



HOUSING CHOICE VOUCHER PROGRAM ADMINISTRATIVE PLAN

2015

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SECTION 1 **STATEMENT OF POLICIES**

1.1 General

The United States Housing Act of 1937 (the “Act”) is responsible for the birth of federal housing program initiatives. The Act was intended to provide financial assistance to states and cities for public works projects, slum clearance and the development of affordable housing for low income residents.

The Section 8 Program was enacted as part of the Housing and Community Development Act of 1974, which re-codified the U.S. Housing Act of 1937. The 1987 Housing and Community Development Act authorized a new version of the Section 8 Program: The Housing Choice Voucher (HCV) Program. The Act continues to be amended from time to time, and its requirements, as they apply to the HCV Program, are described in and implemented throughout this Administrative Plan.

1.2 Public Housing Authority

The HCV Program(s) are federally funded by the U.S. Department of Housing and Urban Development (HUD) and administered for Maricopa County by the Housing Authority of Maricopa County (HAMC). The Housing Authority of Maricopa County is not a federal department or agency. A Public Housing Authority (PHA) is a governmental or public body, created and authorized by the laws of the State of Arizona to develop and operate housing and housing programs for low income families and individuals.

The Housing Authority of Maricopa County entered into an Annual Contributions Contract with HUD to administer the program requirements on behalf of HUD. HAMC is responsible to ensure compliance with federal laws, regulations and notices and must establish local policies and procedures to clarify federal requirements and to ensure consistency in program operations.

1.3 Jurisdiction

The jurisdiction of the Housing Authority of Maricopa County is Maricopa County limits including the following municipalities:

HAMC’s jurisdiction excludes the municipalities of: Chandler; Glendale; Mesa; Scottsdale; and, Tempe outside of County Islands.

Administration of Housing Choice Vouchers outside HAMC’s jurisdiction may only be authorized through an inter-governmental agreement with the corresponding jurisdiction.

1.4 HAMC Mission Statement

The Housing Authority of Maricopa County’s Mission is to improve the quality of life of families and strengthen communities by developing and sustaining affordable housing programs; and to become a leading housing authority by exemplifying best practices,

offering innovative affordable housing programs, and expanding accessibility throughout Maricopa County.

1.5 HCV Program Goals

HAMC has the following goals for the HCV program:

- 1) To expand the supply of assisted housing and apply for additional vouchers as they become available.
- 2) Administer applicable federal and state laws and regulations to achieve high ratings in compliance measurement indicators while maintaining efficiency in program operations to ensure fair and consistent treatment of clients served.
- 3) Provide decent, safe and sanitary housing in compliance with program housing quality standards for very low income families and individuals while ensuring that rents charged by owners are fair, reasonable and affordable.
- 4) Encourage self-sufficiency of participant families and assist in the expansion of family opportunities which address educational, socio-economic, and other human service needs.
- 5) Promote Fair Housing and the opportunity for very low income families of all ethnic backgrounds to experience freedom of housing choice.
- 6) Promote a housing program which maintains quality service and integrity while providing an incentive to private property owners to rent to very low income families.
- 7) Promote a market driven housing program that will help qualified low income families be successful in obtaining affordable housing and increase the supply of housing choices for such families.
- 8) Create positive public awareness and expand the level of family, owner and community support in accomplishing HAMC's Mission.

1.6 Purpose of the Plan

The Administrative Plan is required by HUD. The purpose of the Administrative Plan is to establish policies for carrying out the Programs in a manner consistent with HUD requirements and local goals and objectives contained in HAMC's Agency Plan. This Plan is a part of HAMC's Agency Plan and is available for public review.

This Administrative Plan sets forth HAMC's local policies for operation of the HCV Program(s) in the context of federal law and regulations. It is not intended to repeat the federal requirements. All issues related to the HCV Program not addressed in this document are governed by such federal regulations, HUD Handbooks and guidebooks, notices and other applicable laws.

HAMC is responsible for complying with all changes in HUD regulations pertaining to the HCV Program. If such changes conflict with this Plan, HUD regulations will have precedence.

Applicable regulations include:

- 24 CFR Part 5: General Program Requirements
- 24 CFR Part 8: Nondiscrimination
- 24 CFR Part 982: Section 8 Tenant-Based Assistance: HCV Program
- 24 CFR Part 985: Section 8 Management Assessment Program

The applicable regulations cited and corresponding notices and guidance from HUD make a distinction between mandatory and discretionary policies as follows:

- **Mandatory Policies** are those driven by legislation, regulations, current handbooks, notices and legal opinions.
- **Discretionary Policies** are optional, non-binding guidance, including guidebooks, notices that have expired and recommendations from individual HUD staff.

HUD expects PHA's to comply with and enforce mandatory policies and to make clear optional policies adopted by the PHA. This Administrative Plan is the foundation for those optional policies adopted by HAMC. HUD directions require HAMC to make policy choices in certain areas of program operations that provide guidance and consistency to staff, program applicants, participants and owners.

Administrative Plan Revisions - HAMC will revise this plan as needed to comply with any program changes implemented by HUD throughout the year. These changes shall not constitute a significant modification to the Plan and will not require public notice or comment prior to implementation.

HAMC will review the Plan annually and update any local policies or changes in program operations. These changes will be considered a significant modification and will require public notice and comment and will only be done in conjunction with the Annual Agency Plan.

1.7 Nondiscrimination

It is the policy of HAMC to comply fully with all Federal, State, and local nondiscrimination laws and with the rules and regulations governing Fair Housing and Equal Opportunity in housing and employment including:

- Title VI of the Civil Rights Act of 1964
- Title VIII of the Civil Rights Act of 1968 (as amended by the Community Development Act of 1974 and the Fair Housing Amendments Act of 1988)
- Executive Order 11063
- Section 504 of the Rehabilitation Act of 1973
- The Age Discrimination Act of 1975
- Title II of the Americans with Disabilities Act (to the extent it applies, otherwise Section 504 and the Fair Housing Amendments govern)
- Violence Against Women Reauthorization Act of 2005 and 2013 (VAWA)

HAMC shall not deny any family or individual the equal opportunity to apply for or receive assistance under the HCV Programs on the basis of race, color, sex, religion, creed, national or ethnic origin, age, familial or marital status, handicap or disability or sexual orientation.

HAMC will take steps to assure that families and owners are fully aware of all applicable civil rights laws. HAMC will provide, as part of the briefing process, information to HCV applicants about civil rights requirements and the opportunity to rent in a broad range of neighborhoods.

The Housing Assistance Payments (HAP) Contract informs owners of the requirements not to discriminate against any person because of race, color, religion, sex, national origin, age, familial status, or disability in connection with the contract.

The Housing Authority of Maricopa County shall not:

- a) Deny any family the opportunity to apply for housing, nor deny any qualified applicant the opportunity to lease housing suitable to its needs;
- b) Provide housing which is different from that provided to others;
- c) Subject a person to segregation or disparate treatment;
- d) Restrict a person's access to any benefit enjoyed by others in connection with the housing program;
- e) Treat a person differently in determining eligibility or other requirements for admission;
- f) Steer an applicant or participant toward or away from a particular area based on any of these factors.
- g) Deny a person access to the same level of services.

Applicants or participants who believe that they have been subject to unlawful discrimination may notify HAMC either orally or in writing. HAMC will provide a copy of a discrimination complaint form to the complainant and provide them with information on how to complete and submit the form to HUD's Office of Fair Housing and Equal Opportunity (FHEO). HAMC will make every attempt to remedy any discrimination complaints made against HAMC but if unsuccessful, the same information will be provided to complainants.

1.8 Addressing Barriers to Equal Housing Opportunities

HAMC will ensure that persons with disabilities have full access to HAMC programs and services. No individual with disabilities shall be denied the benefits of, be excluded from participation in, or otherwise be subjected to discrimination because HAMC's facilities are inaccessible to or unusable by persons with disabilities.

1.9 Reasonable Accommodations

An individual with a disability may request a reasonable accommodation anytime during the application process or participation in the HCV Program. HAMC will provide written notification of the right to request a reasonable accommodation on the intake application, re-certification documents and notices of adverse action by HAMC, by including the following language:

“An individual with a disability may request a reasonable accommodation at any time during the application process or participation in the HCV Program by contacting the HAMC office.”

A “reasonable accommodation” is defined as a change, modification, alteration or adaptation in policy, procedures, practice, program or facility that is necessary for a qualified individual with a disability to have the opportunity to participate in, and benefit from, a program or activity.

Reasonable accommodations shall include, but are not limited to, assistance for persons with disabilities in locating appropriate accessible units, referrals to other community agencies that provide such assistance and intervention with property owners to negotiate permission to make reasonable modifications in accordance with all provisions of the law.

If a participant or applicant indicates that an exception, change or adjustment to a rule, policy, practice or service is needed because of a disability, HAMC will treat this indication as a request for a reasonable accommodation and will encourage the family to make that request in writing. HAMC staff will work with the requesting party to complete the Reasonable Accommodation form if necessary.

Verification of Disability - To be eligible to request a reasonable accommodation, the requester must first certify (if apparent) or verify (if not apparent) that they are a person with a disability under the civil rights definition for persons with disabilities.

Third party verification will be obtained from a licensed professional competent to make the determination. HAMC will not inquire about the nature or extent of any disability but will only request information that is necessary to evaluate the disability related need for the accommodation. No medical records will be accepted or retained in the participant file.

After a request for an accommodation is presented, HAMC will respond in writing within 20 business days of receipt of all required documentation. If HAMC denies a request for an accommodation because it is not reasonable (it would impose an undue administrative or financial burden or fundamentally alter the nature of HAMC’s operations), HAMC will advise the family if an alternative accommodation could effectively address the family’s disability related need without an undue hardship.

Undue Burden - An undue administrative burden is one that requires a fundamental alteration of the essential functions of HAMC (i.e., waiving a family obligation). An undue financial burden is one that when considering the available resources of the agency as a whole, the requested accommodation would pose a severe financial hardship on HAMC.

1.10 Hearing or Vision Impairments

At the initial point of contact, HAMC will inform each applicant of alternative forms of communication that can be used other than plain language paperwork. To meet the needs of persons with hearing impairments, TTD/TTY communication will be made available through the State of Arizona relay system. To meet the needs of persons with vision impairments, HAMC will explain materials orally or ask that the individual make arrangements for a third party representative of their choice to receive, interpret and

explain materials.

1.11 Physical Accessibility

HAMC will comply with all regulations related to physical accessibility including the following:

- PIH 2002-01
- Section 504 of the Rehabilitation Act of 1973
- The Americans with Disabilities Act of 1990
- The Architectural Barriers Act of 1968
- The Fair Housing Act of 1988

When issuing a voucher to a family that includes an individual with disabilities, HAMC will refer families to various resources to locate appropriate housing including but not limited to GoSection 8; Craigslist; and, Apartment Hunters.

HAMC will advise owners of the requirement to allow the family to make reasonable modifications to units. Applicants and participants will be advised that owners are not required to pay for modifications and their responsibility to return the unit to its original state at the family's expense when the family moves. HAMC will refer the family to community agencies that may be able to assist with unit modifications.

1.12 Improving Access for Persons with Limited English Proficiency

HAMC will take affirmative steps to communicate with people who need services or information in a language other than English (LEP persons).

A significant number of LEP persons eligible to be served or likely to be encountered by the HCV Program in Maricopa County, use Spanish as their primary language. Thus, HAMC will assure that bi-lingual (Spanish-English) staff is available to act as interpreters and translators. HAMC will provide written translation to Spanish of vital documents and all correspondence that represents compliance requirements or adverse action against the LEP person.

HAMC serves very few LEP persons in any language other than Spanish. Therefore, HAMC will not include any other language in this LEP Plan. However, to assure access for persons with other language needs, HAMC will use alternative ways to articulate in a reasonable manner to assure meaningful access for LEP persons with needs in languages other than Spanish. These alternatives will include the use of community volunteers, family members and friends as interpreters for LEP persons whose primary language is other than Spanish or English.

1.13 Privacy Rights

Applicants and participants, including all adults in their households, are required to sign the HUD 9886 Authorization for Release of Information. This document incorporates the Federal Privacy Act Statement and describes the conditions under which HUD and/or HAMC will release family information. HAMC will not release other information except as otherwise specifically identified in this Administrative Plan.

All applicant and participant files will be stored in a secure location, which is only accessible by authorized staff. HAMC staff will not discuss family information contained in files unless there is a business reason to do so. Inappropriate discussion of family information or improper disclosure of family information by staff will result in disciplinary action.

1.14 Violence against Women Act (VAWA)

HAMC will provide all protection under the law to program participants and affiliated individuals of the participant who are victims of domestic violence, dating violence, sexual assault, or stalking from being evicted or terminated from housing assistance based on acts of such violence against them.

Criminal activity directly relating to domestic violence, dating violence, sexual assault, or stalking, that is engaged in by a member of a participant's household or any guest or other person under the participant's control, shall not be cause for termination of assistance, tenancy, or occupancy rights if the participant or an affiliated individual of the participant is the victim or threatened victim of the domestic violence, dating violence, sexual assault, or stalking.

Incidents of domestic violence, dating violence, sexual assault, or stalking will not be construed as serious or repeated violations of the lease agreement between the participant and the owner, nor will these incidents be considered a violation of family obligations under the voucher. Incidents of domestic violence, dating violence, sexual assault, or stalking will not be considered "other good cause" for termination of tenancy, or occupancy rights of a victim of such violence.

If an incident of domestic violence, dating violence, sexual assault, or stalking may affect a participant's continued participation in the HCV Program, HAMC will require that the participant provide HAMC within 14 days of a request, a HUD approved certification form which includes the name of the perpetrator. HAMC will also accept a federal, state or local report from a law enforcement agency or court records; documentation signed and attested to by an employee, agent or volunteer of a victim service provider; an attorney or a medical professional from whom the victim has sought assistance in addressing the violence. To protect the victim, HAMC will require that the participant come to the office to secure the certification form.

If the victim fails to provide HAMC with the certification form or other documentation as described above within the 14 days, the protections provided hereunder shall not apply. HAMC will take appropriate action as warranted by the incidents reported.

All program participants shall be informed of their rights under the Violence Against Women Act at the time of the initial briefing and at any subsequent program move briefings. A copy of the VAWA protections along with the HUD certification form will be included in the briefing packet.

Information for owners will be provided at each owner workshop held by HAMC. Owners will also be informed of the VAWA protections when an incident occurs and is reported to HAMC by the owner.

Domestic violence, dating violence, sexual assault, stalking and affiliated individual shall be defined by HAMC in accordance with the definitions provided by HUD in previous and subsequent notices related to the provisions of VAWA.

SECTION 2

ELIGIBILITY FOR ADMISSION

2.1 General

This Chapter defines both HUD and HAMC's criteria for admission and denial of admission to the program. The policy of HAMC is to strive for objectivity and consistency in applying these criteria to evaluate the eligibility of families who apply for housing assistance. HAMC staff will review all information provided by the family carefully and without regard to factors other than those defined in this Chapter. Families will be provided the opportunity to explain their circumstances, to furnish additional information, if needed, and to receive an explanation of the basis for any decision made by the HAMC pertaining to their eligibility.

2.2 Eligibility Factors

HAMC will accept applications only from families whose head or spouse is at least 18 years of age or an emancipated minor.

To be eligible for participation in the Housing Choice Voucher Program, an applicant must meet the following criteria established by HUD:

- An applicant must be a "family"
- An applicant must be within the applicable Income Limits
- An applicant must furnish Social Security Numbers for all family members age six and older
- An applicant must furnish declaration of Citizenship or Eligible Immigrant Status and at least one member of the applicant family must be either a U.S. citizen or have eligible immigration status.

2.3 Placement on Waiting List

The Family's initial eligibility for placement on the waiting list will be made in accordance with the eligibility factors identified above. However, eligibility factors will not be verified before the family is placed on the waiting list. Placement on the waiting list will be based solely on the household's certification.

Reasons for denial of placement on the waiting list or denial of admission are addressed in Section 14, "Denial or Termination of Assistance". These reasons for denial constitute additional admission criteria.

2.4 Family Composition

The applicant must qualify as a family as follows:

1. One or more persons sharing residency, whose income and resources are available to meet the family's needs who may not be related by blood, marriage or operation of law, but who will give evidence of a stable relationship which has existed a minimum of one year.

Evidence of a stable family relationship may include, but is not limited to, any of the following: birth certificates of the children, joint tax return, prior lease (held jointly or one adult listed as "head" but other adult was included on the lease), joint bank accounts, insurance policies, prior joint credit history, or similar documentation. Evidence used to verify stable relationship would be documented in the family file.

2. A single person family may be: an elderly person; a displaced person; a disabled person; or any other single person.
3. A remaining household member who is a member of an assisted household whose original head/spouse is no longer living in the rental unit. Such remaining household members must have been listed on the most recent HUD 50058 and lease, must be of legal age and must be able to carry out the terms of the lease and family obligations. A live-in aid is not a remaining family member. (A household member for whom a subsidy was not paid because the household member did not have eligible citizenship status will not be considered a remaining household member).

2.5 Children in Foster Care

If a child has been removed from the household and placed in alternate care, HAMC will verify with the appropriate agency whether and when the child is expected to be returned to the household. Unless the agency confirms that the child has been permanently removed from the home and/or will not return to the home within the next twelve months, the child will be counted as a family member.

2.6 Head of Household

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

2.7 Co-Head

The co-head of the household is any adult individual designated by the household, who is equally responsible for the lease with the Head of Household. A family may have a spouse or co-head, but not both.

2.8 Live-in Attendants

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

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

The following distinct provisions apply to a live-in aide:

- Income of the live-in aide will not be counted for purposes of determining eligibility or amount of housing assistance.
- Live-in aides are not subject to Non-Citizen Rule requirements.

- Live-in aides are not considered as a remaining member of the participant family and are therefore not entitled to any continued housing assistance if the household member they were aiding no longer participates in the program.

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

A Live in Aide may only reside in the unit with the approval of HAMC. Written verification will be required from a reliable, knowledgeable professional, such as a doctor, social worker, or caseworker. The verification provided must certify that a live-in aide is needed for the care of the family member as described above. Within 10 business days from receipt of all verification information, HAMC will notify the household of its decision to approve/disapprove the live-in aide.

At any time, the HAMC 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 housing program;
- The person commits drug-related criminal activity or violent criminal activity; or
- The person currently owes rent or other amounts to HAMC or to another PHA in connection with HCV or Public Housing assistance under the 1937 Act.

2.9 Foster Children and Foster Adults

A foster child is a child that is in the legal guardianship or custody of a state, county, or private adoption of foster care agency, yet is cared for by foster parents in their own homes under some kind of short-term or long-term foster care arrangement with the custodial agency.

A foster child or foster adult may be allowed to reside in the unit if their presence would not result in violation of HQS space standards. The family voucher size will be adjusted if the foster children or foster adults remain in the household for a period of six months or more.

Foster children and foster adults living with an applicant or assisted family are household members but are not family members. The income of foster children/adults is not counted as annual income and foster children/ adults do not qualify for dependent deductions.

2.10 Absent Family Members

An individual who is, or is expected to be, absent from the assisted unit for less than 30 consecutive days is considered temporarily absent and continues to be considered a family member. An individual who is, or is expected to be, absent for 30 days or more, is considered permanently absent and, no longer a family member.

Family members under the following circumstances may still be considered members of the household even if absent for more than 30 days if the family provides verification that the family member is likely to return within the next twelve months.

- A family member who is away at school
- A child placed in foster care
- An employed head or co-head
- Family members confined to an nursing home or institution for medical reasons

2.11 Guests

A guest is a person temporarily staying in the unit with the consent of a member of the household who has express or implied authority to consent. A guest can remain in the assisted unit no longer than 14 consecutive days or a total of 30 cumulative calendar days during any 12 month period.

2.12 Split Households Prior to Voucher Issuance

When a family on the waiting list splits into two otherwise eligible families due to divorce or legal separation, and the new families both claim the same placement on the waiting list, and there is no court determination, HAMC will determine the family unit that retains the children as the applicant family. If there are no children, HAMC will require the applicants to jointly agree to the continued applicant or solicit a court decision.

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

2.13 Multi-generational Families

Families applying for assistance, which consist of two or more generations living together, (such as a mother, and a daughter with her own children), will be treated as a single family unit and will be entitled to only one housing voucher for assistance.

2.14 Joint Custody of Children

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

2.15 Income Limitations

The following income restriction provisions apply to applicants for admission to the Housing Choice Voucher Programs:

- An applicant must be a very low-income family, which is defined as a family whose annual income does not exceed 50% of the area median income.
- Applicants in excess of the very low-income limits but within the low income limits (80% of the area median income) will only be admitted based on the following criteria:

- A low-income family that is continuously assisted under the 1937 Housing Act. An applicant is continuously assisted if the family has received assistance under any 1937 Housing Act program within 120 days of voucher issuance.
- A low-income family displaced by rental rehabilitation activity under 24CFR part 511.
- A low-income non-purchasing family residing in a project subject to homeownership program under 24CFR 248.173.
- A low-income or moderate-income family that is displaced as a result of a prepayment of a mortgage or voluntary termination of mortgage insurance contracts under 24 CFR 248.165.
- A low-income family that qualifies for voucher assistance as a non-purchasing family residing in a project subject to a resident home ownership program.

➤ To determine if the family is income-eligible, HAMC will compare the Annual Income (gross income) of the family to the applicable income limit for the family's size.

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

➤ Families using portability must be within HAMC's applicable income limits at the time of initial lease up in HAMC's jurisdiction.

➤ 75% of all newly admitted applicants must fall within 30% of the area median income.

2.16 Mandatory Social Security Numbers

Families are required to provide verification of Social Security Numbers for all family members age 6 and older prior to admission, if the Social Security Administration has issued a number. This requirement also applies to persons joining the family after admission to the program. Failure to furnish verification of social security numbers is grounds for denial or termination of assistance.

Persons who have not been issued a Social Security Number must sign a certification that they have never been issued a Social Security Number. Persons who disclose their Social Security Number but cannot provide verification must sign a certification and provide verification within 60 days. Elderly persons must provide verification within 120 days.

2.17 Citizenship/Eligible Immigration Status

In order to receive assistance, a family member must be a U.S. citizen or eligible immigrant. Eligible immigrants are persons who are in one of the immigrant categories as specified by HUD. The status of each member of the family is considered individually before the family's status is defined as follows:

- **Mixed Families** - A family is eligible for assistance as long as at least one member is a citizen or eligible immigrant. Families that include eligible and ineligible individuals are called "mixed." Assistance to such applicant families will be prorated and applicants will be notified accordingly.
- **All members Ineligible** - Applicant families that include no eligible members are not eligible for assistance. Such families will be denied admission.
- **Non-citizen students** - Defined by HUD in the non-citizen regulations and not eligible for assistance.

Applicants are entitled to a hearing for denial of placement on the waiting list or denial of assistance if such denial is based on the immigration status criteria described above.

2.18 Independent Students

HAMC will consider a student “independent” from his or her parents and the parent’s income will not be considered when determining student’s eligibility if the following four criteria are met:

- The individual is of legal age under state law (18 or older).
- The individual was not claimed as a dependent by his/her parents pursuant to IRS regulations as demonstrated on the parents’ most recent tax forms.
- The individual provides a certification of the amount of financial assistance that will be provided by his/her parents. This certification must be signed by the individual providing the support even if no assistance is being provided.
- The individual has established a household separate from his/her parents for at least one year prior to application for occupancy or the individual meets the U.S. Department of Education’s definition of independent student as follows:
 - Be at least 24 years old by December 31st of the award year for which aid is sought
 - Be an orphan or a ward of the court through the age of 18
 - Have one or more legal dependents other than a spouse (for example, dependent children or an elderly dependent parent)
 - Be a graduate or professional student
 - Be married

2.19 Other Criteria for Admissions

HAMC will apply the following additional criteria for admission to the program. Violation of any of the following will result in denial of admission.

- The family must not have violated any family obligation during a previous participation in the HCV program for three years prior to final eligibility determination.
- No family member has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program within the last three years prior to final eligibility determination for the first offence.
- The family must pay any outstanding debt owed to HAMC or another PHA in connection with HCV or Public Housing assistance under the 1937 Act within 10 working days of HAMC notice to repay.
- No member of the family may have engaged in drug related or violent criminal activity for three years prior to final eligibility determination.
- No family member may have been evicted from Public Housing for any reason during the last three years prior to final eligibility determination.
- No family member may have engaged in or threatened abusive or violent behavior toward HA personnel for three years prior to final eligibility determination.

Persons evicted from other federally assisted housing because of an arrest and/or conviction for drug-related criminal activity are ineligible for admission to HCV programs for a three year period beginning on the date of such eviction. After the three-year period, the person must certify they are no longer engaging in a drug-related criminal activity and

demonstrate successful completion of a rehabilitation program approved by HAMC.

The applicant may not misrepresent the information on which eligibility or tenant rent is established. In addition to denial of admission, HAMC will refer the family file/record to the proper authorities for appropriate disposition.

2.20 Tenant Screening

HAMC will not screen the applicant household for family behavior or suitability of tenancy. At or before HAMC's approval of the tenancy, HAMC will inform the owner that screening and selection for tenancy is the responsibility of the owner.

The owner is responsible for screening families based on their tenancy histories, including such factors as:

- 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.

HAMC will advise and assist families if they feel that the screening criteria applied by an owner violate any basic Fair Housing Rights of the family. HAMC will make referrals to the local Fair Housing Agency and/or the appropriate HUD office.

2.21 Changes in Eligibility Prior To Effective Date of the Contract

Admission to the HCV Program occurs at the time that an initial Housing Assistance Payments Contract is executed with an owner for an eligible unit. Prior to that time, a family is considered an applicant. After execution of the HAP Contract, a family is considered a participant. Therefore, changes that occur during the period between issuance of a voucher and lease up may affect the family's eligibility.

2.22 Ineligible Families

Families who are determined to be ineligible will be notified in writing of the reason for this determination and given an opportunity to request an informal review (or an informal hearing if they were denied due to non-citizen status) as discussed further in this Administrative Plan.

SECTION 3 **APPLYING FOR ADMISSION**

3.1 General

The policy of HAMC is to ensure that all families who express an interest in housing assistance are given an equal opportunity to apply, and are treated in a fair and consistent manner.

This Chapter describes the policies and procedures for completing an initial application for assistance, placement and denial of placement on the waiting list, and limitations on who may apply. The primary purpose of the intake function is to gather information about the applicant, but HAMC will also utilize this process to provide information to the applicant so that an accurate and timely decision of eligibility can be made. Applicants will be pulled from the waiting list in accordance with this Plan.

3.2 Opening and Closing the Waiting List

The Housing Authority of Maricopa County will open the waiting list at periodic intervals based on need to assure that an adequate pool of applications is available to maintain full program utilization and assist the maximum number of families based on available program funding.

When HAMC determines that the waiting list should be opened, a notice will be published in a local newspaper of general circulation. HAMC may open the waiting list only for special programs in which case, the notice shall so state and identify the eligibility provisions of the designated special program.

The public notice will specify the time period in which applications will be accepted and identify the closure date for acceptance of applications. Under no circumstances will applications be accepted when the waiting list is closed

All persons who wish to apply for any of the HCV housing assistance programs must complete an on-line application as directed, within the time period specified in the public notice. HAMC will coordinate the on-line application process with community service agencies to assure access to computers for all individuals wishing to apply for housing assistance. Special assistance will be provided to assist persons with disabilities that request a reasonable accommodation to complete the on-line application.

3.3 Applicant Outreach

The Housing Authority of Maricopa County will monitor the characteristics of the population being served and the characteristics of the population as a whole in HAMC's jurisdiction. Targeted outreach efforts will be undertaken if a comparison suggests that certain populations are being underserved.

3.4 Local Preferences

HAMC will provide local preferences to applicants as follows:

1. **Local Residency** (10 Points) – Applicants that have resided in the jurisdiction of HAMC for a minimum of twelve months or are currently employed in HAMC's jurisdiction.
2. **Veterans** (10 Points) - Applicants in which the sole member or the head of the household is a veteran of the armed forces.
3. **Elderly or Disabled** (10 Points) - Applicants in which the head of the household is 62 years of age and older or disabled.

The local preferences will not be verified prior to placement on the waiting list. HAMC will verify the preference at the time that the applicant is selected from waiting list for processing of final eligibility. Verification must confirm that the applicant qualified for the preference(s) at the time of initial registration for housing assistance. If the applicant is unable to verify one or more preference(s) claimed, they will be placed at the end of the waiting list and re-ranked based solely on the lottery number with no preference points.

3.5 Application Process

The application process will consist of a two-step process:

1. On-line applications;
2. The formal application.

The on-line application will request information needed for placement on the waiting list and for applicant certification of any preference claimed. The formal application will be completed at the time of the application interview as described below.

On-line applications will be accepted as specified in the public notice. Upon closure of the application period, HAMC will rank applicants in order as follows:

1. Total combined preference points
2. Date and time of application.

3.6 Reporting Changes and Updating the Waiting List

Applicants are required to inform HAMC in writing of any changes in contact information, including current residence, mailing address, email address and phone number. HAMC may periodically send notices to applicants on the waiting list to schedule a formal eligibility appointment or to determine their continued interest in the program.

Notices may be sent electronically to the email address provided during the application process or to the last address reported by the applicant. Notices will provide a deadline by which the applicant must respond and will state that failure to respond will result in the applicant being removed from the waiting list.

The applicant's response must comply with the timeframes and other requirements set forth in the update request. If the applicant fails to respond within the timeframe allotted, the applicant will be removed from the waiting list and will not be reinstated. If the update

request is returned as undeliverable, the applicant will also be removed from the waiting list and will not be reinstated.

If an applicant is removed from the waiting list for failure to respond or an undeliverable request, but the applicant is able to demonstrate that it was due to HAMC's error, circumstances beyond the control of the applicant, or was unable to respond due to an applicant members disability, the applicant will be reinstated and resume their original place on the waiting list.

If at any time an applicant is on the waiting list, HAMC determines that the applicant is not eligible for assistance, the applicant will be removed from the waiting list. If an applicant is removed from the waiting list because HAMC has determined that the applicant is not eligible for assistance, a notice will be sent to the applicant's last address reported by the applicant. The notice will state the reasons the applicant was removed from the waiting list and will inform the applicant how to request an informal review of HAMC's decision.

To maximize responsiveness, HAMC will send interest confirmations in effort to purge the waiting list a minimum of once a year. All applicants will be sent an update request notice at the time of the purge and will be required to respond pursuant to the requirements above.

3.7 Selection from the Waiting List

Families will be selected from the waiting list in order based on total combined preference points and the number assigned to each application, by lottery, at the time the applications were placed on the waiting list.

When selected from the waiting list, a letter will be sent via first class mail scheduling an interview appointment and providing the applicant with a checklist of required documents. If the applicant does not attend the scheduled interview and does not contact HAMC to reschedule within 5 business days from the date of the originally scheduled interview appointment, the applicant will be removed from the waiting list and will not be reinstated except for reasons described in 3.6 above.

All adult applicant members are required to attend the interview. Exceptions may be made for students attending school out of state or for members for whom attendance would be a hardship unless such members are the head or co-head of the household. Reasonable accommodation will be made for persons with a disability who require an advocate or accessible offices. A designee will be allowed to participate in the interview process, but only with permission of the person with a disability.

3.8 Release of Information and Verification

Information provided by the applicant at the interview will be verified, using the verification procedures found further in this Plan. Family composition, income, allowances and deductions, assets, full-time student status, eligibility and rent calculation factors, and other pertinent information will be verified. Verifications may not be more than 120 days old at the time of issuance of the Voucher.

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

If HAMC determines at or after the interview that additional information or document(s) are needed, the HAMC will request the document(s) or information in writing. The applicant will be given ten (10) days to supply the information. If the information is not supplied in this time period, HAMC will provide the applicant a notification of denial for assistance.

3.9 Completing the Application Process

After the verification process is completed, HAMC will make a final determination of eligibility. This decision is based upon information provided by the applicant, the verification completed by HAMC, and the current eligibility criteria in effect. If the applicant is determined to be eligible, HAMC will invite the applicant to a briefing for the issuance of a voucher and the applicant's orientation to the housing program.

If HAMC determines that the applicant is not eligible, HAMC will send written notification of the ineligibility determination which 10 business days of the determination. The notice will specify the reasons for ineligibility and will inform the applicant of its right to request an informal review.

3.10 Special Admissions

Certain vouchers may be received or were received from HUD as the result of a special funding for targeted groups of households. HAMC will admit these families under a Special Admission procedure. Special admissions families will be admitted outside of the regular waiting list process and they are not required to be on the program waiting list. HAMC will maintain separate records of these admissions.

The following are examples of types of program funding that are designated as special admissions:

- Vouchers received for demolition or disposition of a Public Housing Project.
- Vouchers received for multifamily rental housing projects when HUD sells, forecloses or demolishes the project.
- Vouchers received for “opt-out” of FHA insured multi-applicant projects.
- Project-based HCV HAP Contracts at or near the end of the HAP Contract term that convert to tenant based vouchers.

3.11 Targeted Funding

Special programs have been developed under the Housing Choice Voucher Program to service certain applicant types or certain applicant situations. Most of these programs require that HAMC partner with a service agency in the community that provides supportive service to the particular applicant type.

When HUD grants funding under these programs, families who meet the qualifications of the program and are referred through the partner agency will be placed on a separate waiting list for each special program type based on date of referral from the partner agency. These families will then be selected in order of date from the waiting list when their special program voucher is available.

HAMC will continue to receive referrals from partner agencies until all designated vouchers have been utilized. Upon 100% utilization, HAMC will request that the partner agencies suspend additional referrals until such time that any of the original designated vouchers are turned over and again become available for issuance to applicants. At that time, HAMC will contact the appropriate partner agency and advise them of the availability of the targeted voucher and a referral will be accepted accordingly.

The provisions for targeted funding identified herein apply to any future programs to be so designated by HUD.

3.12 Income Targeting

HAMC will monitor progress in meeting the requirement that 75% of all new admissions must be extremely low income households (<30% of area median income) throughout the fiscal year. Extremely low income households will be selected ahead of other eligible families on an as-needed basis to ensure the income targeting requirement is met.

Income targeting does not apply to low-income families continuously assisted as provided for under the 1937 Housing Act or to assistance to low income or moderate-income families entitled to preservation assistance under the tenant-based program as a result of a mortgage prepayment or opt-out.

SECTION 4

VOUCHER ISSUANCE AND SUBSIDY STANDARDS

4.1 General

HUD guidelines require that HAMC provide the family an oral briefing and provide the family with a briefing packet containing written information about the program. HUD also requires that HAMC establish subsidy standards for the determination of voucher size, and that such standards provide for a minimum commitment of subsidy while avoiding overcrowding. The standards used for the unit size selected by the family must be within the minimum unit size requirements of HUD's Housing Quality Standards.

This Chapter explains the subsidy standards, which will be used to determine the voucher size to be issued to families when they are selected from the waiting list, as well as the procedures when a family composition changes, or a family selects a unit size that is different from the size of the voucher.

4.2 Briefing

Upon notification of final eligibility, families will be advised of the requirement to attend a briefing prior to issuance of a voucher. HAMC will issue a joint notification of final eligibility and the scheduled briefing appointment.

HAMC will generally conduct briefings in group meetings but may occasionally conduct them individually based on need. The head and co-head (if applicable) must attend the briefing. Children are prohibited from attending the briefing to avoid disruptions to other participants. Families that attend group briefings but still need individual assistance will be referred to an individual staff person for additional assistance.

If a family fails to attend the briefing and does not contact HAMC within 5 business days from the date of the briefing to reschedule, the family will be issued a denial of assistance which will advise them of their right to request a review of the denial decision.

The briefing packet provided to the family will include all HUD required documents. All vital documents including the Voucher and the Housing Discrimination Complaint form will be provided in Spanish as well as English.

The voucher will be distributed to the families during the program briefing. Families will be advised that the voucher represents their contractual relationship with the Housing Authority and failure to comply with all Family Obligations outlined in the Voucher is grounds for termination of their assistance. The following clarifications are provided regarding HAMC policy as it relates to Family Obligations.

- Damages beyond normal wear and tear will be considered to be damages that are eligible to be assessed against the security deposit paid to the owner.
- HAMC will determine if a family has committed serious and repeated violations of the lease based on available evidence, including but not limited to, a court ordered

eviction, or an owner's notice of intent to vacate.

- Serious and repeated violations of the lease include, but are not limited to, nonpayment of rent, destruction of property, living or housekeeping habits that cause damage to the unit or premises, or criminal activity.
- The family must comply with lease requirements regarding written notice to the owner before moving out of the unit. The family must notify HAMC at the same time the owner is notified.
- The request to add a family member to the household must be submitted in writing and approved prior to that person moving into the unit. HAMC will determine eligibility of the new member in accordance with the eligibility criteria outlined in Section 3 of this Plan.
- Subleasing shall be defined as receiving payment to cover rent and utilities by a person living in the unit who is not listed as a family member.
- Families must provide notice to HAMC when one or more family members will be absent from the unit for more than 30 days.

4.3 Determining Voucher Size

The subsidy standards for determining voucher size shall be applied in a manner consistent with Fair Housing guidelines. The standards in this section relate to the number of bedrooms on which subsidy will be paid, not the family's actual living arrangements.

HAMC will allocate the voucher size based on one bedroom for each two persons in the household, except in the following circumstances:

- Persons of the opposite sex (other than head/co-head, life-partners and children under the age of 6) will be allocated separate bedrooms.
- Persons of different generations of the same sex will be allocated a separate bedroom.
- Live-in aides may be allocated a separate bedroom if eligible but family members of the live in aide will not be allocated a separate bedroom.
- Single parent and infants under the age of 2 will be allocated a one bedroom.
- A pregnant individual with no other children will be allocated a one bedroom.
- Elderly, near elderly and disabled single person households will be allocated a one bedroom.
- All other single persons will be allocated a zero bedroom.

The voucher size issued will generally be based on the following guidelines taking into consideration the subsidy standards described above.

Voucher Size	Minimum Number of Household Members	Maximum Number of Household Members
0	1	1
1	1	3
2	2	6
3	3	8
4	6	10
5	8	12

4.4 Exceptions to Subsidy Standards

HAMC shall consider requests for exceptions from the subsidy standards for any of the reasons specified in the regulations: age, sex, health, handicap, relationship or other personal circumstances.

The family must request the exception in writing within 10 days from the date the voucher was issued and must provide sufficient justification for a larger unit size which includes supporting documentation. Requests based on health or disability of family members, or other individual circumstances must be verified by a knowledgeable professional source such as a doctor or medical professional, unless the request for an accommodation is readily apparent. The family must also provide written documentation justifying an additional bedroom for special medical equipment at the time of each subsequent annual re-certification.

HAMC will notify the family within 10 business days of receiving the family's information of its decision to grant the exception to the subsidy standards. If the request is denied, the notice will inform the family of its right to request a review of the decision.

4.5 Changes in Voucher Size

The voucher size is determined prior to the briefing by comparing the family composition to the HAMC subsidy standards.

If HAMC errs in the bedroom size designation, the family will be issued a new voucher of the appropriate size for the full period allocated for new program admissions. If the family makes a request for an exception to the payment standards and such request is granted, the family shall be issued a new voucher for the time remaining under the initial issuance period.

All members of the family residing in the unit must be approved by HAMC. The family must obtain approval of any additional family member before the new member occupies the unit except for additions by birth, adoption, or court-awarded custody, in which case the family must inform the PHA within thirty (30) days from the date of the action.

Changes in voucher size will be applied only at the time of annual recertification or at the time a mandatory move to different unit with continued assistance, regardless of the reason for the change in voucher size.

4.6 Rescinding Vouchers

If, due to budgetary constraints, HAMC must rescind vouchers that have already been issued to families, HAMC will do so in accordance with the instructions in each category listed below.

- Category 1: Vouchers issued but for which HAMC has not yet received a Request for Tenancy Approval (RFTA) – Vouchers in this category will be rescinded based on the

date in which they were issued.

- Category 2: Voucher issued in which HAMC has received a Request for Tenancy Approval (RFTA) – Vouchers in this category will be rescinded based on the date in which the RFTA was received starting with the most recently received.

4.7 Voucher Term

Vouchers will be issued for an initial term of 90 calendar days. The family must submit a RFTA and a proposed lease from the prospective landlord within the 90 day period.

Extensions of the voucher term will only be granted as a reasonable accommodation for a person with disabilities. In granting such an additional extension, HAMC will consider the efforts made by the family to locate a suitable unit.

If an applicant's voucher expires before the family has submitted a RFTA or if a RFTA was submitted prior to the expiration date of the voucher but was subsequently disapproved, no further extension will be granted and the family must re-apply for housing assistance again in the future when the waiting list is open.

Within 10 business days after the expiration of the voucher term or any extension thereof, HAMC will advise the family in writing that the voucher term has expired and that the family must re-apply for housing in the future to be placed on the waiting list.

4.8 Unit Size Selected

The family may select a different size dwelling unit than that listed on the Voucher but the following criteria shall apply:

- **Subsidy Limitation:** The voucher size as determined under the subsidy standards for a family assisted in the voucher program is based on the adopted payment standards. The payment standard for a family shall be the *lower of*:
 - The payment standard amount for the size of the voucher issued; or
 - The payment standard amount for the unit size rented by the family.
- **Affordability Limitation** – If a family enters into a new lease agreement which requires the Housing Authority to execute a new Housing Assistance Payments (HAP) Contract for a dwelling unit in excess of the applicable payment standard, the total tenant payment cannot exceed 40% of the household's monthly adjusted income. HAMC will not approve a lease for a unit that is not affordable pursuant to this 40% limitation.
- **Utility Allowance:** The utility allowance used to calculate the gross rent is based on the authorized voucher size issued to the family not the actual unit size the family selects.

- **Housing Quality Standards:** The standards allow two persons per living/sleeping room and permit maximum occupancy levels (assuming a living room is used as a living/sleeping area) as shown in the table below. The levels may be exceeded if a room in addition to bedrooms and living room is used for sleeping.

Housing Quality Standards Maximum Occupancy in Units Selected	
Unit Size	Maximum Occupants
0	2
1	4
2	6
3	8
4	10
5	12
6	14

SECTION 5

INCOME AND SUBSIDY DETERMINATIONS

5.1 General

HAMC will use the methods set forth in this Administrative Plan to verify and determine that family income at admission and at annual re-certification is correct. The accurate calculation of Annual Income and Adjusted Income will ensure that families are not paying more or less money for rent than their obligation under the regulations.

This Chapter defines the allowable expenses and deductions to be subtracted from Annual Income and how the presence or absence of household members may affect the Total Tenant Payment (TTP). The formula for the calculation of TTP is specific and not subject to interpretation. HAMC's policies in this Chapter address those areas, which allow HAMC discretion to define terms and to develop standards in order to assure consistent application of the various factors that relate to the determination of TTP.

5.2 Income and Allowances

The following definitions shall be applied when calculating total tenant payment, tenant rent and housing assistance payments:

- **Income:** Includes monetary and non-monetary amounts received by members of the households on a regular basis. For purposes of calculating the Total Tenant Payment, HUD defines what is to be calculated and what is to be excluded in the federal regulations. In accordance with this definition, all income, which is not specifically excluded in the regulations, is counted.
- **Annual Income:** Defined as the amount of income prior to any HUD allowable expenses or deductions, and does not include income, which has been excluded by HUD. Annual income is used to determine whether or not applicants are within the applicable income limits.
- **Adjusted Income:** Defined as the Annual Income minus any HUD allowable expenses and deductions.
- **Allowable deductions:** HUD defines the allowable deductions as those listed below.
 - **Dependent Allowance:** \$480 each for family members (other than the head or spouse) who are minors, and for family members who are 18 and older who are full-time students or who are disabled.
 - **Elderly/Disabled Allowance:** \$400 per family for families whose head or spouse is 62 or over or disabled.
 - **Allowable Medical Expenses:** Deducted for all family members of an eligible elderly/disabled family.
 - **Child Care Expenses:** Deducted for the care of children under 13 when childcare is necessary to allow an adult member to work, attend school, or actively seek

employment. Cannot exceed the amount of earned income and must be reasonable based on comparative costs in the community.

- **Disability Assistance Expenses:** Deducted for attendant care or auxiliary apparatus for persons with disabilities if needed to enable the individual or an adult family member to work.

5.3 Disallowance of Earned Income from Rent for Persons with Disabilities

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

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

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

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

The HUD definition of economic self-sufficiency program is: any program designed to encourage, assist, train or facilitate economic independence of assisted families or to provide work for such families. Such programs may include job training, employment counseling, work placement, basic skills training, education, English proficiency, workfare, financial or household management, apprenticeship, or any other program necessary to ready a participant to work (such as substance abuse or mental health treatment).

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

The amount of TANF received in the six-month period includes monthly income and such benefits and services as one-time payments, wage subsidies and transportation assistance.

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

Exclusions of Income shall be calculated as follows:

- **Initial Twelve-Month Exclusion** - During the cumulative 12-month period beginning on the date a member who is a person with disabilities of a qualified family is first employed or the family first experiences an increase in annual income attributable to employment, HAMC will exclude from annual income of a qualified family any increase in income of the family member who is a person with disabilities as a result of employment over the prior income of that family member.
- **Second Twelve-Month Exclusion and Phase-in** - During the second cumulative 12-month period after the expiration of the initial cumulative 12-month period referred to above, the HAMC must exclude from annual income of a qualified family 50 percent of any increase in income of a family member who is a person with disabilities as a result of employment over income of that family member prior to the beginning of such employment.
- **Maximum Four Year Disallowance** - The earned income disallowance is limited to a lifetime 48-month period for each family member who is a person with disabilities. For each family member who is a person with disabilities, the disallowance only applies for a maximum of 12 months of full exclusion of incremental increase, and a maximum of 12 months of phase-in exclusion during the 48-month period starting from the date of the initial exclusion. If the period of increased income does not last for 12 consecutive months, the disallowance period may be resumed at any time within the 48-month period, and continued until the disallowance has been applied for a total of 12 months of each disallowance (the initial 12-month full exclusion and the second 12-month phase-in exclusion). No earned income disallowance will be applied after the 48-month period following the initial date the exclusion was applied.
- **Applicability to Child Care and Disability Assistance Expense Deductions** - The amount deducted for child care and disability assistance expenses necessary to permit employment shall not exceed the amount of employment income that is included in annual income. Therefore, for disabled families entitled to the earned income disallowance, the amounts of the full and phase-in exclusions from income shall not be used in determining the cap for child care and disability assistance expense deductions.
- **Tracking System** - HAMC will maintain a tracking system to ensure correct application of the earned income disallowance.

5.4 Minimum Rent

Minimum rent refers to the Total Tenant Payment and includes the combined amount a family pays towards rent and/or utilities when it is applied. The established minimum rent for all vouchers holders is \$50.00

A family may request an exception to the minimum rent based on financial hardship, which is defined as follows:

- The family has lost eligibility or is awaiting an eligibility determination for Federal, State, or local financial assistance;
- The income of the family has decreased because of changed circumstances, including: loss of employment; death in the family; and, other circumstances as determined by the HAMC or HUD.

HAMC will notify all families subject to minimum rent of their right to request a hardship exception. This notification will be included in the change of rent notice issued by HAMC at each re-certification of income. "Subject to minimum rent" means the minimum rent was the greatest figure in the calculation of the greatest of 30% of monthly-adjusted income, 10% of monthly income or minimum rent.

Requests for minimum rent exception must be made in writing within 10 days from the date of notification of rent and must include documentation as proof of financial hardship. HAMC will use its standard verification procedures to verify circumstances, which have resulted in financial hardship.

Suspension of Minimum Rent - HAMC will grant the minimum rent exception to all families who request it, effective the first of the following month. The minimum rent will be suspended until HAMC determines whether the family is eligible for the hardship exception and the period of time for which they are eligible.

"Suspension" means that HAMC will not apply the minimum rent until the request for the hardship exemption has been determined. During the minimum rent suspension period, the family will not be required to pay a minimum rent and the housing assistance payment will be increased accordingly.

If HAMC determines that family does not qualify for the minimum rent hardship exception, the minimum rent will be charged including payment for minimum rent from the time of suspension.

5.5 Definition of Temporarily/Permanently Absent

It is the responsibility of the head of household to report changes in family composition. HAMC will evaluate absences from the unit as described below.

HAMC will compute all applicable income of every family member including those who are temporarily absent. Income of persons permanently absent will not be counted. If a household claims that a family member is permanently absent from the unit, they must provide documentation that supports an alternate address for the family member permanently absent such as a lease agreement, driver's license or other such legal

document that lists the person's name and alternate address.

Absences shall be defined as follows:

- **Temporarily Absent:** Defined as away from the unit for more than 30 days but less than 180 days.
- **Permanently Absent:** Defined as away from the unit for 180 consecutive days except as otherwise provided in this Chapter. If the person who is determined to be permanently absent is the sole member of the household, assistance will be terminated.
- **Medical Absence:** Defined as any family member that leaves the household to enter a facility such as hospital, nursing home, or rehabilitation center. The family will be required to provide verification from a reliable medical source as to the likelihood and timing of return. If the verification indicates that the family member will be permanently confined to a facility, the family member will be considered permanently absent. If the verification indicates that the family member may return in less than 180 consecutive days, the family member will not be considered permanently absent.
- **Absence Due to Full-time Student Status:** A student (other than head of household or spouse) who attends school away from home but lives with the family during school recesses may, at the family's choice, be considered either temporarily or permanently absent. If the family decides that the member is permanently absent, income of that member will not be included in total household income, the member will not be included on the lease, and the member will not be included for determination of Voucher size.
- **Absence Due to Incarceration:** If the head of co-head of the household is incarcerated for 30 consecutive days or more, s/he will be considered permanently absent; if any other household member is incarcerated for more than 180 consecutive days, s/he will be considered permanently absent.
- **Absence of Children Due to Placement in Foster Care:** If the family includes a child or children temporarily absent from the home due to placement in foster care, HAMC will determine from the appropriate agency when the child/children will be returned to the home. If the time period is to be greater than six (6) months from the date of removal of the child/children, the Voucher size will be reduced. If all children are removed from the home permanently, the voucher size will be reduced in accordance with the subsidy standards.
- **Absence of Entire Family:** Defined as situations when the family is absent from the unit, but has not moved out of the unit. "Absence" means that no family member is residing in the unit. In order to determine if the family is absent from the unit, HAMC may write letters to the family at the unit, telephone the family at the unit, interview neighbors, verify if utilities are in service, and check with the post office. Families are required both to notify HAMC before they move out of a unit and to give HAMC information about any family absence from the unit.
 - Families must notify HAMC at least 30 days before moving out of the unit or no less than 15 days after leaving the unit if they are going to be absent from the unit for more than 30 consecutive days.

- If it is determined that the family is absent from the unit, HAMC will continue assistance payments for the period of time estimated that the family will be absent but not more than thirty days provided that the family gave proper notice to HAMC. If the family did not provide proper notice, than assistance will be terminated at the end of the month following 30 days after notification of absence.
- In cases where the family has moved out of the unit, HAMC will terminate assistance in accordance with appropriate termination procedures contained in this Plan.

➤ **Caretaker for Children:** Defined as a person placed in an assisted unit by an appropriate certified service agency that is acting as the legal guardian for children on the lease agreement. The following criteria will apply to these situations.

- If an appropriate agency has determined that another adult is to be brought into the assisted unit to care for the children for an indefinite period, HAMC will treat that adult as a visitor for the first 120 days.
- If by the end of 120 days, court-awarded custody or legal guardianship has been awarded to the caretaker, the Voucher will be transferred to the caretaker.
- If the appropriate agency cannot confirm the guardianship status of the caretaker, HAMC will transfer the voucher to the caretaker on a temporary basis with the condition that the caretaker must release the voucher if the original parent(s) are awarded custody at a later date.

➤ **Absence Due to Court Order:** If a member of the household is subject to a court order that restricts him/her from the home for more than 180 days, the person will be considered permanently absent.

5.6 Visitors

Any adult not included on the HUD 50058 who has been in the unit more than fourteen (14) consecutive days or a total of thirty (30) days in a 12-month period without HAMC approval, will be considered to be living in the unit as an unauthorized household member. HAMC may approve extensions of time for visitors under special circumstances such as a relative assisting with a mother with a newborn child. To request an extension, the family must provide documentation of the permanent residence of the visitor.

Statements from the landlord, neighbors or other individuals will be considered in making a determination if an unauthorized person is residing in the assisted unit. Use of the unit address as a visitor's residence for any purpose shall be construed as permanent residence.

The burden of proof that the individual is a visitor rests on the family. HAMC may request lease agreements, utility bills or other such documentation identifying an address other than the assisted unit as the permanent residence of the individual in question. In the absence of such proof, the individual will be considered an unauthorized member of the household and HAMC will terminate assistance since prior approval was not requested for the addition.

Minors and college students who were part of the family but who now live away from home during the school year and are no longer on the lease may visit for up to 120 days

per year without being considered a member of the household. In a joint custody arrangement, if the minor is in the household less than 120 days per year, the minor will be considered to be an eligible visitor and not a family member.

5.7 Reporting Changes in Family Composition

Reporting changes in household composition is a basic family obligation under the voucher agreement between HAMC and the assisted family. The family obligations require approval to add any other family member as an occupant of the unit and to inform HAMC of the birth, adoption or court-awarded custody of a child within 30 days of occurrence.

The family must request prior approval from HAMC to add any other members to the household and must provide documentation as requested by HAMC to support why this individual has become a member of the assisted household. Upon review of the documentation received, HAMC will issue a written notice of approval or disapproval to add the individual to the assisted household.

In addition, the family must comply with the terms of their lease agreement with the owner which may require the family to obtain prior written approval from the owner when there are changes in family composition other than birth, adoption or court awarded custody. An interim reexamination will be conducted for any additions to the household.

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

5.8 Calculating Annual Income

HAMC will calculate annual income based on projected future income that is anticipated to be received in the twelve month period following the effective date following of the admission or the re-exam.

HAMC will conduct streamlined recertification of income for elderly and disabled families when 100 percent of the household income consists of fixed income. In this streamlined process, HAMC will recalculate family income by applying any published cost of living adjustments to the previously verified income. For purposes of this section, the term "fixed income" includes income from:

1. Social Security payments to include Supplemental Security Income (SSI) and Supplemental Security Disability Income (SSDI);
2. Federal, state, local or private pension plans; and
3. Other periodic payments received from annuities, insurance policies, retirement funds, disability or death benefits and other similar types of periodic receipts that are of substantially the same amounts for year to year.

If the family has income from the Public School system, annual income will be calculated based on 39 weeks of income and an interim recertification will not be completed. If the family has a history of other types of seasonal employment and unemployment benefits, HAMC will annualize both sources of income and a subsequent interim re-certification will not be completed when circumstances change throughout the year following the annual

recertification.

5.9 Minimum Income

There is no minimum income requirement for participation in the HCV Program. However, families that claim no income will be required to complete a zero income survival statement. A new zero income survival statement shall be required to be completed by the family every 90 days for the period(s) during which the family continues to claim zero income.

If the family's expenses exceed their known income, HAMC will make inquiry of the head of household as to the nature of the family's accessible resources and will use all available resources to determine if the family has unreported income.

5.10 Income of Person Permanently Confined to Nursing Home

If a family member is permanently confined to a hospital or nursing home and there is a family member left in the household, HAMC will calculate the income by using the following methodology which results in the lesser total tenant payment:

- The income of the family member confined will be included and corresponding out of pocket medical expenses will be deducted; or,
- The income of the family member confined will not be included and corresponding out of pocket medical expenses will not be deducted.

5.11 Regular Contributions and Gifts

Regular contributions and gifts to the household are counted as income for calculation of the Total Tenant Payment. Any contribution or gift received more than one time in an annual period will be considered regular unless such amount is less than \$10 on an annual basis. Regular contributions and gifts include cash and non-cash contributions to the household including payment of utilities, tenant rent or any other recurring payment obligations if paid by anyone outside the assisted household.

5.12 Alimony and Child Support

Regular alimony and child support payments are counted as income for calculation of Total Tenant Payment. If the amount of child support or alimony received is less than the amount awarded by the court, HAMC will use the amount awarded by the court unless the family can verify that they are not receiving the full amount and verification of such is provided as follows:

- Verification from the agency responsible for enforcement or collection;
- Documentation of child support or alimony collection action filed through a child support enforcement/collection agency, or collection action filed through an attorney.

5.13 Lump-Sum Receipts

Lump-sum payments caused by delays in processing periodic payments such as

unemployment or welfare assistance are counted as income. Deferred periodic payments, which have accumulated due to a dispute, are also counted as income.

In order to determine amount of retroactive tenant rent that the family owes as a result of the lump sum receipt, HAMC will use a calculation method, which calculates retroactively or prospectively, depending on the circumstances.

- **Prospective Calculation Methodology:** If the payment is reported on a timely basis, (as required under interim reporting requirements) the calculation will be done prospectively and will result in an interim adjustment calculated as follows: the entire lump-sum payment will be added to the annual income at the time of the interim and total tenant payment and tenant rent will be calculated accordingly.
- **Retroactive Calculation Methodology:** If the payment is not reported on a timely basis, HAMC will go back to the date the lump-sum payment was received, or to the date of admission, whichever is closer and determine the amount of income for each certification period, including the lump sum, and recalculate the tenant rent for each certification period to determine the amount due to HAMC. The family will then be required to pay this amount to HAMC in full from the lump sum proceeds. Failure to make payment will result in termination of assistance.
- **Attorney Fees** - The family's attorney fees may be deducted from lump-sum payments when computing annual income if the attorney's efforts have recovered a lump-sum compensation, and the recovery paid to the family does not include an additional amount in full satisfaction of the attorney fees.

Lump-sum additions to Family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains, and settlement for personal or property losses, are not included in income but are included as assets. Lump sum payments from Social Security or SSI are excluded from income, but any amount remaining will be considered an asset.

5.14 Contributions to Retirement Funds

While an individual is employed, contributions to company retirement/pension funds count as assets if the family can access the funds without retiring or terminating employment. After retirement or termination of employment, any amount the employee elects to receive as a lump sum is counted as a lump sum payment as described above.

5.15 Assets Disposed of For Less than Fair Market Value

HAMC will count assets disposed of for less than fair market value during the two years preceding certification or reexamination by including the difference between the market value and the actual payment received when calculating total assets if the fair market value of such assets is greater than \$1,000.

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

5.16 Child Care Expenses

Childcare expenses for children under 13 may be deducted from annual income if they enable an adult to work or attend school full time, or to actively seek employment. However, childcare expenses will not be allowed as a deduction if there is an adult household member capable of caring for the child who can provide the childcare.

Examples of adult household members who would be considered *unable* to care for a child include the abuser in a documented child abuse situation or a person with disabilities or older person unable to take care of a small child, as verified by a reliable knowledgeable source.

A childcare deduction will only be provided based on the following guidelines:

- **Childcare to Work:** The maximum childcare expense allowed must be less than the amount earned by the person enabled to work. The "person enabled to work" will be the adult member of the household who earns the least amount of income from working.
- **Childcare for School:** The number of hours claimed for child care may not exceed the number of hours the family member is attending school, including reasonable travel time to and from school.
- **Amount of Expense:** HAMC will survey the local care providers in the community and collect data to serve as a guideline. The maximum amount of childcare expense that can be deducted may not exceed the applicable local rates for comparable care.
- **Reimbursement:** Childcare expense cannot be reimbursable from any other source. If a divorce decree provides for joint payment of childcare, expenses will be prorated accordingly unless the assisted family provides adequate documentation as described previously.

5.17 Medical Expenses

Elderly and disabled households are entitled to deductions for allowable medical expenses. If the household qualifies for a medical deduction then the medical expenses of all household members are an allowable deduction.

Allowable expenses include but are not limited to insurance premiums; hospital and doctor costs; and, prescription medicines. Nonprescription medicines, acupressure, acupuncture, herbal medicines and chiropractic services will not be considered allowable medical expenses. The IRS Publication 502 will govern the final determination as to whether a particular medical expense is permitted or prohibited as an allowable deduction.

5.18 Pro-ration of Assistance for "Mixed" Families

A "mixed" family is one that includes at least one U.S. citizen or eligible immigrant and any number of ineligible members. Housing assistance will be prorated for mixed families

based on the following calculation.

The total housing assistance shall be calculated based on income, assets, allowances and deductions for all household members. The percent of eligible household members is determined by dividing the number of U. S. Citizens or eligible immigrants in the household by the total number of household members. The total amount of housing assistance is then multiplied by the percent of the eligible household members. This is the amount of housing assistance that will be paid on behalf of a mixed family.

5.19 Income Changes Resulting from Welfare Program Requirements

HAMC will not reduce the rental contribution for families whose welfare assistance is reduced specifically because of:

- Fraud by a family member in connection with the welfare program; or
- Failure to participate in an economic self-sufficiency program; or
- Noncompliance with a work activities requirement.

However, HAMC will reduce the rental contribution if the welfare assistance reduction is a result of:

- The expiration of a lifetime time limit on receiving benefits; or
- A situation where a family member has not complied with other welfare agency requirements; or
- A situation where a family member has complied with welfare agency economic self-sufficiency or work activities requirements but cannot or has not obtained employment, such as the family member has complied with welfare program requirements, but the durational time limit, such as a cap on the length of time a family can receive benefits, causes the family to lose their welfare benefits.

Imputed welfare income is the amount of annual income not actually received by a family as a result of a specified welfare benefit reduction that is included in the family's income for rental contribution and is treated as follows:

- Imputed welfare income is not included in annual income if the family was not an assisted resident at the time of sanction.
- The amount of imputed welfare income is offset by the amount of additional income a family receives that begins after the sanction was imposed.
- When additional income is at least equal to the imputed welfare income, the imputed welfare income is reduced to zero.

The HAMC will obtain written verification from the welfare agency stating that the family's benefits have been reduced for fraud or noncompliance with economic self-sufficiency or work activities requirements *before* denying the family's request for rent reduction. The welfare agency, at the request of the HAMC, will inform the HAMC of: the amount and term of specified welfare benefit reduction for the family; reason for the reduction; and subsequent changes in term or amount of reduction.

5.20 Utility Allowance and Utility Reimbursement Payments

HAMC will develop a utility allowance schedule, which is intended to cover the cost of utilities not included in the rent to the owner. This allowance is based on the typical cost of utilities and services paid by energy-conservative households that occupy housing of similar size and type. Allowances are not based on an individual family's actual energy consumption.

The utility allowance for an individual family includes the utilities and services that are necessary to provide housing that complies with the Federal Housing Quality Standards. No allowance will be provided for non-essential utility costs, such as telephone, cable, or satellite television. Where families provide their own range and refrigerator, HAMC will include an appliance allowance as part of the total utility allowance provided to the family.

Lease agreements with tenant paid utilities will only be approved for utilities that are individually metered for the unit receiving assistance. The individual meter must only service the living space in which the family has access. The property owner must retain responsibility for any utility that is not individually metered.

HAMC will review the utility allowance schedule annually. If the review finds a specific utility rate has changed by 10% or more since the last revision of the utility allowance schedule, the schedule will be revised to reflect the new rate. Revised utility allowances will be applied in a participant family's rent calculation at their next re-certification.

When the calculation on the HUD 50058 results in a utility housing assistance payment due to the family, HAMC will provide a Utility Assistance Payment (UAP) directly to the primary utility provider. Payment will not be issued to the family.

SECTION 6

VERIFICATION PROCEDURES

6.1 General

All factors affecting eligibility for the HCV Program and calculation of total tenant payment, tenant rent and housing assistance will be verified by HAMC. Applicants and program participants must provide true and complete information upon request by HAMC. Verification requirements are designed to maintain program integrity.

This Chapter explains the procedures and standards for verification of income, assets, allowable deductions, family status, and changes in family composition. HAMC will obtain proper authorization from the family before requesting information from independent sources.

6.2 Social Security Number Documentation:

Applicants and participants (including each member of the household) are required to provide documentation of each disclosed Social Security Number. Acceptable evidence of the SSN consists of:

- An original SSN card issued by the Social Security Administration;
- An original SSA-issued document, which contains the name and SSN of the individual; or
- An original document issued by a federal, state, or local government agency, which contains the name and SSN of the individual

Rejection of Documentation - HAMC may reject documentation of the SSN provided by the applicant or participant for only the following reasons:

- The document is not an original document; or
- The original document has been altered, mutilated, or not legible; or
- The document appears to be a forged document (i.e. does not appear to be authentic).

HAMC will explain to the applicant or participant, the reason(s) the document is not acceptable and request the individual to obtain acceptable documentation of the SSN and submit it to the HAMC within 10 calendar days.

Verification of the SSN – HAMC will verify each disclosed SSN by:

- Obtaining the documentation listed above from applicants and participants (including each member of the household);
- Making a copy of the original documentation submitted, returning it to the individual, and retaining the copy in the file folder until accepted by EIV; and
- Recording the SSN on line 3n of the form HUD-50058, and transmitting the form HUD-50058 to HUD within 30 calendar days of completing the form, to enable HUD to initiate its computer matching efforts. (Applies only to participants, not applicants).

HUD, via its computer matching program with the SSA, will validate the SSN (along with the individual's name and date of birth) against the SSA's database. EIV will report the status of the identity verification process as **Verified**, **Failed**, **Not Verified**, or **Deceased** on the household **Summary Report**. Below is a summary of the action HAMC will take for each identity verification status.

- **Verified.** If the information matches the SSA database, the individual's identity verification status will be **Verified**. No further action is required.
- **Failed.** If the information does not match the SSA database, the identity verification status will be **Failed**. Individuals whose identity verification status is failed will be required to provide HAMC with additional information and verification documents as requested and necessary to determine correct identification.
- **Not Verified.** If an individual's identity verification status is **Not Verified** this means that HUD has not yet sent the tenant's personal identifiers to SSA for validation. No further action is required.
- **Deceased.** If an individual's identity verification status is **Deceased** this means that SSA's records indicate the person is deceased. HAMC will confirm the death with the family's head of household or listed emergency contact person.

Once the individual's verification status is classified as **verified**, HAMC will remove and destroy, by no later than the next recertification, the copy of the documentation provided and retain only the verification documentation from the EIV report in the program file.

Individuals without an assigned SSN - Citizens and lawfully present noncitizens who state that they have not been assigned a SSN by the SSA, must make such declaration in writing and under penalties of perjury to the HAMC. This declaration will be maintained in the tenant file.

An alternate ID will be assigned to those individuals who do not have or unable to disclose a SSN. Once an individual discloses a SSN, HAMC will delete the ALT ID and secure a verified status of the SSN provided.

6.3 The Enterprise Income Verification (EIV) System

The EIV system is a web-based application which provides HAMC with employment, wage, unemployment compensation and social security benefit information for participants of the Housing Choice Voucher Program. Information in EIV is derived from computer matching programs between HUD, Social Security Administration (SSA), Department of Labor (DOL), and the Department of Health and Human Services (HHS).

EIV is classified by HUD as upfront income verification (UIV) technique and is considered by HUD as an automated third party written verification.

6.4 Verification of Social Security Income

Income from Social Security will be verified for applicants with a SSA benefit verification letter (dated within the last 60 days of the HAMC request date for information) provided by the family. Income from Social Security will be verified for participants with an **EIV Income Report** which displays the current social security benefit amount.

6.5 The Verification Hierarchy

HAMC is required by HUD to access the EIV system and obtain an Income Report for each assisted household. HAMC is required to maintain the EIV report in the participant file along with the HUD 50058 form and other supporting documentation to support income and rent determinations.

If the EIV income report does not contain any employment and income information for the family, HAMC will secure necessary information in the order of the hierarchy listed below.

LEVEL	VERIFICATION TECHNIQUE	RANKING
6	Upfront income verification (UIV) using HUD's EIV system.	Highest (Mandatory)
5	Upfront income verification (UIV) using non-HUD system.	Highest (Optional)
4	Written third party verification (authentic document generated by a third party source but supplied by the participant)	High (Mandatory to supplement EIV reports when EIV has no data. (Mandatory for non-EIV income sources and when participants dispute EIV information)).
3	Written third party verification form	Medium-Low (Mandatory if third party verification is not available or is rejected by HAMC; and when participant/applicant is unable to provide acceptable documents).
2	Oral third party verification	Low (Mandatory only when no third party verification is available)
1	Tenant Declaration	Very Low (use as a last resort when unable to obtain any type of third party verification).

In determining annual income, HAMC will use information based on past actual income received or earned within the last 12 months prior to the recertification transaction. HAMC will use the most recent 12 months of income information available in EIV. No further documentation will be required if circumstances have not changed. If there has been a change in circumstances or the participant disputes the EIV reported income information, additional third party documentation will be requested pursuant to the hierarchy above.

Information not contained in EIV will be verified pursuant to the hierarchy above. HAMC will utilize the same time period for both EIV information and non-EIV information.

All verifications, regardless of level, must be dated within 60 days prior to the request of HAMC to provide the documents. Level four verification documents that serve to verify income amounts must include a minimum of two consecutive payments applicable to the income amount.

HAMC will provide applicants and participants with a maximum of 10 calendar days to respond to requests for level four documents. Failure to provide documents within this period will result in proposed termination of assistance or removal from the waiting list. HAMC will allow a maximum of 10 calendar days for return of level three documents before going to the next level identified above. The file will be documented as to why third party verification was not used.

6.6 Release of Information

All adult family members will be required to sign the HUD 9886 Release of Information/Privacy Act form. In addition, family members will be required to sign specific authorization forms when information is needed that is not covered by the HUD form 9886. Family refusal to cooperate with the HUD prescribed verification system will result in denial of admission or termination of assistance based on violation of the family obligation to supply any information and to sign consent forms.

6.7 Income Discrepancy Reports

HAMC will analyze the Income Discrepancy Information from the HUD EIV system on a regular basis. HAMC will send a letter within 10 business days to schedule a meeting with participants identified in EIV with an income discrepancy. The income discrepancy will be explained to the family as well as the family's obligations to resolve and/or dispute the discrepancy.

If the family disputes the discrepancy, they are responsible for contacting the reporting employer to secure documentation that will support their dispute. If the family claims that the discrepancy is the result of stolen identify, the family is responsible for providing HAMC with legal documentation that will support their claim of stolen identify.

If the family does not dispute the claim, HAMC will proceed to terminate the family's housing assistance in accordance with the termination provisions outlined in the Administrative Plan.

6.8 Items to Be Verified

The following information must be verified to determine initial program eligibility, to calculate total tenant payment, tenant rent and housing assistance and at each re-certification of income.

- All income not specifically excluded by the regulations.
- Full-time student status including High School students who are 18 or over.
- Current assets if total assets are in excess of \$5,000, including assets disposed of for less than fair market value in preceding two years.
- Childcare expense where it allows an adult family member to be employed or to further his/her education.
- Total medical expenses of all family members in households whose head or spouse is elderly or disabled.
- Disability assistance expenses to include only those costs associated with attendant care or auxiliary apparatus for a disabled member of the family, which allow an adult family member to be employed.

- Disability for determination of allowances or deductions.
- U.S. citizenship/eligible immigrant status
- Social Security Numbers for all family members over 6 years of age or older who have been issued a social security number.
- Familial/Marital status when needed for head or co-head definition.
- Verification of Reduction in Benefits for Noncompliance

6.9 Verification of Non-EIV Sources

Verification of information not included on the EIV report or of non EIV sources includes the following:

- **Unemployment Compensation** - Additional methods of verification include: SWICA statements; computer report electronically obtained or in hard copy, from unemployment office stating payment dates and amounts; payment stubs, bank account statements reflecting direct deposit of benefits.
- **Welfare Payments or General Assistance** – Alternate methods of verification include: on-line statements from State Welfare systems; computer-generated Notice of Action; computer-generated list of recipients from Welfare Department; bank account statements reflecting direct deposit of benefits.
- **Alimony or Child Support Payments** – Alternate methods of verification include: on-line statements from Child Support agencies; copy of a separation or settlement agreement or a divorce decree stating amount and type of support and payment schedules; a notarized letter from the person paying the support; copy of latest check and/or payment stubs from Court Trustee; bank account statements reflecting direct deposit of benefits.

If payments are irregular, the family must provide: a copy of the separation or settlement agreement, or a divorce decree stating the amount and type of support and payment schedules; a statement from the agency responsible for enforcing payments to show that the family has filed for enforcement; a notarized affidavit from the family indicating the amount(s) received; a written statement from an attorney certifying that a collection or enforcement action has been filed.

- Net Income from a Business - Acceptable methods of verification include: IRS Form 1040, including: Schedule C (Small Business); Schedule E (Rental Property Income); Schedule F (Farm Income); if accelerated depreciation was used on the tax return or financial statement, an accountant's calculation of depreciation expense, computed using straight-line depreciation rules; audited or unaudited financial statement(s) of the business; credit report or loan application.
- **Recurring Cash Contributions** - The family must furnish a notarized statement which contains the following information: the person who provides the contributions; the value of the contributions; the regularity (dates) of the contributions; and, the purpose of the contributions.

- **Zero Income Status** - Families claiming to have no income will be required to complete a “survival statement”. If the family continues to claim zero income, they will be required to complete a “survival statement” every 90 days. HAMC may also solicit a credit report and request copies of bank statements to identify an undisclosed income.
- **Full-time Student Status** - Verification of full time student status includes: written verification from the registrar's office or other school official; school records indicating enrollment for sufficient number of credits to be considered a full-time student by the educational institution.
- **Savings Account Interest Income and Dividends** - Acceptable methods of verification include: account statements, passbooks, certificates of deposit; IRS Form 1099 from the financial institution.
- **Interest Income from Mortgages or Similar Arrangements** - Acceptable methods of verification include: a letter from an accountant, attorney, real estate broker, the buyer, or a financial institution stating interest due for next 12 months; amortization schedule showing interest for the past 12 months.
- **Net Rental Income from Property Owned by Family** - Acceptable methods of verification include: IRS Form 1040 with Schedule E (Rental Income); copies of latest rent receipts, leases, or other documentation of rent amounts; documentation of allowable operating expenses of the property: tax statements, insurance invoices, bills for reasonable maintenance and utilities, and bank statements or amortization schedules showing monthly interest expense; lessee's written statement verifying rent payments to the family and family's self-certification as to net income realized.
- **Family Assets < \$5,000** – Verification will be limited to the self-declaration signed by the head of household on the formal eligibility application or the annual recertification application.
- **Family Assets >\$5,000** – If the family certifies to assets >\$5,000, HAMC will require information necessary to determine the current cash value of the family's assets, (the net amount the family would receive if the asset were converted to cash). Acceptable verification may include: letters, or documents from a financial institution or broker; passbooks, checking account statements, certificates of deposit, bonds, or financial statements completed by a financial institution or broker; quotes from a stock broker or realty agent as to net amount family would receive if they liquidated securities or real estate; real estate tax statements if the approximate current market value can be deduced from assessment; financial statements for business assets; copies of closing documents showing the selling price and the distribution of the sales proceeds; appraisals of personal property held as an investment.
- **Assets Disposed of for Less than Fair Market Value (FMV)** - For determination of initial eligibility and annual recertification, HAMC will obtain the family's certification as to whether any member has disposed of assets for less than fair market value during the two years preceding the effective date of the certification or re-certification.

If the family certifies that they have disposed of assets for less than fair market value, verification is required that shows: (a) all assets disposed of for less than FMV, (b) the date they were disposed of, (c) the amount the family received, and (d) the market value of the assets at the time of disposition. Third party verification will be obtained wherever possible.

- **Child Care Expenses** - Written notarized verification, canceled checks or payment receipts from the person who receives the payments is required. Verifications must specify the child care provider's name, address, telephone number, the names of the children cared for, the number of hours the child care occurs, the rate of pay, and the typical yearly amount paid, including school and vacation periods.
- **Medical Expenses** – Verification will be determined based on computer print outs from pharmacies; canceled checks, copies of money orders or account statements from medical providers; account statements or bank statements reflecting automatic withdrawal of medical premiums; and EIV documentation of Medicare premiums. All documentation must reflect the amount paid by the individual. Documentation provided that does not reflect the amount paid by the individual will not be considered for determination of medical expenses.
- **Assistance to Persons with Disabilities** - Written certification from a reliable, knowledgeable professional that the person with disabilities requires the services of an attendant and/or the use of auxiliary apparatus to permit him/her to be employed or to function sufficiently independently to enable another family member to be employed. Statements from third parties as to whether reimbursement for any of the expenses of disability assistance and the amount of any reimbursement received.
 - **Attendant Care:** Copies of canceled checks or money orders family used to make payments.
 - **Auxiliary Apparatus:** Receipts for purchases or proof of monthly payments and maintenance expenses for auxiliary apparatus. In the case where the person with disabilities is employed, a statement from the employer that the auxiliary apparatus is necessary for employment is needed.

6.10 Familial Relationships

Certification will be considered sufficient verification of family relationships. However, when family members are not related by blood or marriage, verification of relationship will be required. Verification of relationship with minors will include legal documentation of the relationship such as court records of custodial care or guardianship. Verification of adult relationships will include marriage certificate or other documentation indicating that a stable relationship has existed for a period of more than 12months as demonstrated through joint financial records, a joint lease agreement or other such documentation acceptable to HAMC.

In cases where reasonable doubt exists of a relationship by blood or marriage, the family may also be asked to provide verification of legal documentation to support the relationship.

When requesting a change in family composition to add or remove a household member, verification documentation must be provided.

6.11 Verification of Permanent Absence of Family Member

If the family reports an adult member who was formerly a member of the household permanently absent, the following information must be presented as verification prior to removing any household member from the assisted household: legal evidence of divorce action; evidence of legal separation; order of protection/restraining order obtained by one family member against another; lease or rental agreement showing the individual listed as the member of another household; a document from a Court or correctional facility stating how long they will be incarcerated. HAMC will verify with the U.S. Postal service to determine if there has been a change of address entered for the adult person reported as permanently absent.

Regardless of the verification documentation presented, no family member will be considered permanently absent for 180 days from the date the report was received by HAMC from the family. A recertification transaction will not be processed until the next regularly scheduled annual recertification or 180 days from the date the family reported the member absent whichever occur first.

6.12 Verification of Disability

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

SECTION 7

VOUCHER ISSUANCE AND BRIEFINGS

7.1 General

HAMC's goals and objectives are designed to assure that families selected to participate are equipped with the tools necessary to locate an acceptable housing unit; that families are provided sufficient knowledge and information regarding the program; and, how to achieve maximum benefit while complying with program requirements. When eligibility has been determined, HAMC will conduct a mandatory briefing to ensure that families know how the program works.

The briefing will provide a broad description of owner and family responsibilities, program procedures, and how to lease a unit. The family will also receive a briefing packet, which provides more detailed information about the program including the benefits of moving outside areas of poverty and minority concentration. This Chapter describes how briefings will be conducted, the information that will be provided to families, and the policies for how changes in the family composition will be handled.

7.2 Issuance of Vouchers

When funding is available, HAMC will issue vouchers to applicants whose final eligibility has been determined. HAMC will strive to maintain 100% utilization of all program funds. Program capacity will be closely monitored to determine success rates, average lease up time, and program turnover. This statistical information will serve as the basis to determine the number of vouchers to be issued on an ongoing basis to achieve the 100% utilization rate.

Vouchers will be over-issued based on the average success rates from the previous fiscal year. All vouchers, which are over-issued, will be honored unless otherwise rescinded as described further in this plan, even if it results in being over-leased for a given period of time. In the case of over-leasing, HAMC will adjust future issuance of vouchers in order not to exceed the budget limitations over the entire fiscal year.

7.3 Briefing Types and Required Attendance

Initial Applicant and Port-In Briefing - A full program briefing will be conducted for applicant families who are determined to be eligible for assistance and participants that wish to port into HAMC's jurisdiction. The briefings will generally be conducted in groups but may occasionally be conducted individually based on need.

Reasonable accommodations will be provided to individuals who are disabled or for individuals with limited comprehension or second language needs upon notification to HAMC. Children will not be permitted at the briefing session in order to ensure an informative learning environment that will meet the needs of all applicants.

The purpose of the briefing is to explain how the program works and distribute the required documents in the voucher packet to applicants. This will enable families to utilize the program to their advantage, and prepare them to discuss the Housing Choice Voucher Program with potential owners and property managers.

HAMC will not issue a voucher to an applicant family unless the household representative has attended a briefing and signed the voucher form. Applicants who provide prior notice of inability to attend a briefing will automatically be scheduled for the next briefing. Applicants who fail to attend two (2) scheduled briefings will be denied admission based on failure to supply information needed for certification.

Briefing Packet - The documents and information provided in the briefing packet for the voucher program include the following required items:

- HUD approved voucher form indicating the term of the voucher;
- Housing search record form;
- HAMC's policy for requesting extensions of the voucher for persons with disabilities;
- A description of the method used to calculate the housing assistance payment for a family;
- Payment standards and utility allowance schedule(s);
- Explanation of the maximum allowable rent for an assisted unit including the rent reasonableness standard and affordability standards;
- Where the family may lease a unit;
- Owner and family responsibilities;
- Portability procedures and an explanation of how portability works;
- HUD required tenancy addendum;
- HUD approved Request for Tenancy Approval (RTA) form;
- Owner disclosure of lead based paint;
- A statement of the HAMC policy on providing information about families to prospective owners;
- HUD brochure "A Good Place to Live" on how to select a unit that complies with HQS;
- HUD required information on lead-based paint;
- Applicants rights to a review of HAMC decisions and participants rights to informal hearings;
- Requirements for reporting changes in income and family composition;
- Information on security deposits and legal referral services;
- Fair Housing rights and a housing discrimination complaint form;
- Available information related to prospective rental units;

Program Move Briefing - Program participants that have been under lease for a period of one year may opt to move to another assisted unit at the anniversary date of their lease agreement and Housing Assistance Payments Contract. An abbreviated briefing will be conducted by HAMC staff describing the requirements for a successful move within the program.

A program move briefing packet containing the following information will be provided to the program participant:

- HUD approved voucher form indicating the term of the voucher;
- Instructions for program moves;

- Housing Search Record form;
- Vacate notice to be signed by the current landlord;
- Current payment standards and utility allowances;
- Request for Tenancy Approval; and,
- Owner disclosure of lead based paint.

7.4 Housing Opportunity and Mobility

HAMC will provide mobility counseling to assist applicants and program participants with assistance in locating to areas of low poverty. A map of the HAMC's jurisdiction will be provided to applicants indicating areas of low poverty. Program move briefings will include detailed information on portability. Specific effort will be made to identify property owners in those census tracts that are below the city-wide poverty level.

7.5 Security Deposit Requirements

The payment of a security deposit is an issue strictly between the owner and the voucher holder. The HCV program does not assist with security deposit payments and the Housing Choice Voucher Program does not provide for any special claims or payments for unpaid rent, damages or vacancy loss to the owner.

The owner is not required to, but may collect a security deposit from the assisted household in accordance with local market practices. Security deposits charged by owners may not exceed those charged to unassisted households nor exceed the maximum prescribed by state or local law.

7.6 Term of Voucher

During the briefing session, each household will be issued a voucher, which represents the contractual agreement between HAMC and the family, specifying the rights and responsibilities of each party. It does not constitute admission to the program, and the family remains an applicant, until such time that a HAP Contract becomes effective.

The voucher is valid for a period of 90 calendar days from the date of issuance. The family must submit a Request for Tenancy Approval (RFTA) within the 90 period. If the Voucher has expired the family will be denied assistance. The family will not be entitled to a review or hearing. If the family is currently assisted, they may remain as a participant in their unit if there is an assisted lease/contract in effect or if the current owner agrees to reinstate/continue the lease at the existing assisted unit. If the family vacated their assisted unit prior to locating a new unit and their program move voucher expires, their assistance is considered terminated.

Extension for Reasonable Accommodation - HAMC will extend the voucher term up to 180 days from the beginning of the initial term if the family needs and makes a written request for an extension as a reasonable accommodation to make the program accessible to and usable by a family member with a disability, provided that such request is made prior to the expiration of the initial term of the voucher. No other voucher extensions will be granted.

7.7 Voucher Issuance Determination for Split Households

In those instances when a family assisted under the HCV program becomes divided into two otherwise eligible families due to divorce, legal separation, or the division of the family, and the new families cannot agree as to which new family unit should continue to receive the assistance, and there is no determination by a court, HAMC will issue the voucher to the family member who retains majority custody of the greatest number of minor children.

7.8 Transfer and Retention of Voucher

Assistance may only be transferred to someone other than the designated head of household or co-head of household if the head or co-head involuntarily leave the household. No household member may voluntarily assign the assistance to another household member. Assistance will only be transferred if a remaining member of the household is a sole member or legally obtains custody of the remaining minor members of the household. To be considered the remaining member of the assisted family, the person must have been previously approved by HAMC to be living in the unit, identified on the HUD 50058 at the most recent re-certification and be listed on the most recent lease agreement with the owner.

A live-in attendant, by definition, will not be considered a remaining member of the family and will not be entitled to any continued assistance if the person who they were assisting ceases to receive assistance for any reason. A minor child may only be considered as a remaining member of the household if a court has awarded emancipated minor status to the minor. A reduction in family size may require a corresponding reduction in the voucher family unit size.

SECTION 8

APPROVAL OF TENANCY AND CONTRACT EXECUTION

8.1 General

HAMC's program operations are designed to utilize available resources in a manner that is efficient and provides eligible families timely assistance based on the number of units that have been budgeted. Program objectives include maximizing HUD funds by providing assistance to as many eligible families and for as many eligible units as the budget will allow. After families are issued a voucher, they may search for a unit anywhere within the designated jurisdiction. The family must find an eligible unit under the program rules, with an owner/landlord who is willing to enter into a Housing Assistance Payments Contract with HAMC.

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

8.2 Request for Approval of Tenancy

The Request for Tenancy Approval (RFTA) must be submitted by the family during the term of the voucher. The family must submit the RFTA in the form and manner required by HAMC:

- All corresponding blanks on the RFTA form must be fully completed and legible, including the age of the building and the most recent rent charged;
- The form must be signed by both the owner and voucher holder;
- A copy of the proposed lease must be returned with the RFTA;
- The landlord certification, direct deposit authorization and the federal W-9 must be completed and returned with the RFTA.
- The family may not submit more than one RFTA at a time.

HAMC will review the RFTA documents to determine whether or not they are approvable based on the following criteria:

- The unit is an eligible type of housing under the program;
- The rent to owner plus tenant paid utilities does not exceed the applicable payment standard for the bedroom size of the voucher issued to the family; or the rent requested meets the affordability test (does not exceed 40% of the households monthly adjusted income); and,
- The rent is reasonable in comparison to unassisted like units in the same location.

If HAMC cannot approve the RFTA based on any of the above, HAMC staff will contact the owner to determine if they are willing to negotiate within terms that would be approvable under the program requirements. If the owner and HAMC are unable to reach acceptable terms, the voucher holder will be notified within 5 days and advised that the unit is not acceptable. The voucher holder will have the remaining period on their voucher to locate an acceptable unit. The voucher time will not be suspended or "tolled" during this period.

8.3 Eligible Types of Housing

Any of the following types of housing are eligible to be considered for assistance under the Housing Choice Voucher Program:

- All structure types: single family, duplex, multi-family, low rise or high-rise;
- Manufactured homes where the assisted family leases the mobile home and the pad;
- Manufactured homes where the assisted family owns the mobile home and leases the pad;
- Group Homes or shared housing;
- Congregate and Assisted Living facilities (only the shelter rent is assisted);
- Single Room Occupancy facilities;
- Units owned (but not subsidized) by the PHA;
- Units being purchased by the assisted family in accordance with the Section 8 Homeownership criteria;
- A cooperative housing development in which the family owns shares would still be considered a lease arrangement under the voucher program.

8.4 Lease Review

The family and owner must submit a standard form lease commonly used in the State of Arizona and that is used for the owner's unassisted tenants at the premises. The terms and conditions of the lease must be consistent with State and local law. The lease must specify what utilities and appliances are to be supplied by the owner, and what utilities and appliances are to be supplied by the family.

The initial term of the lease agreement must be for a minimum of 12 months unless HAMC determines that a shorter term will improve housing opportunities for the assisted household. Owners may elect to execute a lease for an indefinite extension of the initial term (the endless lease), which will allow the owner the ability to terminate tenancy during the lease only by instituting a court action. However, owners may elect fixed, definite extensions of the initial lease, such as year-to-year. This option allows the owner to terminate tenancy without cause at the end of the initial term or any subsequent term.

The HUD prescribed tenancy addendum, which is attached to the Housing Assistance Payments Contract, as Part C, will always take precedence over any other terms and conditions in the owner's lease with the tenant. House rules of the owner may be attached to the lease as an addendum, provided they do not violate any fair housing provisions and do not conflict with the HUD tenancy addendum.

8.5 Actions before Lease Term

All of the following must always be completed before the beginning of the initial term of the lease for a unit:

- The unit has been inspected and meets all requirements of the federal Housing Quality Standards;
- The rent on the lease agreement is consistent with the rent approved by HAMC under the rent reasonable test;

- The lease has the same commencement date as the HAP Contract;
- The HUD-prescribed tenancy addendum is attached to the lease and both documents are signed by the landlord and the participant.

8.6 Separate Agreements

Families and owners will be advised of the prohibition of illegal side payments for additional rent, or for items normally included in the rent of unassisted families, or for items not shown on the approved lease. Any appliances, services or other items, which are routinely provided to unassisted families as part of the lease (such as air conditioning, dishwasher or garage) or are permanently installed in the unit, cannot be put under separate agreement and must be included in the lease.

However, owners and families may execute separate agreements for services, appliances (other than range and refrigerator) and other items that are not included in the lease if the agreement is the same as what is provided to unassisted tenants and the agreement is in writing and approved by HAMC. HAMC will only approve a separate agreement if the family has the option of **not** utilizing the service, appliance or other item.

8.7 Information to Owners

HAMC will not release any information about the participant to prospective owners. HAMC will inform owners that it is the responsibility of the landlord to determine the suitability of prospective tenants. Owners will be encouraged to screen applicants for rent payment history, payment of utility bills, eviction history, respecting the rights of other residents, damage to units, drug-related criminal activity or other criminal activity that is a threat to the health, safety or property of others, and compliance with other essential conditions of tenancy.

8.8 Contract Execution Process

The Housing Assistance Payments Contract will be prepared by HAMC upon approval of the RFTA and a passing inspection indicating that the unit is in compliance with all Federal Housing Quality Standards.

Owners will be required to provide proof of ownership for the assisted unit in a form acceptable to HAMC. The HAP Contract will be executed in the name as indicated on the proof of ownership. If the owner has assigned an agent to represent the owner, then appropriate legal documentation must be provided prior to execution of the HAP Contract.

In the case of large multi-family properties, a single copy of the management agreement will be kept on file for the property. Subsequent vouchers leasing at the same property will be approved without further proof of ownership.

Upon completion of the HAP Contract, HAMC will issue via e-mail an electronic copy of Part I of the HAP Contract for signature and return. Owners will be advised to download and read Part II of the HAP Contract from HAMC's website. Owners will be held accountable for all provisions contained in Part I and Part II of the HAP Contract.

If HAMC fails to issue a HAP Contract prior to the approved lease effective date, the housing assistance payments will be retroactive to the date the unit passed inspection or the lease effective date whichever is later. However, if the owner fails to return the signed HAP Contract (electronically, hand delivered or by mail) within 10 days from the date of issuance by HAMC, the housing assistance payment will be effective on the date HAMC receives the HAP Contract.

SECTION 9

HOUSING QUALITY STANDARDS AND INSPECTIONS

9.1 General

The Housing Quality Standards (HQS) are federal standards established by HUD that serve to measure the minimum quality of housing acceptable in the Housing Choice Voucher Program. HQS standards are utilized to inspect housing units at initial occupancy and during the term of the Housing Assistance Payments Contract. HQS standards apply to the building and premises, as well as the unit. Newly leased units must pass the HQS inspection before the beginning date of the HAP Contract. HAMC will inspect each unit under contract at least biennial but may inspect more often to ensure Housing Quality Standards are met. HAMC will also maintain a quality control inspection program, which will re-inspect a minimum of 2% of all inspections to assure consistency of enforcement of HQS.

This Chapter describes HAMC's policies for performing HQS and other types of inspections, as well as standards for the timeliness of repairs. It also explains the responsibilities of the owner and family, and the consequences of non-compliance with HQS requirements for both families and owners.

9.2 Guidelines/Types of Inspections

Effort will be made at all times to encourage owners to provide housing above HQS minimum standards. However, HAMC will not promote any additional acceptability criteria which is likely to adversely restrict housing choice.

If the tenant is responsible for supplying the stove and/or the refrigerator, HAMC will complete the initial inspection without the stove and refrigerator in the unit, provided that the family certifies that the appliances will be placed in the unit and will be in proper working order.

The following types of inspections will be conducted as required:

- **RFTA/Initial** - inspection on a property which the tenant has selected and is requesting approval of a new unit;
- **Biennial/Annual** - an inspection conducted on a property every 1 - 2 years;
- **Re-inspection** - an inspection of a property which failed a previous inspection;
- **24-Hour Re-inspection** – an inspection on a property which had a failing item considered a 24-hour emergency situation;
- **Complaint** - inspection on a property which has been requested by the resident or other involved party due to perceived problems with the property;
- **Abatement Cure** - inspection on property where abatement has commenced but is still within the thirty-day window prior to termination;
- **Re-instatement inspection** - inspection in which the contract was terminated but a determination has been made to re-instate the contract;
- **QA (Quality Assurance)** – re-inspection by a supervisor of units previously inspected;
- **QA Re-inspection** - re-inspection on a failed QA;

9.3 Timing of HQS Inspections

The chart below provides the general timelines that HAMC will utilize in scheduling and conducting HQS inspections

Type of Inspection	To Be Scheduled
RFTA/Initial	Within 10 business days from approval of RFTA
Biennial/Annual	120 days prior to anniversary date.
Re-inspection	Upon notification by owner that the repairs have been completed but within 30 days after failed inspection.
24 Hour Re-inspection	Upon notification by owner that the repairs have been completed but within 24 hours after failed inspection.
Complaint	Within 3 business days from request.
Abatement Cure	Upon notification by owner that repairs have been completed but no later than 30 days after the re-inspection.
Re-instatement Inspection	Upon notification by owner that the repairs have been completed but no later than 30 days after the abatement cure inspection.
Quality Assurance Inspection	Within 30 days from date of initial or last annual inspection.

The family must allow HAMC to inspect the unit at reasonable times with reasonable notice. Reasonable hours to conduct an inspection are between 8:00 a.m. and 5:00 p.m. Monday through Friday. Notice will be provided to the family and the owner via first class mail or email a minimum of fifteen (15) days prior to the first attempt for an inspection.

The family and/or the owner will be notified by telephone or by a posted notice on the main entrance of the unit of a scheduled emergency re-inspection. Re-inspection notice for non-emergency items will be provided in the fail letter issued to the owner and the family.

Two attempts will be made for all inspection types. If access to the unit cannot be obtained after the second attempt, the unit will be considered in non-compliance with the HQS standards and appropriate action will be taken based on the inspection type.

Responsibility for access for annual inspections and any related required re-inspections is the responsibility of the assisted household and failure to provide access is a violation of the family obligations under the voucher contract. Access for all other inspection types is the responsibility of the owner.

9.4 Time Standards for Repairs

The owner must correct emergency items, which endanger the family's health or safety, within 24 hours from the initial inspection. Non-emergency repairs must be made within 10 days from the date of an initial inspection or re-inspection and within 30 days from the date of all other inspections or re-inspections. If a unit fails to comply with HQS at an initial inspection or re-inspection, the applicant will be notified to continue their search for housing within the time frame remaining on the voucher. If a unit fails to comply with HQS at any other inspection, actions will be taken as described below.

9.5 Modifications to HQS

HAMC will use the federal Housing Quality Standards for acceptance of units under the Housing Choice Voucher Program. Any modifications or adaptations to a unit to permit a reasonable accommodation for a person with a disability must meet all applicable HQS requirements.

Properties that provide swimming pools for use by residents must be in compliance with all provisions of applicable codes of the local governing jurisdiction.

9.6 Emergency Repair Items

The following items shall be defined as emergency and must be corrected within 24 hours of the initial inspection:

- Lack of an operable smoke detector;
- Ceiling damage reflecting imminent danger of falling;
- Major plumbing leaks or flooding;
- Natural gas leaks or fumes;
- Electrical problems which could result in shock or fire;
- No heat when outside temperature is below 40 degrees Fahrenheit and temperature inside unit is below 65 degrees Fahrenheit.
- No air conditioning when outside temperature is above 90 degrees Fahrenheit and temperature inside the unit is above 80 degrees Fahrenheit.
- All components of the stove are inoperable; all components of the refrigerator/freezer are inoperable.
- Utilities not in service
- No running hot water
- Broken glass where someone could be injured
- Obstacle which prevents tenant's entrance or exit
- Lack of operable toilet

If the emergency repair item(s) are not corrected in the time period required and the owner is responsible for the repair, the Housing Assistance Payment will be abated in accordance with the procedures outlined further in this plan.

If the emergency repair item(s) are not corrected in the time period required, and the assisted household caused the damage, a notice of pending termination will be issued to the family in accordance with the termination procedures outlined further in this plan.

9.7 Abatement and Contract Termination

Failure for a unit under contract to pass a re-inspection will result in abatement of the Housing Assistance Payment. Abatement means that a daily pro-ration of the Housing Assistance Payment will be deducted from any future payments for each day that the unit is not in compliance with the HQS standards beginning the day following the failed re-inspection and continuing until the owner submits notification in writing to HAMC that the repairs have been completed. A notice of abatement will be sent to the owner within 2 business days of the re-inspection. The abatement period will not extend beyond 30 days.

If the owner has not made the required repairs during the abatement period, the Housing Assistance Payments Contract will be terminated in accordance with the provisions in the contract. The assisted family will be notified of the termination and will be advised to secure program move documents to commence search for a new housing unit. Once a termination notice has been issued, the HAP Contract will not be re-instated (except as a reasonable accommodation) even if the landlord proceeds to make repairs.

9.8 Determination of Responsibility for Repairs

The following HQS deficiencies are the responsibility of the family:

- Tenant-paid utilities not in service;
- Failure to provide or maintain family-supplied appliances;
- Documented damage to the unit or premises caused by a household member or guest beyond which is obvious as normal wear and tear;
- Placement of large items of trash or inoperable vehicles anywhere on the assisted unit premises;
- Failure to maintain lawn and surrounding areas if a single-family structure.
- Poor housekeeping habits that cause the unit to be unsanitary or unsafe for the family.

“Normal wear and tear” is defined as items which cannot be charged against the tenant security deposit under state law or court practice.

All other HQS violations shall be the responsibility of the owner including for vermin infestation even if caused by the family's living habits. However, if such infestation is serious and repeated, it may be considered a lease violation and the owner may take appropriate action in accordance with the lease. If the family is responsible for deficiencies but the owner carries out the repairs, the owner will be encouraged to bill the family for the cost of the repairs and the family's file will be noted.

9.9 Consequences If Family Is Responsible

If emergency or non-emergency violations of HQS are determined to be the responsibility of the family, HAMC will require the family to make any repair(s) or corrections within 24 hours for emergency items and within 30 days for non-emergency items. If the repair(s) or correction(s) are not made in this time period, HAMC will terminate assistance to the family, after providing an opportunity for an informal hearing. The owner's rent will not be abated for items which are the family's responsibility. If the tenant is responsible and corrections are not made, the HAP Contract will terminate when assistance is terminated.

SECTION 10

RENT AND PAYMENT STANDARDS

10.1 General

It is HAMC's responsibility to ensure that Payment Standards are sufficient to assure maximum program utilization, to provide program applicants and participants with adequate housing choice and to assure that the rents charged by owners at the time of initial lease up and at each annual re-certification are reasonable based upon unassisted comparable units in the rental market.

This Chapter explains HAMC's policies for determination of rent-reasonableness, payments to owners, adjustments to the Payment Standards, and rent adjustments.

10.2 Initial Rent to Owner

HAMC will review the following items to determine if the rent requested by the owner meets the program requirements as follows:

- The requested rent plus the cost of tenant paid utilities (calculated on the most recent program utility allowance schedule) cannot exceed the applicable payment standard; or,
- Total tenant payment cannot exceed 40% of the assisted family's monthly-adjusted income; and,
- The rent to owner must be reasonable in comparison to rent for other comparable unassisted units.

10.3 Making Payments to Owners

Once the HAP Contract is executed, HAMC will commence processing payments to the landlord. All payments will be made via direct deposit into an account designated by the property owner. Owners who do not wish to participate in the ACH direct deposit program will not be approved by HAMC for participation in the program.

HAP Contracts will only be effective as of the first day of a month. HAP Contracts executed and returned by the 20th day of the month preceding the effective date will be processed for the next month check run. Contracts received after that date will not be processed for payment until the second month after receipt.

Payment will be made on a master basis for all units under contract with a single property owner. Payments for different properties will only be processed if the owner provides a separate federal tax identification number.

If payment is delayed beyond the fifth day of the month, HAMC will be responsible for payment of late fees to the owner in accordance with the late fees identified in the lease agreement but not to exceed a total of \$50.00. However, HAMC will not be obligated to pay any late payment penalty if late payment is due to factors beyond HAMC's control, such as a delay in the receipt of program funds from HUD. HAMC will not use any program funds for the payment of late fee penalties to the owner.

10.4 Rent Reasonableness Determinations

A rent reasonableness test will be conducted to determine if the requested rent is reasonable in comparison to rent for other comparable unassisted units in the market. Rent reasonable tests will be conducted for the following:

- An initial rent requested on the RFTA form;
- Prior to any increase in the rent to owner;
- If there is a five percent decrease in the published FMR 60 days before the contract anniversary;
- If directed by HUD; and,
- Based on a need identified by HAMC.

At all times during the assisted tenancy, the rent to owner may not exceed the reasonable rent as most recently determined or re-determined by HAMC. The owner will be advised that by accepting each monthly housing assistance payment s/he will be certifying that the rent to owner is not more than rent charged by the owner for comparable unassisted units in the premises. If requested, the owner must provide HAMC with information on rents charged by the owner for other units in the premises or elsewhere.

HAMC will utilize “Go-Section 8” for determination of rent reasonableness. “Go-Section 8” is a web-based application in which market rental data for unassisted units is collected and used to complete a rent comparability analysis. Data collected includes the following:

- Location by zip code and census tract;
- Number of Bedrooms and bathrooms;
- Other identifiable amenities;
- Type and age of structure; and
- Tenant paid utilities.

HAMC will identify comparable units that are most consistent with the unit for which the comparability analysis is being conducted. A minimum of three similar units will be identified and the corresponding data will be reflected on the automated rent reasonableness form.

This data will be compared with the requested rent for the assisted unit. If the requested rent is greater than the comparable units selected, HAMC will negotiate with the owner to reach an agreed upon rent amount that meets the rent reasonable test. If the rent is less than the comparable units, HAMC will approve the rent or rent increase.

10.5 Payment Standards for the Voucher Program

The Payment Standard is used to calculate the housing assistance payment for a family and is based on Fair Market Rents (FMR) published by HUD on an annual basis. Maricopa County is included in the Phoenix Metropolitan Statistical Area (SMA) Fair Market Rents.

HAMC will maintain the payment standards at a minimum of 90% and a maximum of 110% of the published FMR. HAMC will review and analyze the payment standards on

an annual basis but will not revise the payment standards each year when the new FMR's are published if the current payment standards remain at a minimum of 90% and a maximum of 100% of the newly published FMR's.

When reviewing the payment standard on an annual basis, HAMC will consider the available budget authority and determine if a reduction in payment standards is needed including an amount below 90% of the published FMR, to assist a maximum number of households up to HAMC's baseline allocation. If it is determined that payment standards below 90% of FMR is needed, a waiver will be secured from HUD with corresponding justification.

Case by case reviews of a higher payment standard will be considered as a reasonable accommodation for a family that includes a person with disabilities. If appropriate, HAMC will approve a payment standard up to 120% of the FMR.

10.6 Increases in Owner Rent

Rent increases to owners will only be considered at the time of annual re-certification of the assisted family. Owners must issue a notice to the tenant a minimum of 60 days prior to the lease end date with a copy to HAMC for any requested rent increase. HAMC will conduct a rent reasonableness analysis and advise the owner if the rent increase can be approved or negotiate a different rent if applicable.

Rent increases for rent restricted rental units receiving an indirect subsidy from another government source (Department of Agriculture, Low Income Housing Tax Credits under the IRS, etc.) will be processed when a project wide rent increase has been approved by the assigned oversight agency for these properties. HAMC will approve a rent for the tenant based vouchers in these properties that is equivalent to the market rate rent approved by the corresponding agency. If these properties have no market rate units, HAMC will approve rent for tenant based vouchers equal the highest restricted rent for the applicable unit size and type in the property.

All rent increases are subject to available funding. HAMC may deny any request for a rent increase if it is determined that there are insufficient funds available to support the requested rent increase.

SECTION 11 RE-CERTIFICATIONS

11.1 General

HAMC will reexamine the income and household composition of all assisted families at least annually. Families will be provided accurate annual and interim rent adjustments.

Re-certifications and interim examinations of income will be processed in a manner that ensures families are given reasonable notice of rent increases. HAMC may accept information such as forms, documentation and signatures electronically.

This Chapter defines HAMC's policy for conducting annual re-certifications and coordinating annual activities. It also explains the interim reporting requirements for families, and the standards for timely reporting. All changes are to be reported within 10 days of the occurrence.

11.2 Annual Re-certification

HAMC will conduct annual re-certifications at the time of the anniversary date of the lease. HAMC will mail to the assisted unit address an annual re-certification packet 120 days prior to the lease anniversary date which will contain a household data form, a listing of all required documents which the family must return, a zero income survival certification form, and the HUD 9886 Release of Information. HAMC will mail to the preferred mailing address provided by the participant and it is the responsibility of the family to assure that mail can be delivered at the assisted unit.

Instructions for completion of the documents will be provided in the re-certification packet including a date by which the packet must be returned. Families will be required to return the packet via mail, fax or email. If the family does not return an accurate and complete re-certification packet by the stated deadline, a proposed termination of assistance notice will be issued to the family. If the family returns an accurately completed packet by the expiration date of the time limit stated in the proposed termination notice, to request a hearing, the termination action will be suspended.

11.3 Timing of Rent Changes

If the outcome of the annual re-certification results in an increase in the tenant rent, a thirty-day notice will be mailed to the family prior to the scheduled effective date of the annual re-certification.

If less than thirty days are remaining before the scheduled effective date of the annual re-certification, the tenant rent increase will be effective on the first of the month following a thirty day notice, provided the reason for the delay was not the fault of the family. If the reason for the delay was due to the family not providing prompt response, the tenant rent increase will become effective as of the scheduled annual recertification date, regardless of timing of notification of rent increase.

If the recertification results in a decrease in rent, the effective date of the tenant rent decrease will be the effective date of the scheduled annual recertification date, provided there was no delay in completing the recertification that was due to the family not providing prompt response. If there was a delay in completing the recertification due to the family's failure to respond timely, the decrease in rent will become effective the first of the month following HAMC's completion of the recertification.

11.4 Interim Re-certifications

Changes in Family Composition - Program participants are required to report all changes in household composition between annual re-certifications within 10 days of the change. This includes additions due to birth, adoption and court-awarded custody. The family must obtain HAMC approval prior to adding an additional household member for any reason other than a birth.

HAMC will generally approve all changes in family composition that are the result of legal action: marriage, adoption, court awarded custody, etc. provided any adult member added to the household meets the criminal background screening for eligibility. The family must provide HAMC with the legal documentation of the action that resulted in an additional member in the household.

HAMC will only consider approval of other additions to the household:

- If the family can provide justification why the individual will reside in the assisted household;
- The addition of the new household member does not require an increase the voucher size of the family; and,
- Any adult individual meets all eligibility criteria including the criminal background screening criteria.

When HAMC approves the addition of a household member said changes will become effective at the next regularly scheduled annual recertification. Requests to remove members from the assisted household will only be approved when the member meets the criteria for permanently absent (absent for more than 180 consecutive days). The effective date of a recertification for removal of household members will be the effective date of the next annual recertification after HAMC's approval.

Zero Income Households - if a family reports zero income at the time of the annual re-certification and later obtains an income, an interim re-certification be conducted.

Changes in Income – If the household has an increase in income from any source which is more than \$175.00 per month, it must be reported within 10 days of the change, and an interim recertification will be conducted. Participants may choose to report other changes in income which are under \$175.00 per month. If HAMC considered fluctuations of income at the time of the annual recertification based on the 12 months prior to the annual recertification, an interim recertification will not be completed.

Changes in rent for interim re-certification will become effective the first of the month following the month in which the change was reported if it is a decrease and the first of the month after which the change occurred if it is an increase.

11.5 Income Changes Resulting From Welfare Program Requirements

Decreases in income resulting from changes or discontinuance of welfare benefits will be processed as follows:

- Tenant rent will not be decreased if welfare assistance is reduced because of fraud, failure to participate in an economic self-sufficiency program, or noncompliance with a work activities requirement.
- Tenant rent will be decreased if welfare assistance is reduced because of the expiration of a lifetime time limit on receiving benefits or a situation where the family has complied with welfare program requirements but cannot or has not obtained employment.

SECTION 12

PROGRAM MOVES AND PORTABILITY

12.1 General

HUD regulations permit families to move with continued assistance to another unit within HAMC's jurisdiction, or to a unit outside of HAMC's jurisdiction under the program portability provisions. The regulations also allow discretion to develop policies, which define any limitations or restrictions on moves.

This Chapter defines the policies for moves, both within and outside of HAMC's jurisdiction, and the policies for restriction and limitations on moves.

12.2 Permissible Moves

Families will not be permitted to move during the initial year of occupancy. Assisted households will only be provided with program move documents for a voluntary move at the time of their scheduled annual re-certification process. Every effort will be made by HAMC to coordinate program moves with all regularly scheduled annual activities.

Program move documents for mandatory moves may be issued at times other than annual recertification for the following reasons:

- The Housing Assistance Payment Contract is terminated by HAMC for the owner's failure to comply with HQS or other terms of the contract;
- The owner has given the family a notice to vacate, or has commenced an action to evict the family through no fault of the family;
- A household member is newly diagnosed with a disability, which requires a reasonable accommodation.

Prior to issuance of program move documents; the family must complete an annual recertification process; must present a 30 day notice of intent to move form signed by the owner indicating that the family is current with all rent payments, has caused no damages beyond normal wear and tear, and is otherwise in compliance with all terms and conditions of the lease agreement. Upon receipt of this form, program move documents and a program move briefing will be provided to the family.

HAMC will approve a program move only with an effective lease date of the first day of the month after the date in which the unit has passed the inspection. Exceptions will be considered only for families exercising portability to another jurisdiction.

12.3 Portability

Applicants must reside within the jurisdiction of HAMC for a period of one year prior to exercising portability options. Portability applies to families moving out of or into HAMC's jurisdiction within the United States and its territories from another geographic location.

Within the limitations of the regulations and this policy, a participant family has the right to receive tenant-based voucher assistance to lease a unit anywhere in the United States where a Public Housing Authority operates a tenant-based assistance program.

To “port” to a jurisdiction outside of HAMC, the family must be income eligible under the income limits of the jurisdiction to which they intend to port during the initial 12-month period after admission to the program.

If a family desires to “port” to a jurisdiction with substantially higher (20% greater) payment standards, HAMC will determine if sufficient budget authority is available to support the family’s request for portability to that location. If there is not sufficient budget authority, HAMC will work with the receiving PHA to determine their ability to absorb the family. HAMC will approve all port requests when the receiving PHA is able to absorb the family.

If a family requests portability, the location where they intend to port must be identified in the request. HAMC will contact the “receiving” PHA in that jurisdiction and advise them of the family’s intent. A voucher and corresponding portability documents will be issued to the family.

HAMC will absorb all incoming portable families provided there is funding available. If funding is not available, HAMC will administer the voucher on behalf of the initial PHA and bill the initial PHA pursuant to HUD requirements. HAMC will notify the initial PHA of their action to absorb or administer the voucher.

A HAMC voucher will be issued to the incoming family for the period of time remaining on the voucher issued by the initial PHA. All incoming voucher holders must attend a new program briefing.

HAMC will not permit families to exercise portability if the family is in violation of any family obligations under their Housing Choice Voucher; if the family owes any money to HAMC; or, if the family has vacated the assisted unit in violation of the lease agreement.

12.4 Billing Procedures

The receiving PHA is responsible for billing HAMC for 100% of the Housing Assistance Payment and 80% (or other such pro-rated amount determined by HUD) of the Administrative Fee (at HAMC’s rate) for each "Portability" Voucher leased as of the first day of the month. HAMC will not issue payment until an invoice is received by the receiving PHA within the time limits established by HUD. Late billings will not be processed for payment and the Receiving PHA will be so notified.

Payment beyond year one will only continue if HAMC receives the HUD 50058 form indicating that an annual re-certification has been completed in accordance with program requirements.

SECTION 13

CONTRACT TERMINATIONS

13.1 General

The Housing Assistance Payments (HAP) Contract is the contract between the owner and HAMC, which defines the responsibilities of both parties.

This Chapter describes the circumstances under which the contract can be terminated by HAMC and by the owner, and the policies for such terminations.

13.2 Contract Termination

The term of the HAP Contract is consistent with the term of the lease. The HAP Contract may be terminated by HAMC, or by the owner, or may terminate automatically if the tenant vacates the contract unit.

No future subsidy payments on behalf of the family will be made to the owner after the month in which the contract is terminated. However, the owner may retain the housing assistance payment for the month in which the unit was vacated.

If the family continues to occupy the unit after the HAP Contract is terminated, the family is responsible for the total amount of rent due to the owner. After a contract termination, if the family meets the criteria for a program move, the family may utilize their voucher in another unit.

13.3 Termination of Tenancy by the Owner

If the owner wishes to terminate the lease, the owner is required to provide proper notice as stated in the lease. During the term of the lease, the owner may not terminate the tenancy except for the following grounds.

- Serious or repeated violations of the lease, including but not limited to failure to pay rent or other amounts due under the lease, or repeated violation of the terms and conditions of the lease;
- Other good cause because of something the family did or failed to do.

The owner must provide the tenant a written notice specifying the grounds for termination of tenancy, before the commencement of any eviction action. The notice may be included in, or may be combined with, any owner eviction notice to the tenant. The owner eviction notice means a notice to vacate, or a complaint, or other initial pleading used under State or local law to commence an eviction action.

If the owner has begun eviction and the family continues to reside in the unit, HAMC will continue to make housing assistance payments to the owner until the owner has obtained a court judgment or other process allowing the owner to evict the tenant and the tenant has vacated the assisted unit. By receipt of the housing assistance payment, the owner certifies that the tenant is still in the unit, the rent is reasonable and she/he is in compliance with the contract.

If an eviction is not due to a serious or repeated violation of the lease, and if HAMC has no other grounds for termination of assistance, HAMC will issue a program move packet so that the family can move with continued assistance.

13.4 Termination of the Contract by HAMC

The HAP Contract terminates automatically when the family vacates the unit regardless of cause. The HAP Contract will also terminate if the assistance to the family is terminated; funding is no longer available under the ACC Contract with HUD; or 180 days have passed since the last HAP payment to the owner.

Notification will be provided to the owner and the tenant in accordance with the requirements of the HAP Contract when action is taken by HAMC to terminate the contract. The effective termination date will be the end of the month following the month in which the notification was provided to the owner.

SECTION 14

DENIAL OR TERMINATION OF ASSISTANCE

14.1 General

HAMC will deny or terminate assistance for a family because of the family's action or failure to act. Families are provided with a written description of the Family Obligations under the program, the grounds under which the PHA can deny or terminate assistance, and procedures for informal hearings.

This Chapter describes when HAMC is required to deny or terminate assistance; the policies for the denial of a new commitment of assistance; and, the grounds for termination of assistance under an outstanding HAP Contract.

14.2 Denial/Termination

If denial or termination is based upon behavior resulting from a disability, HAMC will delay the denial or termination in order to determine if there is an accommodation, which would negate the behavior resulting from the disability.

Denial of assistance for an applicant may include any or all of the following:

- Denial for placement on the waiting list;
- Denying a voucher or withdrawing a voucher;
- Refusing to enter into a HAP Contract or approve a tenancy;
- Refusing to process or provide assistance under portability procedures;

Termination of assistance for a participant may include any or all of the following:

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

14.3 Mandatory Denial and Termination

In accordance with federal regulations, HAMC must deny assistance to applicants, and terminate assistance for participants for the following reasons:

- If any member of the family fails to sign and submit HUD or PHA required consent forms for obtaining information;
- If no member of the family is a U.S. citizen or eligible immigrant;
- If the family is under contract and 180 days have elapsed since the last housing assistance payment was made;
- Persons convicted of manufacturing or producing methamphetamine in violation of any Federal or State law;
- A participant family is evicted from housing assisted under the program for serious violation of the lease;
- Any household member is currently engaging in illegal use of a drug;

- A household member's illegal drug use or a pattern of illegal drug use may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents. A member of the household is subject to a lifetime registration requirement under a State sex offender registration program.

14.4 Grounds for Denial or Termination of Assistance

In addition to the above mandatory reasons for denial and/or termination of assistance, HAMC will deny program assistance to an applicant or terminate assistance to a participant for any of the following reasons:

- The family violates any family obligation under the program as stated on the voucher;
- If any member of the family commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;
- The family currently owes rent or other amounts to HAMC or to another PHA in connection with HCV or Public Housing assistance under the 1937 Act;
- The family has not reimbursed any PHA for amounts paid to an owner under a HAP Contract for rent, damages to the unit, or other amounts owed by the family under the lease;
- The family has engaged in or threatened abusive or violent behavior toward HAMC personnel;
 - "Abusive or violent behavior towards PHA personnel" includes verbal as well as physical abuse or violence. Use of expletives that are generally considered insulting, racial epithets, or other language, written or oral, that is customarily used to insult or intimidate, may be cause for termination or denial.
 - "Threatening" refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.
 - Actual physical abuse or violence will always be cause for termination.
- A member of the family's drug or alcohol abuse interferes with the health, safety or peaceful enjoyment of other project residents;
- If any member of the family commits drug-related criminal activity, or violent criminal activity;

Drug - means a controlled substance as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802).

Drug-related criminal activity - is the illegal manufacture, sale, distribution, use or possession with intent to manufacture, sell, distribute or use a controlled substance.

Violent criminal activity - includes any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force against a person or property.

Covered person - means a tenant, any member of the tenant's household, a guest or another person under the tenant's control.

Guest - means a person temporarily staying in the unit with the consent of a tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant. The requirements of part 982 apply to a guest as so defined.

Other person under the tenant's control - means that the person, although not staying as a guest (as defined in this chapter) in the unit, is, or was at the time of the activity in question, on the premises because of an invitation from the tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant. Absent evidence to the contrary, a person temporarily and infrequently on the premises solely for legitimate commercial purposes is not *under the tenant's control*.

Standard for Violation - HAMC will deny participation in the program to applicants and terminate assistance to participants in cases where there is reasonable cause to believe that a household member is illegally using a drug or if the person abuses alcohol in a way that may interfere with the health, safety or right to peaceful enjoyment of the premises by other residents, including cases where the PHA determines that there is a pattern of illegal use of a drug or a pattern of alcohol abuse. HAMC will consider the use of a controlled substance or alcohol to be a pattern if there is more than one incident during the previous 12 months.

"Engaged in or engaging in" violent criminal activity - means any act within the past 3 years by an applicant or participant or household member which involved criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage, which resulted in the arrest and/or conviction of the applicant, participant, or household member.

The existence of the above-referenced behavior by any household member, regardless of the applicant or participant's knowledge of the behavior, shall be grounds for denial or termination of assistance.

14.5 Family Obligations

All obligations of the family are explicitly stated on the Housing Choice Voucher form which serves as the contractual document between HAMC and program participants.

These obligations are discussed in detail with program participants at the mandatory briefing sessions prior to admission to the program. Violation of any of these family obligations will be grounds for termination of assistance.

14.6 Notice of Termination of Assistance

HAMC will provide a written notice of proposed termination of housing assistance, which will include the following information:

- The family obligation that has been violated;
- The specific action(s) which occurred in violation of the family obligation;
- The effective date of the proposed termination;
- The family's right, if they disagree, to request an Informal Hearing to be held prior to termination of assistance; and,
- The date by which a request for an informal hearing must be received by HAMC.

HAMC will provide a copy of the proposed termination to the owner. The owner will also be copied on the final outcome of the termination action and if the family's housing assistance is terminated, the HAP Contract with the owner will also terminate effective the last day of the month in which the housing assistance was terminated.

14.7 Required Evidence

HAMC will pursue fact-finding efforts as needed to obtain evidence for termination of assistance. Pending termination actions will be based on the following rules of evidence:

- *Preponderance of evidence* is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. The intent is not to prove criminal liability, but to establish that the act(s) occurred. Preponderance of evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.
- *Credible evidence* may be obtained from police and/or court records. Testimony from neighbors, when combined with other factual evidence can be considered credible evidence. Other credible evidence includes documentation of drug raids or arrest warrants.

14.8 Confidentiality of Criminal Records

HAMC will utilize a third party vendor to conduct criminal background reviews for each adult household member. A notification of pass or fail will be the only document maintained in the participant file. Electronic copies of the detailed criminal reports will be maintained in the data system of the third party vendor for a limited period. Upon disposition of all proposed terminations related to criminal activity, the electronic records will be deleted.

Criminal data related to applicants will be secured and maintained using the same system described above. Data for applicants will be maintained until any pending denial of assistance action is completed. At that time, the data will be deleted from the electronic database.

14.9 Housing Authority Discretion

In deciding whether to deny or terminate assistance because of action or failure to act by members of the family, HAMC will consider all of the circumstances in each case, including the seriousness of the case. HAMC will use its discretion in reviewing the extent of participation or culpability of individual family members and the length of time since the violation occurred.

HAMC will also review the family's more recent history and record of compliance, and the effects that denial or termination of assistance may have on other family members who were not involved in the action or failure to act.

14.10 Lease Violations

The following criteria will be used to decide if a serious or repeated violation of the lease will result in termination of assistance:

- If the owner terminates tenancy through court action for serious or repeated violation of the lease;
- If the owner notifies the family of termination of tenancy for serious or repeated lease violations, and the family moves from the unit prior to the completion of court action, and there are police reports, neighborhood complaints or other third party information that has been verified by the PHA.
- Nonpayment of rent will always be considered a serious violation of the lease.

14.11 Notification of Eviction

If the family requests program move documents and an eviction is pending, HAMC will not issue program move papers. However, if the program move papers are issued because HAMC was not informed of the pending eviction and subsequently becomes informed, HAMC will not approve a new tenancy. The voucher will be withdrawn until such time that a determination is made as to the household's violation of family obligations.

14.12 Proposed Additions to the Family

HAMC will deny a family's request to add additional family members who are:

- Persons who have been evicted from Public Housing;
- Persons who have previously violated a family obligation listed in 24CFR 982.51 of the HUD regulations;
- Persons who have been part of a family whose assistance has been terminated under the Housing Choice Voucher Program;
- Persons who commit drug-related criminal activity or violent criminal activity;
- Persons who commit fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;
- Persons who currently owe rent or other amounts to HAMC or to any other PHA in connection with the Housing Choice Voucher Program or Public Housing Assistance under the 1937 Act; or
- Persons who have engaged in or threatened abusive or violent behavior toward PHA personnel.

14.13 Limitation on Profit-making Activity in Unit

Families are encouraged to use the assisted unit for legal profit making ventures provided that the owner and HAMC have approved such use at the time of initial lease up and such use is in compliance with all State and local laws and ordinances. However, if the business activity results in the inability of the family to use any of the critical living areas, such as a bedroom, utilized for a business which is not available for sleeping, it will be considered a violation of the family obligations and appropriate action will be taken.

14.14 Missed Appointments and Deadlines

It is a Family Obligation to supply information, documentation, and certification as needed for HAMC to comply with HUD regulations and fulfill its administrative responsibilities. HAMC schedules appointments and sets deadlines in order to obtain required information. The Obligations also requires that the family allow HAMC to inspect the unit, and appointments are made for this purpose.

An applicant or participant who fails to keep an appointment, or to supply information required by a deadline, may be sent a Notice of Denial or a Proposed Termination of Assistance. The family will be given information about the requirement to keep appointments and the number of times appointments will be rescheduled, if any, in accordance with the various provisions of this plan.

The only acceptable reasons for missing appointments or failing to provide information by deadlines are medical emergencies or official detainment.

Family obligations are clearly explained to the family and it is expected that the assisted family will comply with these obligations. Thus, HAMC will provide families with only a single opportunity to meet program requirements before being issued a notice of termination or denial for breach of a family obligation.

After issuance of the proposed termination notice, if the family cures the breach of their family obligation within the time allowed for requesting a hearing, the notice will be rescinded and no further action will be taken.

SECTION 15

OWNER PROHIBITIONS AND RESTRICTIONS

15.1 General

It is the policy of HAMC to recruit owners to participate in the Voucher program. HAMC will provide owners with prompt and professional service in order to attract an adequate supply of available housing for rent under the HCV program. Federal regulations define when HAMC must prohibit an owner from participating in the program, and when HAMC has the discretion to disapprove or otherwise restrict the participation of owners in certain categories.

This Chapter describes the criteria for owner disapproval, and the various penalties for owner violations.

15.2 Disapproval of Owner

Owners participate in the HCV Program at will and do not have a right of participation. For purposes of this section, "owner" includes a principal, management agent or any other party acting on behalf of an owner.

HAMC will prohibit the participation of property owners for any of the following reasons:

- The owner has been disbarred, suspended, or subject to a limited denial of participation under 24 CFR part 24;
- An administrative or judicial action has been instituted against the owner for violation of the Fair Housing Act or other federal equal opportunity requirements and such action is pending investigation and/or resolution;
- A court or administrative agency has determined that the owner has violated the Fair Housing Act or other federal equal opportunity requirements;
- The owner has violated obligations under a housing assistance payments contract under Section 8 of the 1937 Act (42 U.S.C. 1437f);
- The owner has committed fraud, bribery or any other corrupt act in connection with any federal housing program;
- The owner has engaged in drug-related criminal activity or any violent criminal activity;
- The owner has a history or practice of non-compliance with HQS for units leased under the Section 8 programs or any other federal housing program;
- The owner has a history or practice of failing to terminate tenancy of tenants of units assisted under Section 8 or any other federally assisted housing program for activity by the tenant, any member of the household, a guest or another person under the control of any member of the household that:
 - Threatens the right to peaceful enjoyment of the premises by other residents;
 - Threatens the health or safety of other residents, or of owner employees or other persons engaged in management of the housing.
 - Threatens the health or safety of, or the right to peaceful enjoyment of their residences, by persons residing in the immediate vicinity of the premises;
 - Is involved in drug-related criminal activity or violent criminal activity;
- The owner has not paid State or local real estate taxes, fines, other fees or assessments.

- The owner has failed to comply with regulations, the mortgage or note, or the regulatory agreement for projects with mortgages insured by HUD or loans made by HUD.
- The owner has had a property under a HAP contract with HAMC foreclosed within the past 7 years.

15.3 Restriction of Immediate Family Members

HAMC is prohibited from approving a Housing Assistance Contract with an owner that is the parent, child, grandparent, grandchild, sister or brother of any member of the household to be assisted. However, this provision may be waived as a reasonable accommodation for a family member who is a person with a disability, provided that the assisted household has made reasonable efforts to locate other suitable housing and has been unsuccessful.

In cases where the owner and tenant bear the same last name, HAMC will require the family and owner to certify whether they are not related to each other in any way. Failure to disclose relationship will be considered fraud and grounds for termination of tenancy and prohibition of future program participation by the owner.

15.4 Owner Restrictions and Penalties

If an owner has committed fraud or abuse or is guilty of frequent or serious contract violations, HAMC will restrict the owner from future participation in the program for a period of time commensurate with the seriousness of the offense. HAMC may also terminate any additional Housing Assistance Contracts with the owner.

Before imposing any penalty against an owner the PHA will review all relevant factors pertaining to the case, and will consider such factors as the owner's record of compliance and the number of violations.

15.5 Proof of Ownership and Other Documentation

Landlords will be required to provide proof of ownership prior to execution of a Housing Assistance Contract. Acceptable documentation may include a Real Estate Act of Sale; the property deed or title; or other acceptable legal documentation. Utility bills, insurance documents or other such documents will not be considered sufficient evidence of ownership.

Landlords will also be required to provide the following additional documentation prior to execution of the HAP contract:

1. Proof that the mortgage on the property is current;
2. Proof that property taxes are current;
3. Proof of that the property is properly insured; and,
4. Proof of payment of all business license fees and other debt owed to Maricopa County or the corresponding municipal jurisdiction where the property to be assisted is located.

On an annual basis, landlords will be required to provide an updated mortgage statement reflecting that the mortgage on the property remains in good standing.

If the tenant has moved into the unit prior to HAMC approval of the HAP contract, the tenant will be responsible for the full amount of the rent.

The Housing Assistance Payments Contract will be executed in the format as indicated on the proof of ownership. Ownership by more than one individual will require execution of all parties or appropriate legal documentation such as power of attorney, which designates a single individual to act on behalf of all owners. Designation of a management agent or other payee will be approved with appropriate legal documentation signed and notarized by all owners of the property.

HAMC will approve the assignment and transfer of a HAP contract to a new owner at the request of an owner of record. The change of ownership will be processed upon written request accompanied by appropriate documentation described above provided by the new owner.

SECTION 16

OWNER OR FAMILY DEBTS

16.1 General

This chapter describes HAMC's policies for the recovery of monies, which have been overpaid for families, and to owners. It describes the methods that will be utilized for collection of monies and the guidelines for different types of debts. It is HAMC's policy to meet the informational needs of owners and families, and to communicate the program rules in order to avoid owner and family debts. Before a debt is assessed against a family or owner, the file must contain documentation to support HAMC's claim that the debt is owed. The file must further contain written documentation of the method of calculation, in a clear format for review by the owner; the family or other interested parties.

When families or owners owe money to HAMC, every effort will be made to collect it. HAMC will use a variety of collection tools to recover debts including, but not limited to Requests for lump sum payments; Civil suits; Abatements; Reductions in HAP to owner; Collection agencies; Credit bureaus; and, Income tax set-off programs.

16.2 Program Fraud

The definition of program fraud and abuse is a single act or pattern of actions that:

“Constitutes false statement, omission, or concealment of a substantive fact, made with intent to deceive or mislead, and that results in payment of HCV program funds in violation of HCV program requirements.”

Families who owe money to HAMC due to program fraud will be required to repay HAMC in full within 30 days from the date that HAMC notifies the family of the amount owed as the result of the fraud. A repayment agreement will not be permitted. HAMC will take action to terminate the family's assistance if they fail to repay the amount owed within the time period specified. Repeated offenses of program fraud will constitute immediate termination of the family's assistance and the new debt being owed to HAMC.

If the debt is a result of untimely processing by HAMC staff, the family may enter into a payback agreement equal to the time it took HAMC staff to process the change which caused the debt. The family's failure to pay the debt in full per the agreement will result in termination of the family's assistance.

If a family owes an amount, which equals or exceeds \$2,500 as a result of program fraud, HAMC will refer the case for criminal prosecution and to the HUD Inspector General.

16.3 Owner Debts to the PHA

If HAMC determines that the owner has retained housing assistance payments the owner is not entitled to, HAMC will reclaim the amounts from future housing assistance owed the owner for any units under contract.

If future housing assistance is insufficient to reclaim the amounts owed, HAMC will require the owner to pay the amount in full within 30 days from notification. If the owner fails to pay the amount owed within the specified time period, HAMC will pursue collections through the local court system and restrict the owner from future program participation.

16.4 Writing-off Debts

Debts owed to the HCV Program from program participants or owners will be reviewed each year to determine if such debts are valid and collectible. Debts will be written off if:

- The debtor's whereabouts are unknown and the debt is more than 3 years old;
- A determination is made that the debtor is judgment proof;
- The debtor is deceased;
- The debtor is confined to an institution indefinitely or for more than 3 years; or,
- The amount is less than \$100.00 and the debtor cannot be located.

SECTION 17

COMPLAINTS AND APPEALS

17.1 General

The informal hearing requirements defined in HUD regulations are applicable to participating families who disagree with an action, decision, or inaction of HAMC.

This chapter describes the policies to be used when families disagree with an HAMC decision. The requirements are explained for informal reviews and hearings. It is the policy of the HAMC to ensure that all families have the benefit of all protections due to them under the law.

17.2 General Complaints

HAMC will respond promptly to complaints from families, owners, employees, and members of the public. All complaints must be provided to HAMC in writing with the exception of complaints regarding HQS violations. Program participants may report HQS violations via telephone.

17.3 Informal Review for Applicants

Informal reviews apply to applicants: those families for which a Housing Assistance Payments contract has not yet been executed. HAMC will provide applicants with the opportunity for an informal review of decisions denying the following actions:

- Listing on or removal from the waiting list;
- Issuance of a voucher;
- Participation in the program; and,
- Assistance under portability procedures.

When HAMC determines that an applicant is ineligible for the program, the family will be notified of their ineligibility in writing. The notice will contain:

- The reason(s) they are ineligible;
- The procedure for requesting a review if the applicant does not agree with the decision; and,
- The time limit for requesting a review.

When denying admission for criminal activity HAMC will provide the subject of the record and the applicant with a copy of the criminal record upon which the decision to deny was based. It will be the responsibility of the applicant to resolve any incorrect information reported in the criminal report.

Informal reviews are not required and will not be provided for established policies and procedures and HAMC determinations such as:

- Discretionary administrative determinations by the HAMC
- General policy issues or class grievances
- A determination of the family unit size under the HAMC subsidy standards
- Refusal to extend or suspend a voucher
- A HAMC determination not to grant approval of the tenancy
- Determination that unit is not in compliance with HQS
- Determination that unit is not in accordance with HQS due to family size or composition

17.4 Procedure for Review

A request for an informal review must be received in writing by the close of the business day, no later than 10 days from the date of the HAMC's notification of denial of assistance. The informal review will be scheduled within 30 days from the date the request is received. All reviews will be conducted by an individual other than the person who rendered the original decision.

In order to expedite the review and provide improved service to customers, HAMC will encourage the review to be conducted by telephone if acceptable to the applicant. The applicant will be given the option of presenting oral or written objections to the decision. Both the HAMC and the family may present evidence and witnesses. The family may use an attorney or other representative to assist them at their own expense.

A notice of the review findings will be provided in writing to the applicant within 15 days after the review. It shall include the decision of the review officer, and an explanation of the reasons for the decision. All requests for a review, supporting documentation, and a copy of the final decision will be retained in the family's file.

17.5 Informal Hearings for Participants

Hearings are only available to program participants. Participants are households in which a HAP contract has been executed. Prior to execution of the HAP contract, all households are considered applicants and are only entitled to a review as described above. Hearing procedures will be provided to families in the briefing packet at the time of issuance of the voucher.

HAMC will provide participants with prompt notice of determinations, which will include:

- The proposed action or decision of the HAMC;
- The date the proposed action or decision will take place;
- The family's right to an explanation of the basis for the HAMC's decision.
- The procedures for requesting a hearing if the family disputes the action or decision;
- The time limit for requesting the hearing.

When denying admission for criminal activity HAMC will provide the subject of the record and the applicant with a copy of the criminal record upon which the decision to deny was based. It will be the responsibility of the applicant to resolve any incorrect information reported in the criminal report.

HAMC will provide participants with the opportunity for an informal hearing for decisions related to any of the following determinations. The opportunity for an informal hearing will be provided before termination of assistance.

- Determination of the family's annual or adjusted income and the computation of the housing assistance payment;
- Determination to terminate assistance for any reason; and,

Informal hearings are not required for established policies and procedures and HAMC determinations such as:

- Discretionary administrative determinations by the HAMC
- General policy issues or class grievances
- Establishment of the HAMC schedule of utility allowances for families in the program
- A HAMC determination not to approve an extension or suspension of a voucher term
- A HAMC determination not to approve a unit or lease
- A HAMC determination that an assisted unit is not in compliance with HQS unless the non-compliance is the result of family obligations
- A HAMC determination to exercise or not exercise any right or remedy against the owner under a HAP contract

17.6 Notification of Hearing

It is HAMC's objective to resolve disputes at the lowest level possible, and to make every effort to avoid the most severe remedies. However, if this is not possible, the HAMC will ensure that participants will receive all of the protections and rights afforded by the law and the regulations.

A request for a hearing must be received in writing by the close of the business day, no later than 10 days from the date of the HAMC's notification of proposed termination. The hearing will be scheduled within 30 days from the date the request is received. All hearings will be conducted by an individual other than the person who rendered the original decision. The notice of proposed termination shall include the following information:

- The date and time of the hearing;
- The location where the hearing will be held;
- The family's right to bring evidence, witnesses, legal or other representation at the family's expense;
- The right to view any documents or evidence in the possession of the HAMC upon which the HAMC based the proposed action and, at the family's expense, to obtain a copy of such documents prior to the hearing.
- A notice to the family that the HAMC will request a copy of any documents or evidence the family will use at the hearing.

Requests for documents or evidence must be received by each party no later than 15 days before the scheduled hearing date.

17.7 Hearing Procedures

After a hearing date is confirmed, the family may request to reschedule only upon showing "good cause," which is defined as an unavoidable conflict which seriously affects the health, safety or welfare of the family. If a family does not appear at a scheduled hearing and has not rescheduled the hearing in advance, the family must contact the HAMC within 24 hours, excluding weekends and holidays. The HAMC will reschedule the hearing only if the family can show good cause for the failure to appear.

Families have the right to:

- Present written or oral objections to the HAMC's determination;
- Examine the documents in the file which are the basis for the HAMC's action, and all documents submitted to the Hearing Officer;
- Copy any relevant documents at their expense;
- Present any information or witnesses pertinent to the issue of the hearing;
- Request that HAMC staff be available or present at the hearing to answer questions pertinent to the case; and
- Be represented by legal counsel, advocate, or designated representatives at their own expense.

If the family requests copies of documents relevant to the hearing, the HAMC will make the copies for the family and assess a charge of \$.25 per copy. In no case will the family be allowed to remove the file from the HAMC's office.

In addition to other rights contained in this Chapter, the HAMC has a right to:

- Present evidence and any information pertinent to the issue of the hearing;
- Be notified if the family intends to be represented by legal counsel, advocate, or another party;
- Examine and copy any documents to be used by the family prior to the hearing;
- Have its attorney present; and
- Have staff persons and other witnesses familiar with the case present.

All hearings will be conducted by an individual other than the person who rendered the original decision.

The hearing shall concern only the issues for which the family has received the opportunity for hearing. Evidence presented at the hearing may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings. No documents may be presented which have not been provided to the other party before the hearing if requested by the other party. "Documents" includes records and regulations.

The Hearing Officer may ask the family for additional information and/or might adjourn the hearing in order to reconvene at a later date, before reaching a decision. If the family

misses an appointment or deadline ordered by the Hearing Officer, the action of the HAMC shall take effect and another hearing will not be granted.

The Hearing Officer will determine whether the action, inaction or decision of the HAMC is legal in accordance with HUD regulations and this Administrative Plan based upon the evidence and testimony provided at the hearing. Factual determinations relating to the individual circumstances of the family will be based on a preponderance of the evidence presented at the hearing.

A notice of the hearing findings shall be provided in writing to the HAMC and the family within 15 days and shall include:

- A clear summary of the decision and reasons for the decision;
- If the decision involves money owed, the amount owed;
- The date the decision goes into effect.

The HAMC is not bound by hearing decisions:

- Which concern matters in which the HAMC is not required to provide an opportunity for a hearing
- Which conflict with or contradict to HUD regulations or requirements;
- Which conflict with or contradict Federal, State or local laws; or
- Which exceed the authority of the person conducting the hearing.

The HAMC shall send a letter to the participant if it determines the HAMC is not bound by the Hearing Officer's determination within 15 days from the date of the letter issued by the Hearing Officer. The letter shall include the HAMC's reasons for the decision.

All requests for a hearing, supporting documentation, and a copy of the final decision will be retained in the family's file.

17.8 Provisions for "Restrictions on Assistance to Non-Citizens"

Assistance to the family may not be delayed, denied or terminated on the basis of immigration status at any time prior to the receipt of a decision if the family has a pending appeal with INS.

17.9 INS Determination of Ineligibility

If a family member claims to be an eligible immigrant and the INS SAVE system and manual search do not verify the claim, the HAMC notifies the applicant or participant within 15 days of their right to file an appeal with INS within thirty days from the notification from HAMC; or of their right to request an informal review or hearing with HAMC, either in lieu of or subsequent to the INS appeal.

If the family appeals to the INS, they must give HAMC a copy of the appeal and proof of mailing or the HAMC may proceed to deny or terminate assistance. The time period to request an appeal may be extended by HAMC for good cause. The request for an HAMC hearing must be made within 10 days of receipt of the notice offering the hearing or, if an

appeal was made to the INS, within 10 days of receipt of that notice.

After receipt of a request for an informal review or hearing, HAMC will conduct such review or hearing in accordance with the policies described above. . If the hearing officer decides that the individual is not eligible, and there are no other eligible family members the HAMC will:

- Deny the applicant family
- Defer termination if the family is a participant and qualifies for deferral
- Terminate the participant if the family does not qualify for deferral

If there are eligible members in the family, HAMC will prorate assistance pursuant to HUD regulations.

All other complaints related to eligible citizen/immigrant status shall be handled as follows:

- If any family member fails to provide documentation or certification as required by the regulation, that member is treated as ineligible. If all family members fail to provide, the family will be denied or terminated for failure to provide.
- Participants whose termination is carried out after temporary deferral may not request a hearing since they had an opportunity for a hearing prior to the termination.
- Participants whose assistance is pro-rated (either based on their statement that some members are ineligible or due to failure to verify eligible immigration status for some members after exercising their appeal and hearing rights described above) are entitled to a hearing based on the right to a hearing regarding determinations of Tenant Rent and Total Tenant Payment.
- Families denied or terminated for fraud in connection with the non-citizens rule are entitled to a review or hearing in the same way as terminations for any other type of fraud.

17.10 Mitigating Circumstances for Individuals with Disabilities

When applicants are denied placement on the waiting list, or HAMC is terminating assistance, the family will be informed that presence of a disability may be considered as a mitigating circumstance during the review or hearing process. Such circumstances shall be considered when making the final determination of the review or hearing.

SECTION 18

SPECIAL HOUSING TYPES

18.1 General

HAMC will limit the use of special housing arrangements in the Housing Choice Voucher Program to manufactured homes. All other special housing types will not be approved for use with the Housing Choice Voucher.

HAMC will not set aside any program funding from the Housing Choice Voucher Program for use in special housing types. However, HAMC will administer any vouchers it may receive from HUD as the result of a national set aside for special program types.

18.2 Manufactured Homes

A manufactured home is a structure that is built on a permanent chassis, is designed for use as a principal residence but is movable, is not anchored to a foundation but does have tie downs. The HAMC will permit a family to lease a manufactured home and space with assistance under the program. The HAMC will also provide assistance for a family that owns the manufactured home and leases only the space.

Rent and utility allowances are calculated for manufactured homes in the same manner as single family homes.

A manufactured home must meet all the HQS requirements. In addition the manufactured home also must meet the following requirements:

- A manufactured home must be placed on the site in a stable manner, and must be free from hazards such as sliding or wind damage.
- A tie-down device that distributes and transfers the loads imposed by the unit to appropriate ground anchors to resist wind overturning and sliding must securely anchor a manufactured home.

18.3 Manufactured Home Space Rental

Rent to owner for a manufactured home space will include payment for maintenance services that the owner must provide to the tenant under the lease for the space. Rent to owner does not include the cost of utilities and trash collection for the manufactured home.

However, the owner may charge the family a separate fee for the cost of utilities or trash collection provided by the owner.

During the assisted tenancy, the rent to owner for the manufactured home space may not exceed a reasonable rent as determined by HAMC. The HAMC will determine whether the rent to owner for a manufactured home space is a reasonable rent in comparison to rents for other comparable manufactured home spaces. The HAMC will consider the size and location of the space and any services and maintenance provided by the owner in

accordance with the lease.

By accepting each monthly housing assistance payment from the HAMC, the owner of the manufactured home space certifies that the rent to owner for the space is not more than rent charged by the owner for unassisted rental of comparable spaces in the same manufactured home park or elsewhere. If requested by the HAMC, the owner must provide the HAMC information on rents for other manufactured home space.

The FMR for a manufactured home space will be determined by HUD and published annually. The initial rent to owner for leasing a manufactured home space may not exceed the published FMR for a manufactured home space. The FMR for rental of a manufactured home space is generally 40 percent of the published FMR for a two-bedroom unit. HAMC will utilize the HUD published amount as the payment standard for manufactured home space.

During the term of a voucher tenancy, the amount of the monthly housing assistance payment for a family will equal the lesser of:

- The payment standard minus the total tenant payment; or
- The rent paid for rental of the real property on which the manufactured home owned by the family is located (the space rent) minus the total tenant payment.

The space rent is the sum of the following as determined by the HAMC:

- Rent to owner for the manufactured home space;
- Owner maintenance and management charges for the space;
- The utility allowance for tenant paid utilities.

The HAMC will establish utility allowances for manufactured home space rental if a voucher family requests to utilize their voucher for this purpose. If HAMC has not vouchers being used for this purpose, a utility allowance schedule will not be developed. For the first twelve months of the initial lease term only, the allowances will include a reasonable amount for utility hook-up charges payable by the family, if the family actually incurs the expenses because of a move.

Allowances for utility hook-up charges do not apply to a family that leases a manufactured home space in place. Utility allowances for manufactured home space will not be applied to cover the costs of digging a well or installation of a septic system.

SECTION 19

PROGRAM INTEGRITY

19.1 General

HAMC is committed to assuring that the proper level of benefits is paid to all participating families, and that housing resources reach only income-eligible families so that program integrity can be maintained. The HAMC will take all steps necessary to prevent fraud, waste, and mismanagement so that program resources are utilized judiciously.

This Chapter outlines HAMC's policies for the prevention, detection and investigation of program abuse and fraud.

19.2 Criteria for Investigation of Suspected Abuse and Fraud

Under no circumstances will HAMC undertake an inquiry or an audit of a participating family arbitrarily. The HAMC's expectation is that participating families will comply with HUD requirements, provisions of the voucher, and other program rules. The HAMC staff will make every effort (formally and informally) to orient and educate all families in order to avoid unintentional violations. However, the HAMC has a responsibility to HUD, to the Community, and to eligible families in need of housing assistance, to monitor participants and owners for compliance and, when indicators of possible abuse come to the HAMC's attention, to investigate such claims.

HAMC will initiate an investigation of a participating family only in the event of one or more of the following circumstances:

Referrals, Complaints, or Tips. HAMC will follow up on referrals from other agencies, companies or persons which are received by mail, by telephone or in person, which allege that a family is in non-compliance with, or otherwise violating the family obligations or any other program rules. Such follow-up will be made providing that the referral contains at least one item of information that is independently verifiable. A copy of the allegation will be retained in the family's file.

Internal File Review. A follow-up will be made if HAMC staff discovers (as a function of a certification or recertification, an interim redetermination, or a quality control review), information or facts which conflict with previous file data, the HAMC's knowledge of the family, or is discrepant with statements made by the family.

Verification of Documentation. A follow-up will be made if the HAMC receives independent verification or documentation which conflicts with representations in the family's file (such as public record information or credit bureau reports, reports from other agencies).

19.3 Steps to Prevent Program Abuse and Fraud

HAMC Staff will maintain a high level of awareness to indicators of possible abuse and fraud by assisted families. A variety of methods and practices to prevent program abuse, non-compliance, and willful violations of program rules by applicants and participating families will be undertaken by HAMC. This policy objective is to establish confidence and trust in the management by emphasizing education as the primary means to obtain compliance by families.

Program Orientation Session. Mandatory briefing sessions will be conducted by the HAMC staff for all prospective program participants, either prior to or upon issuance of a voucher. At the conclusion of all Briefing Sessions, the family representative will be required to sign a "Program Briefing Certificate" to confirm that all rules and pertinent regulations were explained to them.

Participant Counseling. HAMC will routinely provide participant counseling as a part of every recertification interview in order to clarify any confusion pertaining to program rules and requirements.

Review and explanation of Forms. Staff will explain all required forms and review the contents of all (re)certification documents prior to signature.

Quality Control File Reviews. Prior to initial certification, and at the completion of all subsequent re-certifications, a percent of participant files will be reviewed by a supervisor. Such reviews shall include, but are not limited to:

- Assurance that verification of all income and deductions is present including a current EIV report.
- Changes in reported Social Security Numbers or dates of birth.
- Authenticity of file documents.
- Ratio between reported income and expenditures.
- Review of signatures for consistency with previously signed file documents.
- All forms are correctly dated and signed.

Observation. HAMC Staff will maintain high awareness of circumstances which may indicate program abuse or fraud, such as unauthorized persons residing in the household and unreported income.

Public Record Bulletins may be reviewed by Management and Staff.

Credit Bureau Inquiries. Credit Bureau inquiries may be made (with proper authorization by the participant) in the following circumstances:

- For households that claim zero income;
- When an allegation is received by the HAMC wherein unreported income sources are disclosed.
- When HAMC has reasonable suspicion that family has failed to report proper information.

19.4 Handling of Allegations of Possible Abuse and Fraud

HAMC staff will encourage all participating families to report suspected abuse. HAMC will conduct a preliminary review of allegations to determine their validity. All such referrals, as well as referrals from community members and other agencies, will be thoroughly documented and placed in the participant's file.

All allegations, complaints and tips will be carefully evaluated in order to determine if they warrant follow-up. HAMC will not follow up on allegations which are vague or otherwise non-specific. HAMC will review allegations, which contain one or more independently verifiable facts.

File Review. An internal file review will be conducted to determine: If the subject of the allegation is a client of the HAMC and, if so, to determine whether or not the information reported has been previously disclosed by the family. It will then be determined if HAMC is the most appropriate authority to do a follow-up (more so than police or social services). Any file documentation of past behavior as well as corroborating complaints will be evaluated.

Conclusion of Preliminary Review. If at the conclusion of the preliminary file review there is/are fact(s) contained in the allegation which conflict with file data, and the fact(s) are independently verifiable, HAMC will initiate an investigation to determine if the allegation is true or false.

19.5 Investigation of Allegations of Abuse and Fraud

If the HAMC determines that an allegation may be true, further investigation will be undertaken. The steps taken will depend upon the nature of the allegation and may include, but are not limited to, the items listed below. In all cases, HAMC will secure the written authorization from the program participant for the release of information.

Credit Bureau Inquiries. In cases involving previously unreported income sources, a CBI inquiry may be made to determine if there is financial activity that conflicts with the reported income of the family.

Verification of Credit. In cases where the financial activity conflicts with file data, a *Verification of Credit* form may be mailed to the creditor in order to determine the unreported income source.

Employers and Ex-Employers. Employers or ex-employers may be contacted to verify wages which may have been previously undisclosed or misreported.

Neighbors/Witnesses. Neighbors and/or other witnesses may be interviewed who are believed to have direct or indirect knowledge of facts pertaining to the HAMC's review.

Other Agencies. Investigators, caseworkers or representatives of other benefit agencies may be contacted.

Public Records. If relevant, the HAMC will review public records kept in any jurisdictional

courthouse. Examples of public records which may be checked are: real estate, marriage, divorce, uniform commercial code financing statements, voter registration, judgments, court or police records, state wage records, utility records and postal records.

Interviews with Head of Household or Family Members. The HAMC will discuss the allegation (or details thereof) with the Head of Household or family member by scheduling an appointment at the appropriate HAMC office.

The HAMC staff person who conducts such interviews will maintain a high standard of courtesy and professionalism. Under no circumstances will management tolerate inflammatory language, accusation, or any unprofessional conduct or language. If possible, an additional staff person will attend such interviews.

Documents and other evidence obtained by the HAMC during the course of an investigation will be considered "work product" and will be kept in a separate "work file." Such cases under review will not be discussed among HAMC Staff unless they are involved in the process, or have information, which may assist in the investigation.

At the conclusion of the investigative review, HAMC will determine whether a violation has occurred, a violation has not occurred, or if the facts are inconclusive. If it is determined that a program violation has occurred, the HAMC will review the facts to determine:

- The type of violation (procedural, non-compliance, fraud);
- Whether the violation was intentional or unintentional.
- What amount of money (if any) is owed by the family.
- If the family is eligible for continued occupancy.

19.6 Action for Documented Violations

Once a program violation has been documented, HAMC will take the appropriate action including proposed termination of assistance and other legal action as described in this Plan.

SECTION 20
SECTION 8 MANAGEMENT ASSESSMENT PROGRAM

20.1 General

The U. S. Department of Housing and Urban Development implemented the Section 8 Management Assessment Program (SEMAP) on October 13, 1998 to serve as a management tool for objectively measuring program compliance, identifying management capabilities and deficiencies, as well as improving risk assessment for potential program problems. SEMAP also provides local housing agencies with a structured self-assessment system for evaluating the tenant-based rental assistance programs. It is HAMC's policy to manage the Housing Choice Voucher Program to assure an ultimate program performance and achieve high performance status each year.

20.2 Performance Indicators

The following performance indicators have been established to help meet HUD's overall goal of getting the right Section 8 families in the right units at the right cost. Effective delivery of rental assistance and family-self-sufficiency goals is also measured. The individual indicators and their assigned points are presented below.

Performance Indicator	Total Possible Points
1. Selection from the Waiting List	15
2. Rent Reasonableness	20
3. Adjusted Income	20
4. Utility Allowance	5
5. HQS Quality Control	5
6. HQS Enforcement	10
7. Expanding Housing Opportunity	5
8. Payment Standards	5
9. Annual Reexaminations	10
10. Tenant Rent Calculations	5
11. PreContract HQS Inspections	5
12. Annual Inspections	10
13. Lease-Up	20
14. FSS Escrow Accounts	10
15. Deconcentration Bonus	5
TOTAL POSSIBLE POINTS	150

High Performer: 90+%
Standard Performer: 61-89% Troubled: <=60%

20.3 Certification Period

HAMC is required to submit a certification to HUD by August 29th of each year for the period from July 1st through June 30th (HAMC's fiscal year).

20.4 The SEMAP Certification Process

Each year, HAMC will conduct a SEMAP confirmatory review. This review will be conducted by an individual that is not responsible for the day to day operations of the program. A detailed review, narrative report and supporting documentation will be prepared and presented to the HAMC Board of Commissioners to support the annual SEMAP certification that is approved by the Board. The certification for each of the performance indicators will be supported by documentation from the following sources:

- ◆ Family files and Lindsey computer records
- ◆ Public Housing Information Center (PIC)
- ◆ Management files, marketing materials, studies, and surveys.

20.5 Family Files and CCS Computer Records

A random sample of family files and CCS Computer Records along with management files, marketing materials, studies and surveys were reviewed to support the following SEMAP indicators:

- ◆ Indicator 1: Selection from the Waiting List
- ◆ Indicator 2: Rent Reasonableness
- ◆ Indicator 3: Adjusted Income
- ◆ Indicator 4: Utility Allowance Schedule
- ◆ Indicator 5: HQS Quality Control
- ◆ Indicator 6: HQS Enforcement
- ◆ Indicator 7: Expanding Housing Opportunities
- ◆ Indicator 8: Payment Standards
- ◆ Indicator 15: De-concentration (Bonus)

20.6 PIC Data

The Public Housing Information Center (PIC) is a national database of all families received housing assistance under the Housing Choice Voucher Program and the Public Housing Program. Family information is electronically submitted to PIC upon completion of a HUD 50058 Family Report. HAMC will maintain a successful submission greater than 95% each year. The following SEMAP indicators are evaluated based on information from the PIC database.

- ◆ Indicator 9: Annual Reexaminations
- ◆ Indicator 10: Tenant Rent Calculations
- ◆ Indicator 11: Pre-Contract HQS
- ◆ Indicator 12: Annual Inspections
- ◆ Indicator 13: Lease-Up
- ◆ Indicator 14: FSS Enrollment and Escrow Account

20.7 Summary by Indicator

Indicator 1: Selection from the Waiting List - The purpose of this indicator is to determine whether the local housing agency has written admission policies in its Administrative Plan and to confirm whether the agency follows their admission policies when selecting applicants from the waiting list. The Administrative Plan must be formally adopted by the Housing Authority and must be submitted to HUD.

HUD will rate this indicator on the SEMAP certification. An agency can earn either all or none of the 15 points for this indicator. To earn all 15 points, the review must confirm that the agency has written admissions policies in its Administrative Plan and at least 98% of the families in the sample were selected from the waiting list in accordance with these policies and met the selection criteria that determined their places on the waiting list and their order of selection.

Indicator 2: Rent Reasonableness - The purpose of this indicator is to determine whether the housing agency has implemented a written, reasonable method for determining and documenting the rent charged for each unit leased. The method used must ensure that the rent charged is reasonable based on current rents for comparable unassisted units at the time of initial leasing; when there is any increase in the rent to owner; and at the HAP contract anniversary if there is a 5 percent decrease in the published FMR in effect 60 days before the HAP contract anniversary.

This indicator will be rated by HUD on the HAMC's SEMAP certification. An agency can earn a maximum of 20 points for this indicator if the review confirms that:

- The HAMC has a reasonable method it follows to determine reasonable rent which considers location, size, type, quality, and age of the units, and the amenities, housing services, and maintenance and utilities provided by the owner; and
- A random sample of tenant files demonstrates that the rent reasonable system was used and documented in 98% of the files sampled for initial lease-up, any rent increase to owner, and if there is a 5% decrease in the published FMR in effect 60 days prior to the HAP contract anniversary.

Fifteen points can be earned if the review confirms that the above criterion is met in 80-97% of the units sampled for the review. Zero points are earned if the rent reasonableness method is used and documented in less than 80% of the random sample files that are reviewed.

Indicator 3: Adjusted Income - The purpose of this indicator is to determine whether the housing agency has verified and correctly determined adjusted annual income for each assisted family at the time of admission; and at annual reexamination.

This indicator will be rated by HUD on the SEMAP certification. An agency can earn a maximum of 20 points for this indicator if the review confirms that based on a random sample in at least 90% of the families:

- The HA obtains 3rd party verification of reported family income, the value of assets totaling more than \$5000, expenses related to deductions from annual income and

other factors that affect the determination of adjusted income, and/or the HA documents in tenant files why third party verification was not available;

- The HA properly attributes and calculates allowances for any medical, child care, and/or disability assistance expenses; and
- The HAMC uses the appropriate utility allowance to determine gross rent for the unit leased.

Fifteen points can be earned if the review confirms that the above criteria are met in 80-89% of the files sampled for the review. Zero points are earned if adjusted income determinations are correct and properly documented in less than 80% of the random sample files reviewed.

Indicator 4: Utility Allowance Schedule - The objective of this indicator is to determine whether the HAMC maintains an up-to-date utility allowance schedule in accordance with HUD program regulations,

This indicator will be rated by HUD on the SEMAP certification. An agency can earn a maximum of 5 points for this indicator if the review confirms that the HAMC reviewed utility rate data within the last 12 months, and adjusted its utility allowance schedule if there has been a change of 10 percent or more in a utility rate since the last time the utility allowance schedule was revised.

Indicator 5: HQS Quality Control Inspections - The purpose of this indicator is to determine whether a HAMC supervisor or other qualified person re-inspects a sample of the units under contract during the last completed HAMC fiscal year. The quality control inspection process tests consistency in adherence to the Housing Quality Standards and also helps to determine if inspectors require additional training.

This indicator will be rated by HUD on the HAMC's SEMAP certification. An agency can earn a maximum of 5 points for this indicator, if the review confirms that:

- A sample of assisted units were quality control inspected based on the sample size required for the number of units under contract.
- The sample represents units recently inspected (HQS inspections perform during the 3 months preceding the quality control inspection)
- The sample represents cross-section of inspectors and neighborhoods

Indicator 6: HQS Enforcement - The purpose of this indicator is to test the Housing Authority's ability to insure that life- threatening HQS deficiencies are corrected within 24 hours from the date of inspection and that all other HQS deficiencies are corrected within no more than 30 calendar days from the date of the inspection or any HA-approved extension. The indicator also tests whether the Authority has appropriately abated the rent to owner no later than the first of the month following the specified correction period, and if not corrected termination of the HAP contract.

This indicator also measures the response of the HA for family caused defects, and whether or not the Authority takes prompt and vigorous action to enforce the family obligations.

This indicator will be rated by HUD on the HA's SEMAP certification. An agency can earn a maximum of 10 points for this indicator if the review confirms that based on a random

sample:

- 100% of life threatening emergencies were completed within 24 hours;
- 98% of all other cited HQS deficiencies were corrected within no more than 30 days or any HA approved extension;
- If deficiencies were not corrected within required time frame, the HAP payment was abated no later than the first of the month following the correction period or the HAP contract was terminated or for family-caused defects took prompt and vigorous action to enforce the family obligations.

Indicator 7: Expanding Housing Opportunities - The purpose of this indicator is to determine whether the housing agency has adopted and implemented a written policy to encourage participation by owners with units located outside areas of poverty or minority concentration; informs rental voucher and certificate holders of the full range of areas where they may lease units both inside and outside of the HAMC's jurisdiction; and supplies a list of landlords or other parties who are willing to lease units or help families find units, including units outside areas of poverty or minority concentration.

This indicator will be rated by HUD on the HA's SEMAP certification. An agency can earn a maximum of 5 points for this indicator if the review confirms that:

- The HA has a written policy to encourage participation by owners of units outside areas of poverty or minority concentration; the HA clearly delineates areas in its jurisdiction that the HA considers areas of poverty or minority concentration, and which includes actions the HA will take to encourage owner participation.
- The HA encouraged participation by owners outside areas of poverty and minority participation.
- The HA has prepared maps that show various areas, both within and outside of its jurisdiction.
- The HA's information packet for certificate and voucher holders contains either a list of owners who are willing to lease, or properties available for lease, under the rental voucher or certificate programs, or a list of other organizations that will help families find units and the list includes properties or organizations that operate outside areas of poverty or minority concentration
- The HA's information packet includes an explanation of how portability works and includes a list of neighboring HA with the name, address and telephone number of a portability contact person at each.
- HAMC has analyzed whether rental voucher and certificate holders have experienced difficulties in finding housing outside areas of poverty or minority concentration and, if such difficulties have been found, HAMC documentation shows that the HAMC has analyzed whether it is appropriate to seek approval of area exception rents in any part of its jurisdiction and has sought HUD approval of exception rents when necessary.

Indicator 8: Payment Standards - The purpose of this indicator is to determine whether the housing agency has verified and correctly determined adjusted annual income for each assisted family at the time of admission; and annual reexamination.

This indicator will be verified by HUD through the use of payment standard information submitted to HUD on the SEMAP certification form and PIC gross rents and FMR data.

An agency can earn a maximum of 5 points for this indicator if:

- At least 98% of the families newly leased in the certificate program, excluding over-FMR families, have initial gross rents at or below the applicable FMR or approved exception rent limit, and
- That the HAMC has adopted payments standards which do not exceed the applicable FMR or approved exception rent limit and which are not less than 80% of the current FMR, unless approved by HUD.

Zero points are earned if the random sample demonstrates that more than 2% of the files sample have gross rents that exceed the applicable FMR, or HUD-approved exception rent limits, or the HA's rental voucher program payment.

Indicator 9: Annual Re-Certifications - The purpose of this indicator is to determine whether the housing agency completes an annual re-examination for each participating family at least every 12 months.

This indicator will be verified by PIC reports showing the percent of reexaminations that are more than 2 months overdue. An agency can earn a maximum of 10 points for this indicator if the PIC report confirms that fewer than 5% of all HAMC reexaminations are more than 2 months overdue. Five points can be earned if the report confirms that 5 to 10% of all HAMC reexaminations are more than 2 months overdue. Zero points are earned if more than 10% of all HAMC reexaminations are more than 2 months overdue.

Indicator 10: Correct Tenant Rent Calculations - The purpose of this indicator is to determine whether the housing agency correctly calculates tenant rent in the rental certificate program, and the family's share of the rent to owner in the rental voucher program.

This indicator will be verified by PIC reports. The reports will demonstrate the percent of tenant rent and family's share of the rent to owner calculations that are incorrect based on data sent to HUD on the HUD-50058 form.

An agency can earn a maximum of 5 points for this indicator if the PIC report confirms that 2% or fewer of all HAMC tenant rent and family's share of rent to owner calculations are incorrect. Zero points will be awarded if more than 2% of all HAMC tenant rent and family's share of rent to owner calculations are incorrect.

Indicator 11: Pre-contract HQS Inspections - The purpose of this indicator is to determine whether newly leased units passed HQS inspection on or before the beginning date of the assisted lease and HAP contract.

This indicator will be verified by the PIC report which shows the percent of newly leased units where the beginning date of the assistance contract is before the date the unit passed HQS inspection. If 98 to 99 percent of newly leased units passed HQS inspection before the beginning of the HAP contract, the HAMC will receive 5 points. If fewer than 98% passed inspection prior to execution of the contract, the HAMC will receive 0 points.

Indicator 12: Annual HQS Inspections - The purpose of this indicator is to determine whether the housing agency inspects each unit under contract at least annually.

This indicator will be verified by the PIC report, which shows the percent of HQS inspections that are more than 2 months passed due. It should be noted that the 2-month allowance is provided to accommodate a possible lag in the housing agency's electronic submission and not in the completion of the inspection. The HAMC will receive 10 points if fewer than 5% of the annual inspections are more than two months late, 5 points if 5% to 10% are more than two months late and, 0 points if more than 10% of annual inspections are more than two months late.

Indicator 13: Lease-Up - The purpose of this indicator is to determine whether the housing agency entered into HAP contracts for the number of units under budget for the last fiscal year.

This indicator will be verified by the percent of units leased during the last completed HA fiscal year as determined by taking unit-months under HAP contract divided by the total unit months available (total baseline units times 12); or the total HAP dollars expended divided by the annual budget authority available.

An agency can earn a maximum of 20 points for this indicator if the percent of units leased or the percent of ABA expended during the last fiscal year was 98% or more. Fifteen points will be awarded if 95-98% of the units were leased or ABA expended during the last fiscal year. Zero points will be awarded if less than 95% of the units were leased or less than 95% ABA was expended during the last fiscal year.

Indicator 14 – Family Self-Sufficiency - The purpose of this indicator is to determine whether the HAMC has enrolled families in the FSS program as required, and the extent of the HAMC's progress in supporting FSS by measuring the percent of current FSS participants with FSS progress reports entered in PIC that have had increases in earned income which resulted in escrow account balances.

HUD will verify this indicator through the PIC report that shows the number of families currently enrolled in FSS. This number is divided by the number of mandatory FSS slots based on funding reserved for the HAMC through the second to last completed Federal Fiscal Year, or based on a reduced number of mandatory slots under a HUD-approved exception. A PIC report also shows the percent of FSS families with FSS progress reports who have escrow account balances. HUD also uses information reported on the SEMAP certification by initial HAMC's concerning FSS families enrolled in their FSS programs but who have moved.

Indicator 15: Deconcentration - The purpose of this indicator is to determine what percentage of Section 8 families with children who live in and who have moved during the reporting period, moved to low-poverty census tracts in the HAMC's principal operating area. This indicator will be verified by the HAMC data collected if claiming these bonus points.

20.8 Corrective Action

HAMC will develop an internal corrective action plan for any indicator in which the performance score for that fiscal year is less than high performer. The corrective action plan will be closely monitored by staff to assure increased performance in the corresponding performance area.

SECTION 21 PROJECT BASED VOUCHER PROGRAM

21.1 General

The Housing Authority of Maricopa County will provide Project Based Vouchers in accordance with the provisions set forth in the Final Rule of June 25, 2014, 24CFR Part 983; subsequent guidance notice issued by the U. S. Department of Housing and Urban Development such as PIH Notice 2011-54; the plan set forth herein; and, any future notices issued by HUD.

Many of the provisions of the tenant-based voucher regulations [24 CFR 982] also apply to the Project Based Voucher (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 Chapter outlines HAMC policies regarding the PBV Program.

21.2 Project Based Voucher Assistance

The number of project based vouchers that will be made available for the PBV Program will be up to 20% of the amount of budget authority allocated to the Housing Authority by HUD in the PHA's voucher program. If the budget authority is not adequate to support the number of baseline vouchers, HAMC will not reduce the number of PBV units committed or under contract. However, additional PBV assistance will not be provided until such time that the annual budget authority is increased.

21.3 Uniform Relocation Act

Individuals displaced as a result of the PBV Program must be provided relocation assistance in accordance with all provisions of the Uniform Relocation Act (URA). The definition of initiation of negotiations as described under the URA shall for the purposes of the PBV Program be defined as the date of the execution of the Agreement (Agreement to Enter in a Housing Assistance Payments Contract [AHAP]) between the Owner and the Housing Authority.

Relocation costs may not be paid from voucher housing assistance funds (HAP) but the Authority may choose to utilize Administrative Fee Reserves (unrestricted net assets) for relocation costs for HAMC owned units, provided that all uses are consistent with HUD legal and regulatory requirements. Under no circumstances will HAMC pay for relocation costs for a private owner.

21.4 Equal Opportunity Requirements

The PBV Program requires compliance with all equal opportunity requirements under federal laws and regulations including the authorities cited at 5.105 (a). The PBV Program shall be identified in the HAMC Annual Plan and the corresponding certification of civil rights and affirmatively furthering fair housing submitted under the PHA Plan shall apply to the PBV Program.

21.5 Special Housing Types

HAMC shall not provide project based vouchers for shared housing, manufactured home space rental, or homeownership. PBV assistance may be considered for group homes. The solicitation for owner proposals for project based voucher assistance will identify if group homes are being considered under said solicitation. A separate lease will be executed for each elderly person or person with disabilities who resides in a group home.

21.6 Selection of PBV Proposals

A. Housing Selected under Federal, State or Local Government Programs

HAMC will consider proposals for project based vouchers for properties that were selected through a competitive process under federal, state or local government housing assistance, community development, or supportive services program that requires competitive selection of proposals (i.e. units for which 9% Low Income Housing Tax Credits were allocated under a State Qualified Allocation Plan). Such projects must have been competitively selected under the federal, state or local government program within three years from the date of the HAMC selection of PBV proposals and the original application did not involve consideration that the project would receive PBV assistance. HAMC will provide prompt written notification to any party that submitted a selected proposal. HAMC will make documentation available for public inspection regarding the basis for any and all selections of PBV proposal(s).

HAMC owned units (directly or indirectly) may receive Project Based Voucher assistance provided the local 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 criteria established in the PHA Administrative Plan. HUD approval of a mixed finance proposal containing project based assistance in units owned directly or indirectly by HAMC shall be considered approved under this section.

B. Requests for PBV Proposals

HAMC may request proposals for the PBV Program periodically as determined by the Authority. HAMC will provide broad public notice of the availability of project based vouchers through advertisement in a newspaper of general circulation within HAMC's jurisdiction. The public notice will specify the availability of project based vouchers, the procedures through which an owner can request a copy of the RFP, and the proposal submission deadline.

C. Owner Application Requirements

The solicitation document issued by HAMC will contain all application and submission requirements as well as the selection criteria. Under no conditions will HAMC limit the solicitation to a single site or impose restrictions that explicitly or practically preclude owner submission of proposals.

D. Eligible Housing Units

Eligible housing units for project based voucher include new construction, rehabilitation and existing housing. Eligible units selected as Rehabilitated Housing or New Construction cannot be selected as Existing at a later date.

- 1) **Existing Housing** - A housing unit will be considered an existing unit for purposes of the project-based voucher program, if, at the time of selection of the project, the unit substantially complies with the Federal Housing Quality Standards (HQS).
- 2) **Rehabilitated Housing** - A housing unit will be considered a rehabilitation unit for purposes of the project-based voucher program, if, at the time of selection of the project, the unit does not substantially complies with the Federal Housing Quality Standards (HQS) and are rehabilitated under an Agreement between HAMC and the owner for use under the PBV Program.
- 3) **Newly Constructed Housing** – Housing units that do not exist on the proposal selection date and are developed after the date of the selection pursuant to an Agreement between HAMC and the owner for use under the PBV Program shall be considered new construction units.

E. Ineligible Housing Units

HAMC will not provide project based voucher assistance to any of the types of housing listed below:

- 1) Shared housing, manufactured home space rental, or homeownership.
- 2) Units on the grounds of a penal, reformatory, medical, mental, or similar public or private institution.
- 3) Nursing homes or facilities providing continuous psychiatric, medical or nursing services, board and care, or intermediate care. However, units in an assisted living facility that provides home health care services such as nursing are not ineligible.
- 4) Unit owned or controlled by an educational institution or its affiliate and are designated for occupancy by students of the institution.
- 5) Manufactured homes.
- 6) Transitional housing.
- 7) High rise elevator projects for families with children.
- 8) Owner occupied units.
- 9) Units occupied by ineligible families.

F. Prohibition of Assistance for Subsidized Units

HAMC will not provide project based voucher assistance to any unit that receives a rent or operating subsidy under another federal, state or local program including but not limited to:

- 1) Public Housing dwelling units.
- 2) A unit subsidized with any other form of Section 8 assistance.
- 3) A unit subsidized with any government subsidy (government funds pay a portion of the rent).
- 4) A unit with any other governmental subsidy that pays all or a part of the operating costs.
- 5) A unit subsidized with Section 236 rental assistance payments. However, PBV assistance may be attached to a unit subsidized with Section 236 interest reduction payments.
- 6) A units subsidized with rental assistance payments under Section 521 of the Housing Act of 1949 (Rural Housing Service Program). However, PBV assistance may be attached to a unit subsidized with Section 515 interest reduction payments.
- 7) A Section 202 project for non-elderly persons with disabilities.
- 8) A Section 811 project based supportive housing for persons with disabilities.
- 9) Section 202 supportive housing for the elderly.
- 10) A Section 101 rent supplement program.
- 11) A unit subsidized with any form of tenant based assistance.
- 12) A unit with any other form of duplicative federal, state or local assistance.

21.7 Prohibition of Excess Public Assistance

A subsidy layering review shall be conducted to prevent excessive public assistance for the housing by combining (layering) project based voucher assistance with other governmental housing assistance from federal, state or local agencies. A subsidy layering review will be conducted by HUD or an independent entity approved by HUD to assure that the requested PBV assistance is in accordance with HUD subsidy layering requirements.

Owners shall certify that the project has not received and will not receive (before or after the HAP contract) any public assistance for acquisition, development or operation of the housing other than the assistance disclosed in the subsidy layering review.

A subsidy layering review is not required for selected Existing projects. For selected Rehabilitation and New Construction projects, an AHAP will not be entered into until a subsidy layering review is completed.

21.8 Limitation of PBV Units

The number of project based vouchers that will be approved for multi-family properties shall be limited to no more than 25% of the total (assisted and unassisted) units in a building. Multi-family properties are defined as properties with more than four individual units under a single roof. Single-family homes and buildings with 4 or fewer units may be project- based up to 100%.

In order to exceed the 25 % threshold for assisted units in any building, there is a mandatory services requirement whereby the owner must provide support services to the families in occupancy of the “excepted units” and the eligible family must maintain their participation in the services to retain their assistance in the excepted unit unless they successfully complete the services program. Units occupied by elderly or disabled households are not subject to the mandatory services requirement. The services can either be provided on-site or utilized on a referral basis through on-site services staff. Participating owners must provide a minimum of three qualifying services to meet the requirement to exceed the 25% threshold.

This limit of PBV units does not apply to multi-family buildings that are designated for the following qualifying families:

- 1) Elderly or disabled families
- 2) Families receiving supportive services in which at least one member is receiving at least one qualifying supportive service

If a property is approved under (2) above, HAMC will monitor the qualifying family's continued receipt of supportive services and will take appropriate action regarding those families that fail without good cause, to complete their supportive services requirements. HAMC will monitor compliance at least annually as part of the annual recertification process.

Eligible Supportive Services may include:

- 1) Substance abuse counseling
- 2) Clinical services for non-disabled participants
- 3) Non-disabled mental health services
- 4) Non-disabled behavioral support services
- 5) Linkages to medical providers for non-disabled participants
- 6) Self-sufficiency counseling
- 7) Job training/career counseling
- 8) Money management counseling
- 9) Youth services - child care, after school programs
- 10) Housing retention
- 11) FSS participation

21.9 Site Selection Standards

In approving sites for PBV assistance, HAMC will assure that the location of the site is consistent with the goal of de-concentrating poverty and expanding housing and economic opportunities consistent with the Annual PHA Plan. The general standard to be used by HAMC will be that the poverty rate for the census tract in which the property is located is less than the overall city-wide poverty rate. However, HAMC will consider sites with higher poverty rates if they meet one of the following criteria:

- 1) The census tract is a HUD designated Enterprise Zone, Economic Community, or Renewal Community.
- 2) The census tract has undergone or is undergoing significant revitalization.
- 3) New market rate units have been or are being developed in the census tract.

- 4) There has been an overall decline in the poverty rate in the past five years of at least 5%.
- 5) There are meaningful opportunities for educational and economic advancement in the census tract.

Sites for all housing types must meet the following additional criteria:

- 1) Site must be adequate in size, exposure and contour to accommodate the number and type of units proposed.
- 2) Adequate utilities and streets must be available to serve the site.
- 3) The location must promote greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high number of low income persons.
- 4) The site must be accessible to social, recreational, educational, commercial, and health facilities and services.
- 5) Municipal and other public services must be equivalent to those typically found in neighborhoods consisting largely of unassisted standard housing of similar market rents.
- 6) Be located so that travel times and costs via public transportation or private automobile from the neighborhood to place of employment providing a range of jobs for low income persons is not excessive.

Sites for new construction properties must meet the criteria above and must not be located in an area of minority concentration or a racially mixed area if the project would cause a significant increase in the proportion of minority to non-minority residents in the area.

21.10 Environmental Review

All properties selected for Project Based Voucher assistance are subject to the HUD environmental regulations 24CFR Parts 50 and 58. HAMC will make every effort to have the local Responsible Entity (unit of local government, county or state) complete the environmental review and certification, and meet all environmental review requirements.

21.11 Property Selection Criteria

The following threshold criteria must be met for an application to be considered for selection for the PBV Program.

- 1) The proposed project is a mixed finance project that will replace Public Housing units that will be disposed or demolished pursuant to HUD requirements.
- 2) The proposed project serves elderly only or special needs only populations.

Following are the review criteria with associated point values that will be used by HAMC in the evaluation process of proposals received under the PBV program. There is no minimum passing score, nor a specific maximum score.

Projects will be ranked by score and the highest ranked projects will undergo further review by HAMC. The selected projects must comply with all requirements set forth in this plan and all application HUD regulations.

Evaluation Criteria	Points
The proposed housing serves a target population in order of priority: (1) public housing residents displaced as the result of disposition or demolition; (2). Elderly only households; (3) special needs population only.	20
The proposal provides new affordable housing through in order of priority: (1) existing housing developed under the low income housing tax credit program; within the past ten years (2) new construction; (3) existing housing that was constructed or rehabilitated within the past five years.	20
The proposal submitted demonstrates a thorough, in-depth, well-planned project meeting all federal requirements and other eligibility criteria.	20
The applicant's qualifications are appropriate for the project under consideration and firm financial commitments are adequately documented.	20
Rental subsidy is necessary for the viability of the project; management of the project is consistent with Section 8 requirements and the degree to which supportive services will be provided to the project.	20
TOTAL MAXIMUM POINTS	100

Prior to selecting the units for project based assistance, HAMC will make a determination that the application is responsive and in compliance with all selection criteria and is otherwise in compliance with HUD program regulations and requirements.

21.12 Establishment of Initial Rents

The Housing Authority will require the owner to provide a third party market study or other independent rent analysis to establish the initial rents. HAMC will approve PBV rents based on the third party market analysis up to 110% of the current published Fair Market Rents (FMR). PBV rents shall be equivalent to the unassisted rent for market rate units in the property provided they remain within the 110% of the current HUD FMR's.

HAMC will seek HUD approval of rents in properties owned directly or indirectly by HAMC. HUD approval of rents in a mixed finance proposal containing project based assistance in units owned directly or indirectly by HAMC shall be considered approval of rents under this section.

21.13 Rehabilitation Work and New Construction Requirements

A. Construction Plans

The owner will be required to prepare work write ups, construction specifications and plans upon request as determined appropriate by HAMC for rehabilitation and new construction projects.

In addition, new construction projects require certification by a design architect that the proposed new construction reflected in the working drawings and specifications complies with housing quality standards, local codes and ordinances and zoning requirements. The owner is responsible for selecting a responsible contractor for rehabilitation and new construction and said contractor must provide HAMC with a non-debarment certification.

B. Agreement to Enter into A Housing Assistance Payments Contract (AHAP)

An Agreement to enter in a Housing Assistance Payments (AHAP) Contract will be executed upon satisfactory completion of all requirements identified above. Upon execution of the AHAP, the construction period shall commence. The construction period shall be determined in accordance with the approved application and entered into the AHAP agreement. HAMC will perform regular inspections during the construction period.

Upon completion of construction, the owner must provide HAMC with a certificate of occupancy and an owner certification. HAMC will perform a final inspection prior to acceptance of the units and notify the owner of any deficiencies that may exist. The owner will be allotted a time extension if warranted or MAS may reject any units that do not meet program requirements. If deficiencies are not cured in the agreed upon time or the owner fails to complete the work within the timeframe identified in the AHAP agreement, HAMC may adjust the number of units to be placed under contract or not proceed with execution the HAP agreement.

21.14 Housing Assistance Payments Contract

A. Term of Contract

Upon acceptance of the units by HAMC, a Housing Assistance Payments contract for Project Based Assistance for the Housing Choice Voucher Program will be executed in the format prescribed by HUD (52530-A). HAMC will execute all PBV HAP contracts for an initial term of up to 15 years for each contract unit, subject to future availability of funding under the ACC with HUD. In addition, the HAP contract may be extended for an additional term not to exceed 15 years, based on a determination by HAMC that an extension is necessary to achieve long-term affordability of the housing.

B. Rent Adjustments

The HAP contract will provide for annual review of the rental amounts. Adjustments of rents will be subject to the annual adjustment factor provided that the rents charged for the PBV units are comparable to unassisted units in the rental market. Special rent adjustments above the annual adjustment factor shall also be considered if it is determined that the rent continues to be reasonable. The owner shall be responsible for

providing HAMC with market comparability data for any special rent increase that is requested.

C. Rent to Owner for Overcrowded, Under-Occupied and Accessible Units.

If an otherwise eligible in-place family occupies a wrong-size unit, HAMC will pay the right-size HAP amount. A wrong-size unit is defined as a unit occupied by a family that does not conform to the PHA's subsidy guideline for family size, by being either too large or too small compared to the guidelines.

HAMC will approve new admissions to lease a wrong-size unit under the right-size HAP amount only when there is no other eligible, qualified family on the waitlist and the owner includes in the lease addendum that the family will be moved to a right-size unit either at the next annual renewal or when a right-size unit comes available; whichever comes first.

D. Vacancy Payments

HAMC may provide for vacancy payment under the PBV contract for up to 60 days provided that the vacancy is not the fault of the owner and the owner has taken every reasonable action to minimize the likelihood and extent of vacancies.

21.15 Tenant Selection

A. Existing Tenants of Properties Selected for PBV Assistance

HAMC may not select a unit for project-based assistance if it is occupied by persons who are not eligible for participation in the Housing Choice Voucher program.

Owners may refer applicants to the waiting list based on HAMC waiting list policies and selection criteria.

B. Waiting List

The PHA will establish and manage separate waiting lists for individual projects or buildings that are receiving PBV assistance. If HAMC's Housing Choice Voucher waiting list is open when an applicant is placed on a PBV waiting list, HAMC must offer to place the applicant on its tenant-based assistance waiting list. If HAMC's tenant-based waiting list is closed, the applicant may only apply to be on the PBV program waiting list.

- 1) An eligible family residing in the proposed PBV contract unit on the date the proposal is selected by HAMC is considered an "in-place family." These families are afforded protection from displacement under the PBV rule (refer to Section 21.3). If a unit is to be placed under contract (either an existing unit or a unit requiring rehabilitation), and is occupied by an eligible family on the date the proposal is selected, the in-place family must be placed on the waiting list. Once the family's continued eligibility is determined, the family must be given an absolute selection preference and HAMC 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. HAMC may deny

assistance to an in-place family for grounds specified in 24 CFR 982.552 and 982.553. The regulatory protection from displacement does not apply to families who are not eligible.

- 2) Persons on the Housing Choice Voucher waiting list will be given an opportunity to be placed on the project-based waiting list when it is open without penalty to any other application for assistance they have pending.
- 3) If an applicant rejects a PBV unit, they will retain their place on any other waiting list administered by HAMC. Similarly, 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.
- 4) The project-based waiting list will be established according to date and time and preference. If an applicant for the project-based program is already on the Housing Choice Voucher waiting list, the same date and time will be utilized to initially establish their place on the project-based waiting list.
- 5) HAMC may place applicants referred by owners on the project-based waiting list in accordance with waiting list and selection policies.
- 6) HAMC may establish selection criteria or preferences for occupancy of particular PBV units.

C. Preferences

HAMC will provide a selection preference when required by the regulation (e.g., eligible in-place families, qualifying families for "excepted units," 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. HAMC 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. HAMC must provide an absolute selection preference for eligible in-place families as described in Section 21.15 B.1 above.

Although HAMC is prohibited from granting preferences to persons with a specific disability, HAMC may give preference to disabled families who need services offered at a particular project or site if the preference is limited to families (including individuals):

- With disabilities that significantly interfere with their ability to obtain and maintain themselves in housing;
- Who, without appropriate supportive services, will not be able to obtain or maintain themselves in housing; and
- For whom such services cannot be provided in a non-segregated setting.

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 HAMC has projects with more than 25 percent of the units receiving project-based assistance because those projects include "excepted units" (units specifically made available for elderly or disabled families, or families receiving supportive services), the PHA must give preference to such families when referring families to these units [24 CFR

983.261(b)].

D. Admission

Admission to PBV units is subject to HUD requirements and 75% of all new admissions on an annual basis must be at or below 30% of median income of the area. The remaining 25% shall have annual incomes between 30% and 50% of median income. An exception to these admission criteria will be made for any continuously assisted family in the Section 8 tenant based program or the Public Housing Program who wishes to locate to a PBV unit.

Owners must lease all assisted units to eligible families. Owners must enter into a written lease for all assisted units to eligible families for an initial term of one year. Failure to do so will result in a reduction of the units under contract or other legal remedies including suspension or debarment from HUD programs.

E. Conversion to Tenant Based Assistance

After one year of occupancy in a PBV unit, a tenant may move. HAMC will convert PBV tenants wishing to move to Housing Choice Voucher participants by providing them with the next available voucher. Housing Assistance Payments will continue on the PBV unit until the tenant vacates the PBV unit.

F. Tenant Screening

When selecting families to occupy PBV units that have special accessibility features for persons with disabilities, HAMC must first refer families who require such features to the owner. The owner is responsible for screening and selection of tenants in accordance with the written selection criteria approved as part of the original proposal for the PBV program. The owner must promptly notify HAMC in writing of the rejection of a family and the grounds for such decision. If the owner rejects an applicant family, and the applicant family believes the rejection was unlawful discrimination, HAMC will assist the family or refer the family to the local Fair Housing Center or the HUD field office. When a family is selected for a PBV unit, HAMC will brief the family and provide them with all required written information and documents identified in 24CFR983.203.

21.16 Ongoing Activities

A. HAMC Responsibilities

HAMC shall administer the PBV program in accordance with all provisions under the Housing Choice Voucher program including issuance of monthly HAP payments, annual re-certification of household composition and income, and annual inspection of all units to assure compliance with HQS.

If a determination is made that the unit does not meet HQS requirements due to overcrowding as defined in the subsidy standards in the HAMC Housing Choice Voucher program, then HAMC will issue tenant based assistance upon availability.

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

HAMC 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.

B. Owner Responsibility

The owner is responsible for the screening and selection of families to occupy the owner's unit(s).

The owner is responsible for managing the units in accordance with all requirements under the approved management plan and the Housing Assistance Payments contract. After initial occupancy, the owner must notify HAMC of any vacancies in writing within 5 business days of learning about any vacancy or expected vacancy. HAMC will make every reasonable effort to refer families to the owner within 10 business days of receiving such notice from the owner. HAMC will refer a minimum of five families to the owner from its exiting waiting list.

If HAMC has not referred an adequate number of applicant families to the owner within 30 days from notification of the vacancy, the owner may advertise and solicit applications from otherwise eligible families. Upon selection of an applicant, the owner will refer the applicant to HAMC for processing and briefing.

21.17 Other Policies

All other policies stated in the HCV Administrative Plan related to occupancy of HCV tenant-based assisted units will apply to Project Based units as appropriate.