any items failing to pass the Housing Quality Standards (HQS) inspections. If the owner or tenant requests a special inspection, the CHA will conduct one. The CHA will maintain records that document all inspections.

4. The landlord may request an annual increase in the contract rent as of the anniversary date of the lease. CHA shall notify landlord annually that they may request an annual increase in the contract rent.
5. The CHA will issue HAP payments to the owners in a timely manner. If CHA is late a late fee will be charged and paid by CHA as stated in the Owner's lease.

Owner

The owner shall be responsible for performing all of his/her obligations under the contract and lease. The owner's responsibilities shall include but not be limited to:

1. Performance of all management and rental functions.
2. Payment for utilities and services (unless paid directly by family).
3. Performance of all ordinary and extraordinary maintenance.
4. Collection of family rents.
5. Preparation and furnishing of information required under the contract.
6. Compliance by the owner with equal opportunity requirements.
7. Compliance with lease and contract.
8. Performance of all ordinary and extraordinary maintenance in order to keep unit in decent, safe and sanitary condition.
9. Cooperate with CHA to accomplish inspections and repairs.

Family

1. Supply such certification, release, information or documentation as the CHA or HUD determines to be necessary, including the submission of Social Security Numbers and verification of documentation (as provided by 24 CFR part 750), including submission of required evidence of citizenship or eligible immigration status (as provided by 24 CFR part 812) and information as required for an annual or interim reexamination of family income and composition.
2. Comply with lease.
3. Allow the CHA to inspect the dwelling unit at reasonable times and after reasonable notice of 48 hours.
4. Notify the CHA before vacating the dwelling unit.
5. Use the dwelling unit solely for residence by the family and as the family's principal place of residence, and not assign the lease or transfer the unit.
6. Keep the unit in decent, safe and sanitary condition and cooperate with owner and CHA to accomplish inspection and repairs.
7. Report violations to CHA if owner refuses to make repairs.
8. Report change in family composition within ten (10) days for CHA approval.
9. Notify and give a copy of any owner eviction notice to the CHA within five (5) days of

- receiving notification.
10. Supply the CHA purposes of family absences and notify the CHA of any such absences from the unit within ten (10) days of the occurrence.
 11. Any member of the household or guest that causes damage to the dwelling unit or premises (beyond normal wear and tear) is responsible for any breach in the Housing Quality Standards.
 12. The family must not commit any serious or repeated lease violations.

ACCOUNTING, INTERNAL CONTROL AND REPORTING

1. Accounting functions will be handled by the Fee Accountant under contract to the CHA.
2. Financial files will be maintained separately from other programs to ensure accurate record keeping, and all required HUD financial forms will be filed.
3. Internal Control Plan for payments to owners will consist of master checklist of the owners, landlord payment amount and re-certification dates.
4. Required reporting documents will be filed by the CHA as necessary.
5. As required by the Annual Contributions Contract and Department of HUD Handbook, the CHA will keep an Operating Reserve Account separate from the regular operating funds. This account will be credited with earned administrative fees that exceed expenditures for program administration. If at any time administrative costs for the program exceed the earned administrative fees, those costs will be paid out of the Operating Reserves.

Operating Reserves not necessary to cover excess administrative costs may be expended for other housing purposes. Where the proposed expenditure is less than \$500.00, determination of the necessity of the expenditure may be made by the Executive Director without further approval from the Board of Commissioners. For proposed expenditures of \$500.00 or more, approval from the Board of Commissioners, in the form of a motion at a legally convened meeting, must be obtained before the funds can be obligated or expended.

POLICIES AND PROCEDURES

The Policies and Procedures set forth herein shall be interpreted, implemented and acted upon in relation to the law of the United States and the State of New Hampshire, and to all rules, regulations and policies enacted, enforced or promulgated by the U.S. Department of HUD.

The policies outlined herein shall be amended only by the affirmative vote of a majority of the CHA's Board of Commissioners.

LEAD PAINT POLICY

The CHA has established procedures to comply with the federal regulations of 24 CFR pertaining to the identification and treatment of lead-based paint hazards on the program.

REASONABLE ACCOMMODATION

Sometimes people with disabilities may need a reasonable accommodation in order to take full advantage of the Claremont Housing Authority housing program. When such accommodations are granted they do not confer special treatment or advantage for the person with a disability; rather, they make the program fully accessible to them in a way that would otherwise not be possible due to their disability. This policy clarifies how people can request accommodations and the guidelines the CHA will follow in determining whether it is reasonable to provide a requested accommodation. Because disabilities are not always apparent, the CHA will ensure that all applicants/tenants are aware of the opportunity to request reasonable accommodations.

Request for Reasonable Accommodation Forms will be available to applicants and tenants. Any notification requesting action by applicants or tenants must be in writing. All decisions granting or denying requests will be in writing.

PROJECT-BASED VOUCHERS

INTRODUCTION

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

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

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

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

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

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

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

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

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

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

PART I: GENERAL REQUIREMENTS

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

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

PHA Policy

The PHA may operate a project-based voucher program using up to 20 percent of its authorized units for project-based assistance.

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

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

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

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

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

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

PHA Policy

The PHA will not set aside units above the 20 percent program limit.

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

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

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

PHA Policy

The PHA will project-base up to 100% of former Public Housing units.

17-I.B. TENANT-BASED VS. PROJECT-BASED VOUCHER ASSISTANCE

[24 CFR 983.2]

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

PHA Policy

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

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

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

The cost of required relocation assistance may be paid with funds provided by the owner, local public funds, or funds available from other sources. PHAs may not use voucher program funds to cover relocation costs, except that PHAs may use their administrative fee reserve to pay for relocation expenses after all other program administrative expenses are satisfied, and provided that payment of the relocation benefits is consistent with state and local law. Use of the administrative fee for these purposes must also be consistent with other legal and regulatory requirements, including the requirement in 24 CFR 982.155 and other official HUD issuances. The acquisition of real property for a PBV project is subject to the URA and 49 CFR part 24, subpart B. It is the responsibility of the PHA to ensure the owner complies with these requirements.

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

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

PART II: PBV OWNER PROPOSALS

17-II.A. OVERVIEW

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

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

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

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

Units Selected Non-Competitively [FR Notice 1/18/17; Notice PIH 2017-21]

For certain public housing projects where the PHA has an ownership interest or control and will spend a minimum amount per unit on rehabilitation or construction, the PHA may select a project without following one of the two processes above.

PHA Policy

The PHA *intends to project base units non-competitively as described above.*

- *Under this provision, the PHA may submit a proposal for project-based housing that is owned or controlled by the PHA as described above. If the proposal is for PHA-owned housing, the PHA will use an independent entity approved by HUD as required under the regulations. The PHA will obtain HUD approval of the independent entity prior to selecting the proposal for PHA-owned housing.*

- The PHA will detail the work it plans to do on the public housing property or site as well as how many units it plans to project-base at the property or site through the annual and/or five-year plan process.
- The PHA will ensure that any PHA-owned existing housing substantially complies with HQS. The PHA defines *substantially complies with HQS* as units with no life-threatening violations that will pass HQS prior to PBV HAP contract execution or at the end of the construction period.

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

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

PHA Policy

PHA Request for Proposals for Rehabilitated and Newly Constructed Units

The PHA will advertise its request for proposals (RFP) for rehabilitated and newly constructed housing in the following newspapers and trade journals.

Eagle Times

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

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

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

The PHA will rate and rank proposals for rehabilitated and newly constructed housing using the following criteria:

Owner experience and capability to build or rehabilitate housing as identified in the RFP;

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

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

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

PHA Requests for Proposals for Existing Housing Units

The PHA will advertise its request for proposals (RFP) for existing housing in the following newspapers and trade journals.

Eagle Times

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

The PHA will periodically publish its advertisement in the newspapers and trade journals mentioned above for at least one day per week for three consecutive weeks.

The advertisement will specify the number of units the PHA estimates that it will be able to assist under the funding the PHA is making available. Owner proposals will be accepted on a first-come first-served basis and will be evaluated using the following criteria:

Experience as an owner in the tenant-based voucher program and owner compliance with the owner's obligations under the tenant-based program;

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

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

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

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

The PHA will accept proposals for PBV assistance from owners that were competitively selected under another federal, state or local housing assistance program, including projects that were competitively awarded Low-Income Housing Tax Credits on an ongoing basis.

The PHA may periodically advertise that it is accepting proposals, in the following newspapers and trade journals.

Eagle Times

In addition to, or in place of advertising, the PHA may also directly contact specific owners that have already been selected for Federal, state, or local housing assistance based on a previously held competition, to inform them of available PBV assistance. Proposals will be reviewed on a first-come first-served basis. The PHA will evaluate each proposal on its merits using the following factors:

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

Extent to which the proposal complements other local activities such as the redevelopment of a public housing site under the HOPE VI program, the HOME program, CDBG activities, other development activities in a HUD-designated Enterprise Zone, Economic Community, or Renewal Community.

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

A PHA-owned unit may be assisted under the PBV program only if the HUD field office or HUD-approved independent entity reviews the selection process and determines that the PHA-owned units were appropriately selected based on the selection procedures specified in the PHA administrative plan. If the PHA selects a proposal for housing that is owned or controlled by the PHA, the PHA must identify the entity that will review the PHA proposal selection process and perform specific functions with respect to rent determinations and inspections. In the case of PHA-owned units, the term of the HAP contract and any HAP contract renewal must be agreed upon by the PHA and a HUD-approved independent entity. In addition, an independent entity must determine the rent to owner, the redetermined rent to owner, and reasonable rent. Housing quality standards inspections must also be conducted by an independent entity.

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

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

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

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

PHA Policy

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

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

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

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

17-ILC. HOUSING TYPE [24 CFR 983.52]

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

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

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

Ineligible Housing Types [24 CFR 983.53]

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

Subsidized Housing [24 CFR 983.54]

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

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

17-II.E. SUBSIDY LAYERING REQUIREMENTS [24 CFR 983.55, FR Notice 11/24/08, FR Notice 7/9/10, and FR Notice 6/25/14]

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

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

Subsidy layering requirements do not apply to existing housing. A further subsidy layering review is not required for new construction or rehabilitation if HUD's designee has conducted a review that included a review of PBV assistance in accordance with the PBV subsidy layering guidelines.

The PHA must submit the necessary documentation to HUD for a subsidy layering review. Except in cases noted above, the PHA may not enter into an agreement to enter into a HAP contract or a HAP contract until HUD, or a HUD-approved housing credit agency (HCA), has conducted any required subsidy layering review and determined that the PBV assistance is in accordance with HUD subsidy layering requirements. However, in order to satisfy applicable requirements, HCAs must conduct subsidy layering reviews in compliance with the guidelines set forth in the *Federal Register* notice published July 9, 2010.

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

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

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

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

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

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

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

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

Supportive Services

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

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

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

PHA Policy

The PHA does not have any PBV that are subject to the per project cap exception.

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

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

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

PHA Policy:

The PHA will not provide assistance for excepted units. Beyond that, the PHA will not impose any further cap on the number of PBV units assisted per project.

17-II.G. SITE SELECTION STANDARDS

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

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

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

PHA Policy

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PART III: DWELLING UNITS

17-III.A. OVERVIEW

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

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

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

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

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

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

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

The housing must comply with program accessibility requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR part 8.

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

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

17-III.D. INSPECTING UNITS

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

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

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

The PHA must inspect each contract unit before execution of the HAP contract. The PHA may not enter into a HAP contract covering a unit until the unit fully complies with HQS.

Turnover Inspections [24 CFR 983.103(c), FR Notice 1/18/17, and Notice PIH 2017-20]

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

PHA Policy

The PHA will not provide assistance in turnover units until the unit fully complies with HQS.

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

At least once every 24 months during the term of the HAP contract, the PHA must inspect a random sample consisting of at least 20 percent of the contract units in each building to determine if the contract units and the premises are maintained in accordance with HQS. Turnover inspections are not counted toward meeting this inspection requirement.

PHA Policy

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

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

Other Inspections [24 CFR 983.103(e)]

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

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

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

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

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

PART IV: REHABILITATED AND NEWLY CONSTRUCTED UNITS

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

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

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

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

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

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

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

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

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

Execution of the Agreement [24 CFR 983.153]

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

PHA Policy

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

17-IV.C. CONDUCT OF DEVELOPMENT WORK

Labor Standards [24 CFR 983.154(b)]

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

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

Equal Opportunity [24 CFR 983.154(c)]

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

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

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

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

17-IV.D. COMPLETION OF HOUSING

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

Evidence of Completion [24 CFR 983.155(b)]

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

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

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

PHA Policy

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

PHA Acceptance of Completed Units [24 CFR 983.156]

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

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

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

PART V: HOUSING ASSISTANCE PAYMENTS CONTRACT (HAP)

17-V.A. OVERVIEW

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

17-V.B. HAP CONTRACT REQUIREMENTS

Contract Information [24 CFR 983.203]

The HAP contract must specify the following information:

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

Execution of the HAP Contract [24 CFR 983.204]

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

PHA Policy

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

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

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

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

PHA Policy

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

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

PHA Policy

When determining whether or not to extend an expiring PBV contract, the PHA will consider several factors including, but not limited to:

The cost of extending the contract and the amount of available budget authority;

The condition of the contract units;

The owner's record of compliance with obligations under the HAP contract and lease(s);

Whether the location of the units continues to support the goals of deconcentrating poverty and expanding housing opportunities; and

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

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

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

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

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

Termination by Owner [24 CFR 983.205(d)]

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

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

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

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

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

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

PHA Policy

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

17-V.C. AMENDMENTS TO THE HAP CONTRACT

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

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

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

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

PHA Policy

The addition of contract units to an existing HAP contract will be negotiated with the owner on a case-by-case basis.

For former Public Housing projects converted to PBV under RAD or SVC models, the PHA will add units up to the applicable limit.

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

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

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

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

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

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

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

17-V.F. ADDITIONAL HAP REQUIREMENTS

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

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

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

PHA Policy

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

Vacancy Payments [24 CFR 983.352(b)]

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

PHA Policy

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

PART VI: SELECTION OF PBV PROGRAM PARTICIPANTS

17-VI.A. OVERVIEW

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

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

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

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

PHA Policy

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

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

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

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

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

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

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

PHA Policy

The PHA will use one waiting list for both the tenant-based and project-based voucher programs.

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

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

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

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

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

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

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

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

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

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

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

PHA Policy

The PHA will provide a selection preference when required by the regulation (e.g., eligible in-place families, elderly families or units with supportive services, or mobility impaired persons for accessible units). The PHA will not offer any additional preferences for the PBV program or for particular PBV projects or units.

17-VI.E. OFFER OF PBV ASSISTANCE

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

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

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

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

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

Acceptance of Offer [24 CFR 983.252]

Family Briefing

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

Persons with Disabilities

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

Persons with Limited English Proficiency

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

17-VI.F. OWNER SELECTION OF TENANTS

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

Leasing [24 CFR 983.253(a)]

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

Filling Vacancies [24 CFR 983.254(a)]

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

PHA Policy

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

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

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

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

PHA Policy

If any contract units have been vacant for 120 days, the PHA will give notice to the owner that the HAP contract will be amended to reduce the number of contract units that have been vacant for this period. The PHA will provide the notice to the owner within 10 business days of the 120th day of the vacancy. The amendment to the HAP contract will be effective the 1st day of the month following the date of the PHA's notice.

17-VI.G. TENANT SCREENING [24 CFR 983.255]

PHA Responsibility

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

PHA Policy

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

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

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

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

PHA Policy

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

Owner Responsibility

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

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

- **PART VII: OCCUPANCY**

17-VII.A. OVERVIEW

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

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

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

Form of Lease [24 CFR 983.256(b)]

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

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

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

PHA Policy

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

Lease Requirements [24 CFR 983.256(c)]

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

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

Tenancy Addendum [24 CFR 983.256(d)]

The tenancy addendum in the lease must state:

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

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

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

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

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

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

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

Owner Termination of Tenancy [24 CFR 983.257]

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

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

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

Continuation of Housing Assistance Payments [24 CFR 982.258]

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

PHA Policy

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

Security Deposits [24 CFR 983.259]

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

PHA Policy

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

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

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

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

17-VII.C. MOVES

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

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

PHA Policy

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

PBV assistance in the same building or project

Tenant-based voucher assistance

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

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

PHA Policy

When the PHA offers a family another form of assistance that is not a tenant-based voucher, the family will be given 30 days from the date of the offer to accept the offer and move out of the PBV unit. If the family does not move out within this 30-day time frame, the PHA will terminate the housing assistance payments at the expiration of this 30-day period.

The PHA may make exceptions to this 30-day period if needed for reasons beyond the family's control such as death, serious illness, or other medical emergency of a family member.

Family Right to Move [24 CFR 983.261]

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

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

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

Emergency Transfers under VAWA [Notice PIH 2017-08]

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

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

PHA Policy

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

The PHA will first try to transfer the participant to another PBV unit in the same development. The PHA will expedite the administrative processes in this case in an effort to conduct the transfer as quickly as possible.

If no units are available for an internal transfer, or if there is reasonable cause to believe that such a transfer would put the victim in jeopardy, the participant may receive continued assistance through an external transfer to tenant-based rental assistance (HCV). Such a decision will be made by the PHA based on the availability of tenant-based vouchers. Such families must be selected from the waiting list for the applicable program. The PHA has adopted a waiting list preference in its HCV program in order to expedite this process. See Section 4-III.C. of this administrative plan.

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

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

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

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

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

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

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

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

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

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

PHA Policy

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

In all other cases, the PHA will provide written notice to the family and owner within 10 business days of making the determination. The family will be given 30 days from the date of the notice to move out of the PBV unit. If the family does not move out within this 30-day time frame, the PHA will terminate the housing assistance payments at the expiration of this 30-day period.

The PHA may make exceptions to this 30-day period if needed for reasons beyond the family's control such as death, serious illness, or other medical emergency of a family member.

PART VIII: DETERMINING RENT TO OWNER

17-VIII.A. OVERVIEW

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

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

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

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

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

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

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

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

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

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

Definitions

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

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

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

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

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

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

PHA Policy

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

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

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

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

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

PHA Policy

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

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

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

While small area FMRs (SAFMRs) do not apply to PBV projects, PHAs that operate a tenant-based program under SAFMRs may apply SAFMRs to all future PBV HAP contracts. If the PHA adopts this policy, it must apply to all future PBV projects and the PHA's entire jurisdiction. The PHA and owner may not subsequently choose to revert back to use of the FMRs once the SAFMRs have been adopted, even if the PHA subsequently changes its policy. Further, the PHA may apply SAFMRs to current PBV projects where the notice of owner selection was made on or before the effective date of PHA implementation, provided the owner is willing to mutually agree to doing so and the application is prospective. The PHA and owner may not subsequently choose to revert back to use of the FMRs once the SAFMRs have been adopted, even if the PHA subsequently changes its policy. If rents increase as a result of the use of SAFMRs, the rent increase may not be effective until the first anniversary of the HAP contract.

PHA Policy

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

Redetermination of Rent [24 CFR 983.302]

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

Rent Increase

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

PHA Policy

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

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

Rent Decrease

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

Notice of Rent Change

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

PHA Policy

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

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

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

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

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

When Rent Reasonable Determinations Are Required

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

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

How to Determine Reasonable Rent

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

Comparability Analysis

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

PHA-Owned Units

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

Owner Certification of Reasonable Rent

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

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

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

Other Subsidy [24 CFR 983.304]

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

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

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

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

Combining Subsidy

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

Rent Control [24 CFR 983.305]

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

PART IX: PAYMENTS TO OWNER

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

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

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

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

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

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

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

PHA Policy

If the PHA determines that the owner is responsible for a vacancy and, as a result, is not entitled to the keep the housing assistance payment, the PHA will notify the landlord of the amount of housing assistance payment that the owner must repay. The PHA will require the owner to repay the amount owed in accordance with the policies in Section 16-IV.B.

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

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

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

PHA Policy

If an owner's HAP contract calls for vacancy payments to be made, and the owner wishes to receive vacancy payments, the owner must have properly notified the PHA of the vacancy in accordance with the policy in Section 17-VI.F regarding filling vacancies.

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

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

The tenant rent is the portion of the rent to owner paid by the family. The amount of tenant rent is determined by the PHA in accordance with HUD requirements. Any changes in the amount of tenant rent will be effective on the date stated in the PHA notice to the family and owner. The family is responsible for paying the tenant rent (total tenant payment minus the utility allowance). The amount of the tenant rent determined by the PHA is the maximum amount the owner may charge the family for rental of a contract unit. The tenant rent covers all housing services, maintenance, equipment, and utilities to be provided by the owner. The owner may not demand or accept any rent payment from the tenant in excess of the tenant rent as determined by the PHA. The owner must immediately return any excess payment to the tenant.

Tenant and PHA Responsibilities

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

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

Utility Reimbursements

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

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

PHA Policy

The PHA will make utility reimbursements to the family.

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

Meals and Supportive Services

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

In assisted living developments receiving PBV assistance, the owner may charge for meals or supportive services. These charges may not be included in the rent to owner, nor may the value of meals and supportive services be included in the calculation of the reasonable rent.

However, non-payment of such charges is grounds for termination of the lease by the owner in an assisted living development.

Other Charges by Owner

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

EXHIBIT 17-1: PBV DEVELOPMENT INFORMATION

(Fill out one for each development)

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

DEVELOPMENT INFORMATION

Development Name: [Insert name of PBV development]

Address: [Insert full address of PBV development]

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

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

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

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

HAP CONTRACT

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

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

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

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

PBV UNITS

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

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

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

Excepted Units: [Identify excepted unit types below or enter “None”]
Supportive Services: [Enter “Yes, see Exhibit D of HAP Contract” or enter “No”]
Elderly Units: [Enter “Yes” or “No.” If yes, identify which units are elderly units.]
Disabled Units (only for HAP contracts executed prior to April 18, 2017) [Enter “Yes” or “No.” If yes, identify which units are for persons with disabilities.]
Are units excepted because they are located in a low-poverty census tract area?: [Enter “Yes” or “No”]

WAITING LIST AND SELECTION

Waiting List Type: [Enter “Site-based waiting list,” “Combined with HCV,” “Waiting list for entire PBV program,” or “Merged with another assisted housing program”]
Preferences: [Enter “Same as HCV; see Chapter 4” or describe preferences offered. If different from HCV, also note in Section 17.1.B of this policy.]
Preference Verification: [Enter “Same as HCV; see Chapter 4” or describe for each preference listed above. If different from HCV, note in Section 17.1.B of this policy.]
For the PBV program, is the income limit the same as the HCV program? (Note: In mixed finance developments, other income limits may also apply.) [Enter “Same as HCV; see Chapter 3” or clearly describe. If different from HCV, note in Section 17.1.B of this policy.]

OCCUPANCY

Subsidy Standards: [Enter “Same as HCV; see Chapter 5” or describe. If different from HCV, note in Section 17.1.B of this policy]
Utilities: [Enter in accordance with HAP contract Exhibit C]
Vacancy Payments: [Enter in accordance with HAP contract Part 1, e, 2 and Section 17-V.F. within this chapter]

ACRONYMS

- AAF: Annual Adjustment Factor. A factor published by HUD in the Federal Register, which is used to compute annual rent adjustment.
- ACC: Annual Contributions Contract
- ADA: Americans with Disabilities Act of 1990
- AIDS: Acquired Immune Deficiency Syndrome
- BR: Bedroom
- CDBG: Community Development Block Grant
- CFR: Code of Federal Regulations. Commonly referred to as “the regulations.” The compilation of Federal rules which are first published in the Federal Register and define and implement a statute.
- CHA: Claremont Housing Authority
- CPD: (HUD Office of) Community Planning and Development
- CPI: Consumer Price Index. Published monthly by the Department of Labor as an inflation indicator.
- CR: Contract Rent
- EIV: Enterprise Income Verification
- EOHP: Equal Opportunity Housing Plan
- FDIC: Federal Deposit Insurance Corporation
- FHA: Federal Housing Administration
- FICA: Federal Insurance Contributions Act — Social Security taxes
- FMR: Fair Market Rent
- FY: Fiscal Year
- FYE: Fiscal Year End
- GAO: Government Accounting Office
- GR: Gross Rent
- HA: Housing Authority or Housing Agency
- HAP: Housing Assistance Payment
- HAP Plan: Housing Assistance Payment Plan
- HQS: Housing Quality Standards. The HUD minimum quality standards for housing assisted under the tenant-based programs.
- HUD: Department of Housing and Urban Development
- HCVP: Housing Choice Voucher Program
- IG: Inspector General
- IGR: Independent Group Residence
- PHA: Public Housing Agency
- PS: Payment Standard
- QC: Quality Control
- QHWRA: Quality Housing and Work Responsibility Act of 1998 (also known as the Public Housing Reform Act)
- REAC: (HUD) Real Estate Assessment Center
- RFTA: Request for Tenancy Approval
- SEMAP: Section 8 Management Assessment Program
- SMSA: Standard Metropolitan Statistical Area

- SRO: Single Room Occupancy
- SSA: Social Security Administration
- SSI: Supplement Security Income
- TR: Tenant Rent
- TTP: Total Tenant Payment
- UA: Utility Allowance
- UIVS: Upfront Income Verification System
- URP: Utility Reimbursement Payment
- VAWA: Violence Against Women Act

VI. DEFINITIONS

Absorption: In portability (under subpart H of the part 982): the point at which a **receiving** PHA stops billing the initial PHA for assistance on behalf of a portability family. The receiving PHA uses funds available under the receiving PHA consolidated ACC.

Adjusted Family Income: Adjusted family income means the total family income less the following allowances determined in accordance with HUD instructions (always annual):

1. \$400 for any elderly family.
2. \$480 for each dependent for any family.
3. For any family that is not an elderly family but has a handicapped or disabled member other than head of household or spouse, non-reimbursed handicap assistance expense, in excess of 3 percent of annual income. The deduction may not exceed income earned by all adult family members.
4. For any elderly family, medical expenses in excess of 3 percent of annual income. This 3 percent will include all handicap assistance expenses and medical expenses not reimbursed.
5. Reasonable childcare expenses to enable a family member to work, seek employment, or further his/her education. Childcare expenses to enable a family member to work may not exceed the income earned.

Administrative Plan: The plan that describes PHA policies for administration of the tenant-based programs. The Administrative Plan and any revisions must be approved by the PHA's Board of Commissioners and a copy submitted to HUD as a supporting document to the PHA Plan. See 982.54.

Admission: The point when the family becomes a participant in the program. The date used for this purpose is the effective date of the first HAP contract for a family (first day of initial lease term) in a tenant-based program.

Allowance for Handicapped Assistance Expenses: The amount of Handicapped Assistance Expense in excess of 3 percent of annual income, which enables a family member (including the handicapped or disabled person) to work. The allowance may not exceed the annual income earned by the family member who is enabled to work. Handicapped assistance expenses include costs for care attendants and auxiliary apparatus (e.g., wheelchairs, adaptations to vehicles, special equipment) if directly related to permitting the handicapped person or other family members to work.

Annual Income: Defined in 24 CFR 982.4, which references Part 5.609.

Annual Income after Allowances: The Annual Income (described above) less the HUD-approved allowances. Same as Adjusted Income.

Applicant (applicant family): A family that has applied for admission to a program but is not

yet a participant in the program.

Application: The full and complete family information form signed by the Head of Household. The applicant's signature on the application form certifies that all information provided is complete and accurate.

Assets: The value of equity in real property, savings, stocks, bonds, checking and other forms of capital investment. The value of necessary items of personal property such as furniture and automobiles is not considered an asset.

Authority: The Claremont Housing Authority, a Public Housing Agency in the City of Claremont, New Hampshire (also referred to as the Authority, or CHA).

Child: A member of the family other than the family head or spouse who is under 18 years of age.

Child Care Expenses: Child care expenses are the amounts anticipated to be paid by the family for the care of children under 13 years old during the period for which Annual Income is computed. Childcare expenses are considered only when they enable a family member to be gainfully employed or to further their education. The amount of the deduction shall reflect reasonable charges for child care and shall only be for such amounts that are not otherwise reimbursed. The deduction shall not exceed the amount received for employment.

Citizen: A citizen or national of the United States.

Co-head: An individual in the household who is equally responsible for the lease with the Head of Household. A family may have a Co-head or Spouse but not both. A Co-head never qualifies as a dependent.

Continuously Assisted: An applicant is continuously assisted under the 1937 Act if the family is already receiving assistance under any 1937 Act program when the family is admitted to the voucher program.

Contract Rent: The rent HUD (or the contract administrator) authorizes an owner to collect for a unit occupied by a family receiving assistance. The rent may be paid by the tenant, HUD or both. The term "contract rent" includes Section 236 basic rents, HUD-approved rents for BMIR, Section 202 and Rent Supplement units, and the unit rents specified in an HCV/Section 8 HAP contract. The contract rent is listed on the project's HUD-approved rent schedule (Form HUD-92458) or HAP contract. In the HCV/Section 8 Voucher Program, Contract Rent is the total rent paid to the owner, including the tenant payment and the HAP payment from the PHA.

Criminal Activity: Any 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 other criminal activity which may threaten the health or safety or 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,

subcontract or agent).

Currently Engaging In: With respect to behavior such as illegal use of a drug, other drug-related criminal activity, or other criminal activity; currently engaging in means that the individual has engaged in the behavior recently enough to justify a reasonable belief that the individual's behavior is current.

Disabled Person: Disabled person means a person who is under a disability as defined in Section 223 of the Social Security Act, or in Section 102 (5) of the Developmental Disabilities Services and Facilities Construction Amendments of 1970, or is handicapped as defined in this section. Section 223 of the Social Security Act defines disability as:

1. Inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to last for a continuous period of not less than 12 months; or
2. In the case of an individual who has attained the age of 55 and is blind (within the meaning of "blindness" as defined in Section 416 (i) (1) of this title), inability by reason of such blindness to engage in substantial gainful activity in which he/she has previously engaged with some regularity and over a substantial period of time.

Section 102(5) of the Development Disabilities Services and Facilities Construction Amendments of 1970 defines disability as:

"A disability attributable to mental retardation, cerebral palsy, epilepsy, or another neurological condition of an individual found by the Secretary of Health, Education and Welfare to be closely related to mental retardation or to require treatment similar to that required for mentally retarded individuals, which disability originates before such individual attains age 18, which has continued or can be expected to continue indefinitely, and which constitutes a substantial handicap to such individual."

Displaced Person: A person displaced by government action or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster or otherwise formally recognized pursuant to Federal Disaster Relief Laws.

Drug-Related Criminal Activity: The illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute or use the drug (as defined in section 102 of the Controlled Substance Act (21 U.S.C. 802)).

Elderly Family: Elderly family means a family whose head or spouse or whose sole member is least 62 years of age, disabled and/or handicapped as defined in this section. This may include two or more elderly, disabled or handicapped persons living together or one or more such persons living with one or more live-in aides who is determined to be essential to his/her care and well-being.

Elderly Person: A person who is at least 62 years of age.

Excess Medical Expenses: Any medical expenses incurred by elderly families only in excess of 3% of Annual Income which are not reimbursable from any other source.

Extremely Low-Income Family: A family whose annual income does not exceed 30 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD may establish income ceilings higher or low than 30 percent of median income if HUD finds such variations are necessary due to unusually high or low family incomes. (CFR5.603)

Fair Market Rent (FMR): Defined in 24 CFR Part 5.100.

Family Composition: A “family” may be a single person or a group of persons. A “family” includes a family with a child or children or group of persons consisting of two or more elderly persons or disabled persons living together, or one or more elderly or disabled persons living with one or more live-in aides.

Family Income: Family income means income from all sources of the head of household, spouse and each additional member of the family living in the household who is at least 18 years of age. Specifically, the family income is the income from these sources, which is anticipated to be received during the 12-month period following admission or re-examination of the family. Family income does not include income which is temporary, non-recurring, sporadic or ineligible by the Secretary of the U.S. Department of Housing and Urban Development guidelines as defined in this section.

Family income shall include income from any member of the household temporarily absent from the home as determined by the CHA. Total income includes but is not limited to the following:

1. The frill amount (before any payroll deductions) of wages and salaries including compensation for overtime and other compensation for personal services (such as commissions, fees, tips, and bonuses).
2. Net income from operation of a business or profession (expenditures for business expansion or amortization of capital indebtedness shall not be deducted to determine net income from a business). Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.
3. Interest, dividends and net income of any kind from real or personal property. Interest of such assets shall be computed on actual percentage received annually on the value of the assets. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net assets in excess of \$5,000, family income shall include the greater of the actual income derived from all new assets or a percentage value of such assets based on the current passbook savings rate as determined by the Secretary of HUD.
4. The full amount received from annuities, periodic payments from insurance policies, retirement income, pensions, periodic benefits from disability or death, Social Security

- benefits and similar periodic receipts including a lump-sum payment or the delayed start of a periodic payment such as Social Security or pension, etc.
5. Payment in lieu of earnings such as unemployment and disability compensation, Social Security disability benefits, worker's compensation and severance pay.
 6. Welfare assistance payments.
 7. Periodic and determinable allowances such as alimony, child support and regular contributions of gifts, including amounts received from persons not living in the dwelling.
 8. All regular pay, special payments and allowances of a member of the Armed Forces whether or not they are living in the dwelling.
 9. Any earned income tax credit to the extent it exceeds income tax liability. All income shall be verified by third-party verification.

Family Unit Size: The appropriate number of bedrooms for a family. Family unit size is determined by the Housing Authority under the occupancy standards.

Federally Assisted Housing: Housing as defined in Part 5.100.

Full-Time Student: Full-time student means a person who is carrying a subject load which is considered full time for day students under the standards and practices of the educational institution attended. This includes a vocational school with diploma or certificate program and an institution offering a college degree.

HAP Contract: Housing Assistance Payments Contract.

Homeless Family: A homeless family is a family that lacks a fixed, regular and adequate night-time residence and also has a primary night-time residence that is a supervised publicly/private operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters and transitional housing), an institution that provides a temporary residence for individuals intended to be institutionalized, or a public/private place not designed for or ordinarily used for sleeping by human beings. A homeless family does not include an individual imprisoned or otherwise detained pursuant to an Act of Congress or a State law.

Head of Household: An adult, 18 years of age or older, whom the members of the family have routinely looked to as the head of the family, and who is legally competent to sign a binding contract.

Housing Agency (HA): A State, county, municipality or other governmental entity or public body (or agency or instrumentality thereof) authorized to engage in or assist in the development or operation of low-income housing. ("PHA" and "HA" mean the same thing.)

Housing Quality Standards: The HUD minimum quality standards for housing assisted under the tenant-based programs.

HUD: The U.S. Department of Housing and Urban Development.

Initial PHA: In portability, the term refers to both: (1) a PHA that originally selected a family that later decides to move out of the jurisdiction of the selecting PHA; and (2) a PHA that absorbed a family that later decides to move out of the jurisdiction of the absorbing PHA.

Jurisdiction: The area in which the PHA has authority under State and local law to administer the program. CHA can go outside the jurisdiction up to six miles.

Live-in Aide: A person who lives with an elderly, disabled or handicapped person or persons and who is a) determined by the CHA to be essential to the care and well-being of the person(s); b) not obligated for support of the person(s); and c) living in the unit solely to provide necessary supportive services and not obligated for the support of the persons. A live-in aide shall not be listed on the lease and shall not become a remaining family member for continued occupancy purposes. The income of a live-in aide shall not be counted in determining the family's income.

Low-Income Family: A low-income family is a family whose income does not exceed 80% of the median family income for the area as determined by HUD with adjustments for smaller or larger families, except that HUD may establish income limits higher or lower than 80% for areas with unusually high or low incomes.

Medical Expenses: Medical expenses are those incurred by elderly and/or disabled families in excess of 3% of their annual income, and which are not reimbursable from any other source and for which the tenant has or shall be making payment for. Medical expenses will be considered a deduction for elderly and disabled families only. Medical expenses (including medical insurance premiums) are those anticipated during the period for which the family income is computed and that are not covered by insurance. The medical expense must be for a long-term condition that is verified by a physician.

Prescription costs shall be verified by the pharmacy by requesting a computer printout of the last 12 months when possible. New prescriptions shall be verified in writing from the pharmacy when possible. Amounts owed to hospitals and doctors that are being repaid over a period of time shall be verified by a re-payment agreement between both parties and shall be re-verified at each re-certification that payments are being made or by verifying a history of payments. If payments stop for any reason, tenant must notify the CHA immediately. For eyeglasses, hearing aids and dentist a copy of the bill and receipt payment, insurance statement showing allowance, and payment if applicable must also be included, and shall be acceptable verification. If the tenant has insurance coverage a copy of the insurance statement showing allowance and payment as well as receipt of payment shall be used as verification of medical bills.

Participant: A family that has been admitted to the voucher program. The family becomes a participant on the effective date of the first HAP contract executed for the family.

Payment Standard: The maximum monthly assistance payment for a family assisted in the voucher program (before deducting the total tenant payment by the family). 24 CFR 982.4.

Person With Disabilities: A person who has a disability as defined in 42 U.S.C. 423; is determined, pursuant to HUD regulations, to have a physical, mental or emotional impairment that: a) is expected to be of long-continued and indefinite duration; b) substantially impedes his or her ability to live independently; c) is of such a nature that the ability to live independently could be improved by more suitable housing conditions; or d) has a developmental disability as defined in 42 U.S.C. 6001. Does not exclude persons who have the disease of acquired immunodeficiency syndrome (AIDS) or any conditions arising from the etiologic agent for AIDS; for purposes of qualifying for low-income housing, does not include a person whose disability is based solely on any drug or alcohol dependence.

Portability: Renting a dwelling unit with HCV/Section 8 tenant-based assistance outside the jurisdiction of the initial PHA.

Pre-Application: The pre-application the family fills out and submits to CHA when they first apply for assistance. The form must be completed in full and signed by the Head of Household. The applicant's signature on the pre-application form certifies that all information provided is complete and accurate.

Public Housing Agency (PHA): Any State, county, municipality, or other government entity or public body, or agency or instrumentality of these entities that is authorized to engage or assist in the development or operation of low-income housing under the 1937 Act.

Reasonable Accommodation: A reasonable accommodation is the granting of changes in CHA's practices, policies or services for persons with disabilities (as defined under 24 CFR 5.403) to allow full use of their housing opportunities.

Reasonable Rent: A rent paid to owner that is not more than rent charged for (1) comparable units in the private unassisted market; and (2) comparable unassisted units in the premises.

Receiving PHA: In portability: a PHA that receives a family selected for participation in the tenant-based program of another PHA. The receiving PHA issues a certificate or voucher and provides program assistance to the family.

Re-certification: Sometimes called re-examination. The process of securing documentation to show that tenants meet the eligibility requirements for continued Federal assistance. The results of re-examination determine the tenant's monthly rent. The process of securing documentation of total family income used to determine the rent the tenant will pay for the next 12 months if there are no additional changes to be reported.

Re-examination: The process of securing documentation to show that tenants meet the eligibility requirements for continued Federal assistance. The results of re-examination determine the tenant's monthly rent. The process of securing documentation of total family income used to determine the rent the tenant will pay for the next 12 months if there are no additional changes to be reported. See "Re-certification."

Re-examination Effective Date: The date established by CHA on which a rent change becomes effective following verification of all income, assets, expenses and circumstances.

Residency Preference: An applicant, or tenant, with a residency preference is defined as: families that live in Claremont, work in Claremont, or have been notified that they are hired to work in Claremont at the time of the application. For the purpose of the waiting list, elderly applicants who were prior tenants of Claremont (within the last five years) or whose son or daughter currently lives in Claremont shall also be allowed the residency preference.

Single Person: A single-person family may be an elderly person, a displaced person, a disabled person or any other single person as noted in 982.201 (c) (4) (1-iv).

Tenancy Addendum: The language required by HUD in addition to the lease between the tenant and the owner.

Tenant: The person or persons (other than a live-in aide) who execute the lease as lessee of the dwelling unit.

Total Tenant Payment (TTP): The total amount the HUD rent formula requires the tenant to pay toward rent and utilities.

Utilities: Utilities means water, electricity, gas, oil, refrigeration and cooking fuels, trash collection and sewage services.

Utility Allowance: An amount determined by the Housing Authority as an allowance for the cost of utilities (not to include telephone and cable TV) payable directly by the tenant, if applicable. If the cost of utilities and other housing services for an assisted unit is not included in the tenant rent but is the responsibility of the family occupying the unit, an amount equal to the estimate made or approved by a PHA or HUD of the monthly cost of a reasonable consumption of such utilities and other services for the unit by an energy-conservative household of modest circumstances consistent with the requirements of a safe, sanitary and healthful living environment.

Utility Reimbursement: In the HCV/Section 8 Voucher program, the portion of the housing assistance payment, which exceeds the amount of rent to owner (negative rent).

Utility Reimbursement Payment: In the pre-merger certificate program, the amount, if any, by which the utility allowance for the unit, if applicable, exceeds the Total Tenant Payment for the family occupying the unit.

Very Low-Income Family: A Low-Income Family whose Annual Income does not exceed 50% of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD may establish income limits higher or lower than 50% of the median income for the area on the basis of its finding that such variations are necessary because of unusually high or low family incomes.

Violence Against Women Act: The law provides in part that criminal activity directly relating to domestic violence, dating violence or stalking, engaged by a member of a tenant's household or any guest or other person under the tenant's control, shall not be cause for termination of assistance, tenancy or occupancy rights if the tenant or an immediate member of the tenant's family is the victim or threatened victim of that abuse. The law also provides that an incident or incidents of actual or threatened domestic violence, dating violence or stalking will not be construed as serious or repeated violations of the lease by the victim or threatened victim of that violence and will not be "good cause" for termination of the assistance, tenancy or occupancy rights of a victim of such violence.

Violent criminal activity: Any criminal activity that has as one of its elements the use, attempted use or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage.

Voucher (rental voucher): A document issued by a PHA to a family selected for admission to the voucher program. This document describes the program and the procedures for PHA approval of a unit selected by the family. The voucher also states obligations of the family under the program.

Voucher Holder: A family holding a voucher with unexpired search time.

Voucher Program: The rental voucher program.

Wrong-size Unit: A unit occupied by a family that does not conform to the HA's subsidy guideline for family size, by being too large or too small compared to the guideline.