ADMINISTRATIVE PLAN

FOR THE

SECTION 8 HOUSING CHOICE VOUCHER PROGRAM
SECTION 8 MODERATE REHABILITATION PROGRAM

Oklahoma City Housing Authority
1700 Northeast Fourth Street
Oklahoma City, Oklahoma 73117-3800

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December 21, 2011

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ADMINISTRATIVE PLAN
REVISION DATES

FOR THE

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Chapter 1

OVERVIEW OF THE PROGRAM AND PLAN

INTRODUCTION

The Oklahoma City Housing Authority (OCHA) receives its funding for the Housing Choice Voucher (HCV) program from the U. S. Department of Housing and Urban Development (HUD). OCHA is not a federal department or agency. OCHA is a governmental or public body, created and authorized by state law to develop and operate housing and housing programs for low-income families. OCHA enters into an Annual Contributions Contract with HUD to administer the program requirements on behalf of HUD. OCHA will ensure compliance with federal laws, regulations and notices and must establish policy and procedures to clarify federal requirements and to ensure consistency in program operation.

This chapter contains information about OCHA and its programs with emphasis on the HCV program. It also contains information about the purpose, intent and use of the plan and guide.

There are three parts to this chapter:

- **Part I: The Oklahoma City Housing Authority (OCHA).** This part includes a description of OCHA, its jurisdiction, its programs, and its mission and intent.
- **Part II: The HCV Program.** This part contains information about the Housing Choice Voucher program operation, roles and responsibilities, and partnerships.
- **Part III: The HCV Administrative Plan.** This part discusses the purpose and organization of the plan and its revision requirements.

**PART I: THE OKLAHOMA CITY HOUSING AUTHORITY (OCHA)**

1-I.A. OVERVIEW

This part explains the origin of OCHA’s creation and authorization, the general structure of the organization, and the relationship between OCHA’s Board of Commissioners and staff.

1-I.B. ORGANIZATION AND STRUCTURE OF OCHA

The Section 8 tenant-based Housing Choice Voucher (HCV) assistance program is funded by the federal government and administered by OCHA for the jurisdiction of City of Oklahoma City, County of Oklahoma.

The officials of OCHA are known as Commissioners or, collectively, as the Board of Commissioners. Commissioners are appointed in accordance with state housing law and generally serve in the same capacity as the directors of a corporation, establishing policies under which OCHA conducts business, ensuring that policies are followed by OCHA staff and ensuring that OCHA is successful in its mission. The board is responsible for preserving and expanding the agency’s resources and assuring the agency’s continued viability.

Formal actions of OCHA are taken through written resolutions, adopted by the Board of Commissioners and entered into the official records of OCHA.

The principal staff member of OCHA is the Executive Director (ED), hired and appointed by the Board of Commissioners. The Executive Director is directly responsible for carrying out the policies established by the Commissioners and is delegated the responsibility for hiring, training and supervising the remainder of OCHA’s staff in order to manage the day-to-day operations of OCHA to ensure compliance with federal and state laws and directives for the programs managed. In addition, the Executive Director’s duties include budgeting and financial planning for the agency.

1-I.C. OCHA’s MISSION

The Oklahoma City Housing Authority’s mission is to provide safe, decent and sanitary housing conditions for very low-income families, to manage resources efficiently and to promote personal, economic and social upward mobility to provide families the opportunity to make the transition from subsidized to non-subsidized housing.
1-I.D. OCHA’S COMMITMENT TO ETHICS AND SERVICE

As a public service agency, OCHA is committed to providing excellent service to HCV program participants – families and owners – in the community. OCHA’s standards include:

- Administer applicable federal and state laws and regulations to achieve high ratings in compliance measurement indicators while maintaining efficiency in program operation to ensure fair and consistent treatment of clients served.
- Provide decent, safe, and sanitary housing – in compliance with program housing quality standards – for very low-income families while ensuring that family rents are fair, reasonable, and affordable.
- Encourage self-sufficiency of participant families and assist in the expansion of family opportunities which address educational, socio-economic, recreational and other human services needs.
- Promote fair housing and the opportunity for very low-income families of all ethnic backgrounds to experience freedom of housing choice.
- 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.
- 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.
- Create positive public awareness and expand the level of family, owner, and community support in accomplishing OCHA’s mission.
- Attain and maintain a high level of standards and professionalism in day-to-day management of all program components.
- Administer an efficient, high-performing agency through continuous improvement of OCHA’s support systems and commitment to our employees and their development.

OCHA will make every effort to keep program participants informed of HCV program rules and regulations, and to advise participants of how the program rules affect them.

1-I.E. OCHA’S PROGRAMS

All of OCHA’s programs are not covered by the administrative plan. OCHA has Public Housing and the Admission and Continued Occupancy Policy covers that program.

OCHA’s administrative plan is applicable to the operation of the Housing Choice Voucher program. In addition, the administrative plan addresses policies for the following special programs:

- Single room occupancy (SRO)
- Congregate housing
- Group home
- Shared housing
- Cooperative housing
- Manufactured home
- Homeownership
- HUD-Veteran’s Affairs Supportive Housing (HUD-VASH)
- Family Unification Program (FUP)
- Project Access
Mainstream Vouchers

Continuum of Care (COC)

OCHA administers the Family Self-Sufficiency (FSS) Program and the HCV policies do pertain to families who participate in the FSS program. However, there is also an FSS action plan which addresses the operation and guidelines for the operation of the FSS program.

PART II: THE HOUSING CHOICE VOUCHER (HCV) PROGRAM

1-II.A. OVERVIEW AND HISTORY OF THE PROGRAM

The intent of this section is to provide the public and staff with information related to the overall operation of the program. There have been many changes to the program since its inception in 1974 and a brief history of the program will assist the audience in understanding the program.

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 developments for low-income residents.

The Housing and Community Development (HDC) Act of 1974 created a new federally assisted housing program – the Section 8 Existing Housing program (also known as the Section 8 Certificate program). The HDC Act represented a significant shift in federal housing strategy from locally owned public housing to privately owned rental housing.

Under the Certificate program, federal housing assistance payments were made directly to private owners of rental housing, where this housing was made available to lower-income families. Eligible families were able to select housing in the private rental market. Assuming that the housing met certain basic physical standards of quality (“housing quality standards”) and was within certain HUD-established rent limitations (“fair market rents”), the family would be able to receive rental assistance in the housing unit. Family contribution to rent was generally set at 30 percent of the family’s adjusted income, with the remainder of the rent paid by the program.

Another unique feature of the Certificate program was that the rental assistance remained with the eligible family, if the family chose to move to another privately-owned rental unit that met program requirements (in contrast to the public housing program where the rental assistance remains with the unit, should the family decide to move). Consequently, the Certificate program was characterized as tenant-based assistance, rather than unit-based assistance.

The Housing and Community Development (HCD) Act of 1987 authorized a new version of tenant-based assistance – the Section 8 Voucher program. The Voucher program was very similar to the Certificate program in that eligible families were able to select housing in the private rental market and receive assistance in that housing unit.

However, the Voucher program permitted families more options in housing selection. Rental housing still had to meet the basic housing quality standards, but there was no fair market rent limitation on rent. In addition, family contribution to rent was not set at a limit of 30 percent of adjusted income. Consequently, depending on the actual rental cost of the unit selected, a family might pay more or less than 30 percent of their adjusted income for rent.

From 1987 through 1999, public housing agencies managed both the Certificate and Voucher tenant-based assistance programs, with separate rules and requirements for each. From 1994 through 1998, HUD published a series of new rules, known as “conforming” rules, to more closely combine and align the two similar housing programs, to the extent permitted by the law.

In 1998, the Quality Housing and Work Responsibility Act (QHWRA) – also known as the Public Housing Reform Act – was signed into law. QHWRA eliminated all statutory differences between the Certificate and Voucher tenant-based programs and required that the two programs be merged into a single tenant-based assistance program, now known as the Housing Choice Voucher (HCV) program.

The HCV program was modeled closely on the pre-merger Voucher program. However, unlike the pre-merger Voucher program, the HCV program requires an assisted family to pay at least 30 percent of adjusted income for rent.
The transition of assistance from the Certificate and Voucher programs to the new HCV program began in October 1999. By October 2001, all families receiving tenant-based assistance were converted to the HCV program.

1-II.B. HCV PROGRAM BASICS

The purpose of the HCV program is to provide rental assistance to eligible families. The rules and regulations of the HCV program are determined by the U.S. Department of Housing and Urban Development. OCHA is afforded choices in the operation of the program which are included in OCHA’s Administrative Plan, a document approved by the Board of Commissioners of OCHA.

The HCV program offers mobility to eligible families because they may search for suitable housing anywhere in OCHA’s jurisdiction and may also be eligible to move under portability to other PHAs’ jurisdictions.

When a family is determined to be eligible for the program and funding is available, OCHA issues the family a housing voucher. When the family finds a suitable housing unit and funding is available, OCHA will enter into a contract with the owner and the family will enter into a lease with the owner. Each party makes their respective payment to the owner so that the owner receives full rent.

Even though the family is determined to be eligible for the program, the owner has the responsibility of approving the family as a suitable renter. OCHA continues to make payments to the owner as long as the family is eligible and the housing unit continues to qualify under the program.

1-II.C. THE HCV PARTNERSHIPS

To administer the HCV program, OCHA enters into a contractual relationship with HUD. OCHA also enters into contractual relationships with the assisted family and the owner or landlord of the housing unit.

For the HCV program to work and be successful, all parties involved – HUD, OCHA, the owner, and the family – have important roles to play. The roles and responsibilities of all parties are defined in federal regulations and in legal documents that parties execute to participate in the program.

The chart on the following page illustrates key aspects of these relationships.
The HCV Relationships:

- Congress Appropriates Funding
- HUD Provides Funding To PHA
- Program Regulations and ACC specifies OCHA Obligations and Voucher Funding
- OCHA Administers Program
  - Voucher specifies Family Obligations
  - Housing Assistance Payments (HAP) Contract specifies Owner and OCHA Obligations
  - Lease specifies Tenant and Landlord Obligations
- Family (Program Participant)
- Owner / Landlord
What does HUD do?

HUD has the following major responsibilities:

- Develop regulations, requirements, handbooks, notices and other guidance to implement HCV housing program legislation passed by Congress;
- Allocate HCV program funds to OCHA;
- Provide technical assistance to OCHA on interpreting and applying HCV program requirements;
- Monitor OCHA compliance with HCV program requirements and OCHA performance in program administration.

What does OCHA do?

OCHA administers the HCV program under contract with HUD and has the following major responsibilities:

- Establish local policies;
- Review applications from interested applicant families to determine whether applicants are eligible for the program;
- Maintain waiting list and select families for admission;
- Issue voucher to selected family and, if necessary, assist the family in finding a place to live;
- Conduct outreach to owners, with special attention to owners outside areas of poverty or minority concentration;
- Approve the rental unit (including assuring compliance with housing quality standards and rent reasonableness), the owner, and the tenancy;
- Make housing assistance payments to the owner in a timely manner;
- Ensure that families and their rental units continue to qualify under the program;
- Ensure that owners and families comply with program rules;
- Provide families and owners with prompt, professional service;
- Comply with all fair housing and equal opportunity requirements, HUD regulations and requirements, the Annual Contributions Contract, HUD-approved applications for funding, OCHA’s Administrative Plan, and other applicable federal, state and local laws.

What does the Owner do?

The owner has the following major responsibilities:

- Screen families who apply for tenancy, to determine if they will be good renters;
  - OCHA can provide some information to the owner, but the primary responsibility for tenant screening rests with the owner.
  - The owner should consider family background factors such as rent and bill-paying history, history of caring for property, respecting the rights of others to peaceful enjoyment of the property, compliance with essential conditions of tenancy, whether the family is engaging in drug-related criminal activity or other criminal activity that might threaten others.
- Comply with the terms of the Housing Assistance Payments contract, executed with OCHA;
- Comply with all applicable fair housing laws and discriminate against no one;
- Maintain the housing unit by making necessary repairs in a timely manner;
- Collect rent due from the assisted family and otherwise comply with and enforce provisions of the dwelling lease.
What does the Family do?
The family has the following responsibilities:

- Provide OCHA with complete and accurate information, determined by OCHA to be necessary for administration of the program;
- Make their best and most timely efforts to find a place to live that is suitable for them and that qualifies for the program;
- Attend all appointments scheduled by OCHA;
- Allow OCHA to inspect the unit at reasonable times and after reasonable notice;
- Take responsibility for care of the housing unit, including any violations of housing quality standards caused by the family;
- Comply with the terms of the lease with the owner;
- Comply with the family obligations of the voucher;
- Not commit serious or repeated violations of the lease;
- Not engage in drug-related or violent criminal activity;
- Notify OCHA and the owner before moving or terminating the lease;
- Use the assisted unit only for residence and as the sole residence of the family. Not sublet the unit, assign the lease, or have any interest in the unit;
- Promptly notify OCHA of any changes in family composition;
- Not commit fraud, bribery, or any other corrupt or criminal act in connection with any housing programs.

If all parties fulfill their obligations in a professional and timely manner, the program responsibilities will be fulfilled effectively.

1-II.D. APPLICABLE REGULATIONS

Applicable regulations include:

- 24 CFR Part 5: General Program Requirements
- 24 CFR Part 8: Nondiscrimination
- 24 CFR Part 35: Lead-Based Paint
- 24 CFR Part 100: The Fair Housing Act
- 24 CFR Part 982: Section 8 Tenant-Based Assistance: Housing Choice Voucher Program
- 24 CFR Part 983: Project-Based Vouchers
- 24 CFR Part 985: The Section 8 Management Assessment Program (SEMAP)

PART III: THE HCV ADMINISTRATIVE PLAN

1-III.A. OVERVIEW AND 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 OCHA’s agency plan. This Administrative Plan is a supporting document to OCHA’s agency plan, and is available for public review as required by CFR 24 Part 903.
This Administrative Plan is set forth to define OCHA's local policies for operation of the housing programs in the context of federal laws and regulations. All issues related to Section 8 not addressed in this document are governed by such federal regulations, HUD handbooks and guidebooks, notices and other applicable law. The policies in this Administrative Plan have been designed to ensure compliance with the consolidated ACC and all HUD-approved applications for program funding.

OCHA 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.

Administration of the HCV program and the functions and responsibilities of OCHA staff shall be in compliance with OCHA's personnel policy and HUD’s Section 8 regulations as well as all federal, state and local fair housing laws and regulations.

1-III.B. CONTENTS OF THE PLAN [24 CFR 982.54]

The HUD regulations at 24 CFR 982.54 define the policies that must be included in the administrative plan. They are as follow:

- Selection and admission of applicants from the PHA waiting list, including any PHA admission preferences, procedures for removing applicant names from the waiting list, and procedures for closing and reopening the PHA waiting list (Chapter 4);
- Issuing or denying vouchers, including PHA policy governing the voucher term and any extensions of the voucher term. If the PHA decides to allow extensions of the voucher term, the PHA administrative plan must describe how the PHA determines whether to grant extensions, and how the PHA determines the length of any extension (Chapter 5);
- Any special rules for use of available funds when HUD provides funding to the PHA for a special purpose (e.g., desegregation), including funding for specified families or a specified category of families (Chapter 4);
- Occupancy policies, including definition of what group of persons may qualify as a 'family', definition of when a family is considered to be 'continuously assisted'; standards for denying admission or terminating assistance based on criminal activity or alcohol abuse in accordance with 982.553 (Chapters 3 and 12);
- Encouraging participation by owners of suitable units located outside areas of low income or minority concentration (Chapter 13);
- Assisting a family that claims that illegal discrimination has prevented the family from leasing a suitable unit (Chapter 2);
- Providing information about a family to prospective owners (Chapters 3 and 9);
- Disapproval of owners (Chapter 13);
- Subsidy standards (Chapter 5);
- Family absence from the dwelling unit (Chapter 12);
- How to determine who remains in the program if a family breaks up (Chapter 3);
- Informal review procedures for applicants (Chapter 16);
- Informal hearing procedures for participants (Chapter 16);
- The process for establishing and revising voucher payment standards, including policies on administering decreases in the payment standard during the HAP contract term (Chapter 16);
- The method of determining that rent to owner is a reasonable rent (initially and during the term of a HAP contract) (Chapter 8);
- Special policies concerning special housing types in the program (e.g., use of shared housing) (Chapter 15);
- Policies concerning payment by a family to the PHA of amounts the family owes the PHA (Chapter 16);
- Interim redeterminations of family income and composition (Chapter 11);
- Restrictions, if any, on the number of moves by a participant family (Chapter 10);
- Approval by the board of commissioners or other authorized officials to charge the administrative fee reserve (Chapter 16);
• Procedural guidelines and performance standards for conducting required housing quality standards inspections (Chapter 8); and

• PHA screening of applicants for family behavior or suitability for tenancy (Chapter 3).

Mandatory vs. Discretionary Policy
HUD makes a distinction between:

• Mandatory policies: those driven by legislation, regulations, current handbooks, notices, and legal opinions, and

• Optional, non-binding guidance, including guidebooks, notices that have expired and recommendations from individual HUD staff.

HUD expects OCHA to develop policies and procedures that are consistent with mandatory policies and to make clear the optional policies OCHA has adopted. OCHA’s Administrative Plan is the foundation of those policies and procedures. HUD’s directions require OCHA to make policy choices that provide guidance to staff and consistency to program applicants and participants.

1-IIIC. UPDATING AND REVISING THE PLAN
OCHA will review and update the Plan at least once a year, and more often if needed, to reflect changes in regulations, OCHA operations, or when needed to ensure staff consistency in operation. The original plan and any changes must be approved by the Board of Commissioners of OCHA and a copy provided to HUD.
Chapter 2

FAIR HOUSING AND EQUAL OPPORTUNITY

INTRODUCTION

This chapter explains the laws and HUD regulations requiring OCHA to affirmatively further civil rights and fair housing in all federally-assisted housing programs. The letter and spirit of these laws are implemented through consistent policy and processes. The responsibility to further nondiscrimination pertains to all areas of OCHA’s Housing Choice Voucher (HCV) operations.

This chapter describes HUD regulations and OCHA policies related to these topics in three parts:

Part I: Nondiscrimination. This part presents the body of laws and regulations governing the responsibilities of OCHA regarding nondiscrimination.

Part II: Policies Related to Persons with Disabilities. This part discusses the rules and policies of the HCV program related to reasonable accommodation for persons with disabilities. These rules and policies are based on the Fair Housing Act (42 U.S.C.) and Section 504 of the Rehabilitation Act of 1973, and incorporate guidance from the Joint Statement of the United States Department of Housing and Urban Development and the Department of Justice (DOJ), issued May 17, 2004.


PART I: NONDISCRIMINATION

2-I.A. OVERVIEW

OCHA will 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 but not limited to:

• 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 that it applies, otherwise Section 504 and the Fair Housing Amendments govern);
• Violence Against Women Act of 2013 (VAWA);
• The Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity Final Rule, published in the Federal Register February 3, 2012 and further clarified in Notice PIH 2014-20
• When more than one civil rights law applies to a situation, the laws will be read and applied together;
• Any applicable state laws or local ordinances and any legislation protecting individual rights of tenants, applicants, or staff that may subsequently be enacted.

2-I.B. NONDISCRIMINATION

OCHA does not discriminate on the basis of race, color, religion, sex, national origin, age, familial status, and disability (called “protected classes”).
There are no laws in the State of Oklahoma that protect lesbian, gay, bi-sexual, and transgender (LBGT) individuals from discrimination.

Familial status includes children under the age of 18 living with parents or legal custodians, pregnant women, people securing custody of children under the age of 18 and the designee of the parent or legal custodian, with the parent or custodian's written permission.

OCHA will not discriminate on the basis of marital status, gender identity, or sexual orientation.

**OCHA will not use any of these factors to:**

• Deny to any family the opportunity to apply for housing, nor deny to any qualified applicant the opportunity to participate in the HCV program;
• Provide housing that is different from that provided to others;
• Subject anyone to segregation or disparate treatment;
• Restrict anyone’s access to any benefit enjoyed by others in connection with the housing program;
• Treat a person differently in determining eligibility or other requirements for admission;
• Steer an applicant or participant toward or away from a particular area based on any of these factors;
• Deny anyone access to the same level of services;
• Deny anyone the opportunity to participate in a planning or advisory group that is an integral part of the housing program;
• Discriminate in the provision of residential real estate transactions;
• Discriminate against someone because they are related to or associated with a member of a protected class; and/or
• Publish or cause to be published an advertisement or notice indicating the availability of housing that prefers or excludes persons who are members of a protected class.

**PROVIDING INFORMATION TO FAMILIES AND OWNERS**

As part of the briefing process, OCHA will provide information to HCV program applicant and participant families about civil rights requirements and the opportunity to rent in a broad range of neighborhoods in accordance with 24 CFR 982.301.

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

**DISCRIMINATION COMPLAINTS**

If an applicant or participant believes that they have been discriminated against by OCHA or an owner/agent, the family should advise OCHA either orally or in writing.

Within 10 business days of receiving the complaint, OCHA will provide a written notice to those alleged to have violated the rule. OCHA will also send a written notice to the complainant informing them that notice was sent to those alleged to have violated the rule, as well as information on how to complete and submit a housing discrimination complaint form to HUD's Office of Fair Housing and Equal Opportunity (FHEO). [Notice PIH 2014-20]

OCHA will make every reasonable attempt to determine whether the applicant’s or participant’s assertions have merit and take any warranted corrective action.

OCHA will provide the complainant the information on how to contact and submit complaints with HUD’s Office of Fair Housing and Equal Opportunity (FHEO). If requested by the complainant, OCHA will assist in completing and submitting the appropriate documentation to HUD’s FHEO.

OCHA will attempt to remedy discrimination complaints made against OCHA and will conduct an investigation into all allegations of discrimination.

Within 10 business days following the conclusion of OCHA's investigation, OCHA will provide the complainant and those alleged to have violated the rule with findings and either a proposed corrective action plan or an explanation of why corrective action is not warranted.

OCHA will keep a record of all complaints, investigations, notices, and corrective actions. (See Chapter 16.)
There will be no retaliatory action by OCHA or its staff against any applicant or participant because of participation in civil rights activities or for having asserted any rights under equal opportunity laws.

OCHA will work with the local Apartment Association as needed in the combating of fair housing discrimination.

OCHA will comply with the Analysis to Impediments to fair housing as defined by the City of Oklahoma City.

OCHA will affirmatively further fair housing.

PART II: POLICIES RELATED TO PERSONS WITH DISABILITIES

2-II.A. OVERVIEW
One type of disability discrimination prohibited by the Fair Housing Act is the refusal to make reasonable accommodation in rules, policies, practices, or services when such accommodation may be necessary to afford a person with a disability the equal opportunity to use and enjoy a program or dwelling under the program.

OCHA will ensure that persons with disabilities have full access to OCHA’s programs and services. This responsibility begins with the first inquiry of an interested family and continues through every programmatic area of the HCV program.

2-II.B. DEFINITION OF REASONABLE ACCOMMODATION
A reasonable accommodation is an adjustment made to a rule, policy, practice, or service that allows a person with a disability to have equal access to the HCV program. For example, reasonable accommodations may include making home visits, extending the voucher term, or approving an exception payment standard in order for a participant to lease an accessible dwelling unit.

Federal regulations stipulate that requests for accommodations will be considered reasonable if they do not create an “undue financial and administrative burden” for OCHA, or result in a “fundamental alteration” in the nature of the program or service offered. A fundamental alteration is a modification that alters the essential nature of a provider’s operations.

2-II.C. REQUEST FOR AN ACCOMMODATION
If an applicant or participant indicates that an exception, change, or adjustment to a rule, policy, practice, or service is needed because of a disability, OCHA will encourage the family to make its request in writing using a “Reasonable Accommodation Request Form”. However, OCHA will consider the accommodation any time the family indicates that an accommodation is needed whether or not a formal written request is submitted.

2-II.D. VERIFICATION OF DISABILITY
Before providing an accommodation, OCHA will determine that the person meets the definition of a person with a disability (the regulatory civil rights definition for persons with disabilities is provided in Chapter 6), and that the accommodation will enhance the family’s access to the programs and services. The definition of a person with a disability for the purpose of obtaining a reasonable accommodation is much broader than the HUD definition of disability (as defined on page 3-4) which is used for waiting list preferences and income allowances.

If a person’s disability is obvious, or otherwise known to OCHA, and if the need for the requested accommodation is also readily apparent or known, no further verification will be required.

If a family indicates that an accommodation is required for a disability that is not obvious or otherwise known to OCHA, OCHA must verify that the person meets the definition of a person with a disability, and that the limitations imposed by the disability require the requested accommodation. To verify the disability, OCHA will request:

- Third-party verification from an individual identified by the family who is competent to make the determination. A doctor or other medical professional, a peer support group, a non-medical service agency, or a reliable third party who is in a position to know about the individual’s disability may provide verification of a disability.
- Only information that is necessary to evaluate the disability-related need for the accommodation. OCHA will not inquire about the nature or extent of any disability.
Medical records will not be accepted or retained in the applicant/participant file.

In the event that OCHA does receive confidential information about a person’s specific diagnosis, treatment, or the nature or severity of the disability, OCHA will dispose of it. In place of the information, OCHA will note in the file that the disability and other requested information have been verified, the date the verification was received, and the name and address of the knowledgeable professional who sent the information.

2-II.E. APPROVAL/DENIAL OF A REQUESTED ACCOMMODATION
After a request for an accommodation is presented and before making a determination whether to approve the request, OCHA may enter into discussion and negotiation with the family, request more information from the family, or may require the family to sign a consent form so that OCHA may verify the need for the requested accommodation.

Requests for accommodations will be assessed on a case-by-case basis.

If OCHA denies the request for accommodation, because it is not reasonable (it would impose an undue financial and administrative burden or fundamentally alter the nature of OCHA’s operations), the request was not made by or on behalf of a person with a disability, or there is no disability-related need for the accommodation, OCHA will notify the family in writing.

2-II.F. PROGRAM ACCESSIBILITY FOR PERSONS WITH HEARING OR VISION IMPAIRMENTS
To meet the needs of persons with hearing impairments, TTD/TTY (text telephone display/teletype) communications will be available. A sign language interpreter will be provided upon request.

To meet the needs of persons with vision impairments, large-print versions of key program documents will be made available upon request. When visual aids are used in public meetings or presentations, or in meetings with OCHA staff, one-on-one assistance will be provided upon request.

Applicants/participants may have a third party representative (a friend, relative or advocate, named by the applicant/participant) to receive, interpret, and explain housing materials and be present at all meetings.

2-II.G. PHYSICAL ACCESSIBILITY
OCHA must comply with a variety of regulations pertaining to physical accessibility, including the following:

- Notice PIH 2010-26
- 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

OCHA’s policies concerning physical accessibility must be readily available to applicants and participants. They can be found in three key documents:

- This plan describes the key policies that govern OCHA’s responsibilities with regard to physical accessibility.
- Notice PIH 2010-26 summarizes information about pertinent laws and implementing regulations related to nondiscrimination and accessibility in federally-funded housing programs.
- The OCHA Plan provides information about self-evaluation, needs assessment, and transition plans.

The design, construction, or alteration of OCHA facilities must conform to the Uniform Federal Accessibility Standards (UFAS). Newly-constructed facilities must be designed to be readily accessible to and usable by persons with disabilities. Alterations to existing facilities must be accessible to the maximum extent feasible, defined as not imposing an undue financial and administrative burden on the operations of the HCV program.

When issuing a voucher to a family that includes an individual with disabilities, OCHA will include a current list of available accessible units known to OCHA and will assist the family in locating an available accessible unit, if necessary.
In general, owners must permit the family to make reasonable modifications to the unit. However, the owner is not required to pay for the modification and may require that the unit be restored to its original state at the family’s expense when the family moves.

2-II.H. DENIAL OR TERMINATION OF ASSISTANCE

OCHA’s decision to deny or terminate the assistance of a family that includes a person with disabilities is subject to consideration of reasonable accommodation [24 CFR 982.552 (2)(iv)].

When applicants with disabilities are denied assistance, the notice of denial must inform them of the OCHA’s informal review process and their right to request an informal review hearing. In addition, the notice must inform applicants with disabilities of their right to request reasonable accommodations to participate in the informal review process.

When a participant family’s assistance is terminated, the notice of termination must inform them of OCHA’s informal hearing process and their right to request a hearing and reasonable accommodation.

When reviewing reasonable accommodation requests, OCHA must consider whether any mitigating circumstances can be verified to explain and overcome the problem that led to OCHA’s decision to deny or terminate assistance. If a reasonable accommodation will allow the family to meet the requirements, OCHA must make the accommodation.

PART III: IMPROVING ACCESS TO SERVICES FOR PERSONS WITH LIMITED ENGLISH PROFICIENCY (LEP)

2-III.A. OVERVIEW
The purpose of this Plan is to ensure that clients of OCHA have meaningful access to program information and service even though they may have limited English language proficiency.

This Plan is developed to service clients of OCHA, prospective clients, their family members and other interested persons who do not speak, read, write or understand the English language at a level that allows them to communicate effectively with OCHA staff.

This Plan is developed in accordance with the U. S. Department of Housing and Urban Development’s Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient (LEP) Persons. It is also consistent with Executive Order 13166 and Title VI of the Civil Rights act of 1964.

In accordance with federal guidelines, OCHA will make reasonable efforts to provide or arrange free language assistance for its LEP clients including applicants, recipients and/or persons eligible for public housing, Section 8/Housing Choice Vouchers, homeownership and all other OCHA programs.

2-III.B. LIMITED ENGLISH PROFICIENCY (LEP) PLAN
HUD requires that OCHA conduct a Four Factor Analysis to assist in identifying Limited English Proficient persons. The four factors are:

1. Demography – the number or proportion of LEP persons encountered in the eligible service area. The greater the number or proportions of LEP persons in a language group, the more language service needed.

2. Frequency of contact - the frequency with which LEP persons come in contact with the program. Higher frequency contact requires more services.

3. Importance – The nature and importance of a program, activity or services provided by OCHA.

4. Resources and costs – OCHA’s resources and the cost of providing meaningful access. Reasonable steps may cease to be reasonable where the costs imposed substantially exceed the benefits.
Language Assistance- A person who does not speak English as their primary language and who has a limited ability to read, write, speak or understand English may be a Limited English Proficient (LEP) person and may be entitled to language assistance with respect to OCHA’s programs and activities. This includes interpretation, which means the spoken transfer of information from language to another language; and/or translation, which means the written transfer of information from one language to another. OCHA will determine when interpretation and/or translation are needed and are reasonable.

Staff will take reasonable steps to provide meaningful access to LEP clients who have difficulty communicating in English. Should a client request language assistance, and OCHA determines it is necessary; OCHA will make reasonable effort to provide free language assistance in the client’s preferred language.

Translation of Documents- OCHA will weigh the costs and benefits of translation documents for potential LEP groups, considering the expense of translating, the barriers to meaningful translation or interpretation of technical housing information, the likelihood of frequent changes in documents, the existence of multiple dialects within a single language group, the apparent literacy rate in an LEP group and other relevant factors. OCHA will conduct this examination when an eligible LEP group constitutes 5 percent of an eligible client group (i.e. 5 percent of households residing in public housing) or 1,000 persons, whichever is less.

Interpreters- To provide meaningful access for LEP clients, OCHA will provide qualified interpreters, including bilingual staff and contracted vendors when necessary. Interpreters may also include family members, friends, legal guardians, service representatives or advocates of the LEP client.

A LEP person may use an informal interpreter of their own choosing and at their expense, either in place of or in addition to the free language assistance offered by OCHA. Whenever possible, OCHA will accommodate a LEP client’s request to use an informal interpreter in place of a formal interpreter.

Plan Reviews- OCHA will review and revise this Plan from time to time. The review will include reports from the computer business system on the number of clients who may be LEP and reports from staff observations. Also included in this periodic review will be a determination as to whether 5 percent or 1,000 persons from OCHA’s client base speak a specific language, as well as an analysis of staff requests for contract interpreters which will include the number of requests and the languages requested.
EXHIBIT 2-1: DEFINITION OF A PERSON WITH A DISABILITY UNDER FEDERAL CIVIL RIGHTS LAWS [24 CFR Parts 8.3 and 100.201]

A person with a disability, as defined under federal civil rights laws, is any person who:

• Has a physical or mental impairment that substantially limits one or more of the major life activities of an individual; or
• Has a record of such impairment; or
• Is regarded as having such impairment.

The phrase “physical or mental impairment” includes:

• Any physiological disorder or condition, cosmetic or disfigurement, or anatomical loss affecting one or more of the following body systems: neurological; musculoskeletal; special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; genito-urinary; hemic and lymphatic; skin; and endocrine; or
• Any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness, and specific learning disabilities. The term “physical or mental impairment” includes, but is not limited to: such diseases and conditions as orthopedic, visual, speech and hearing impairments, cerebral palsy, autism, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, mental retardation, emotional illness, drug addiction and alcoholism.

“Major life activities” includes, but is not limited to, caring for oneself, performing manual tasks, walking, seeing, hearing, breathing, learning, and/or working.

“Has a record of such impairment” means has a history of, or has been misclassified as having, a mental or physical impairment that substantially limits one or more major life activities.

“Is regarded as having an impairment” is defined as having a physical or mental impairment that does not substantially limit one or more major life activities but is treated by a public entity (such as the PHA) as constituting such a limitation; has none of the impairments defined in this section but is treated by a public entity as having such an impairment; or has a physical or mental impairment that substantially limits one or more major life activities, only as a result of the attitudes of others toward that impairment.

The definition of a person with disabilities does not include:

• Current illegal drug users;
• People whose alcohol use interferes with the rights of others;
• Persons who objectively pose a direct threat or substantial risk of harm to others that cannot be controlled with a reasonable accommodation under the HCV program.

The above definition of disability determines whether an applicant or participant is entitled to any of the protections of federal disability civil rights laws. Thus, a person who does not meet this disability is not entitled to a reasonable accommodation under federal civil rights and fair housing laws and regulations.

The HUD definition of a person with a disability is much narrower than the civil rights definition of disability. The HUD definition of a person with a disability is used for purposes of receiving the disabled family preference, the $400 elderly/disabled household deduction, the $480 dependent deduction, the allowance for medical expenses, or the allowance for disability assistance expenses.

The definition of a person with a disability for purposes of granting a reasonable accommodation request is much broader than the HUD definition of disability. Many people will not qualify as a disabled person under the HCV program, yet an accommodation is needed to provide equal opportunity.
Chapter 3

ELIGIBILITY

INTRODUCTION

OCHA is responsible for ensuring that every individual and family admitted to the HCV program meets all program eligibility requirements. This includes any individual approved to join the family after the family has been admitted to the program. The family must provide any information needed by the PHA to confirm eligibility and determine the level of the family’s assistance.

To be eligible for the HCV program:

The applicant family must:

- Qualify as a family as defined by HUD and OCHA.
- Have income at or below HUD-specified income limits.
- Qualify on the basis of citizenship or the eligible immigrant status of family members.
- Provide social security number information for family members as required.
- Consent to OCHA’s collection and use of family information as provided for in OCHA-provided consent forms.

OCHA must determine that the current or past behavior of household members does not include activities that are prohibited by HUD or OCHA.

This chapter contains three parts:

Part I: Definitions of Family and Household Members. This part contains HUD and OCHA definitions of family and household members and explains initial and ongoing eligibility issues related to these members.

Part II: Basic Eligibility Criteria. This part discusses income eligibility, and rules regarding citizenship, social security numbers, and family consent.

Part III: Denial of Assistance. This part covers factors related to an applicant’s past or current conduct (e.g. criminal activity) that can cause OCHA to deny assistance.

PART I: DEFINITIONS OF FAMILY AND HOUSEHOLD MEMBERS

3-I.A. OVERVIEW

Some eligibility criteria and program rules vary depending upon the composition of the family requesting assistance. In addition, some requirements apply to the family as a whole and others apply to individual persons who will live in the assisted unit. This part provides information that is needed to correctly identify family and household members, and to apply HUD's eligibility rules.

3-I.B. FAMILY AND HOUSEHOLD [24 CFR 982.201(c); FR Notice 02/03/12; Notice PIH 2014-20]

The terms family and household have different meanings in the HCV program.

Family

To be eligible for assistance, an applicant must qualify as a family. Family as defined by HUD includes, but is not limited to the following, regardless actual or perceived sexual orientation, gender identity, or marital status, a single person, who may be an elderly person, disabled person, near-elderly person, or any other single person; or a group of persons residing together. Such group includes, but is not limited to a family with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family), an elderly family, a near-elderly family, a disabled family, a displaced family, or the remaining member of a tenant family. OCHA has the discretion to determine if any other group of persons qualifies as a family.

Gender Identity means actual or perceived gender characteristics.

Sexual orientation means homosexuality, heterosexuality, or bisexuality.
Household

*Household* is a broader term that includes additional people who, with OCHA’s permission, live in an assisted unit, such as live-in aides, foster children, and foster adults.

### 3-I.C. FAMILY BREAK-UP AND REMAINING MEMBER OF TENANT FAMILY

**Family Break-up [24 CFR 982.315; Notice PIH 2017-08]**

Except under the following conditions, OCHA has discretion to determine which members of an assisted family continue to receive assistance if the family breaks up:

- If the family break-up results from an occurrence of domestic violence, dating violence, sexual assault or stalking, OCHA will ensure that the victim retains assistance. (For documentation requirements and policies related to domestic violence, dating violence, sexual assault and stalking, see Chapter 16-IX of this plan.)

- In accordance with Notice PIH 2017-08, for HUD–Veterans Affairs Supportive Housing (HUD–VASH) vouchers, when the veteran is the perpetrator of domestic violence, dating violence, sexual assault, or stalking, the victim must continue to be assisted. Upon termination of the perpetrator’s HUD–VASH voucher, the victim should be given a regular HCV if one is available, and the perpetrator’s HUD–VASH voucher should be used to serve another eligible family. If a regular HCV is not available, the victim will continue to use the HUD–VASH voucher, which must be issued to another eligible family upon the voucher’s turnover.

- If a court determines the disposition of property between members of the assisted family, OCHA is bound by the court’s determination of which family members continue to receive assistance.

When a family on the waiting list breaks up into two otherwise eligible families, only one of the new families may retain the original application date. Other former family members may make a new application with a new application date if the waiting list is open.

If a family breaks up into two otherwise eligible families while receiving assistance, only one of the new families will continue to be assisted.

In the absence of a judicial decision, or an agreement among the original family members, OCHA will determine which family retains their placement on the waiting list, or will continue to receive assistance taking into consideration the following factors:

- the interest of any minor children, including custody arrangements;
- the interest of any ill, elderly, or disabled family members;
- the interest of any family member who is the victim of domestic violence, dating violence, sexual assault or stalking, including a family member who was forced to leave an assisted unit as a result of such actual or threatened abuse;
- any possible risks to family members as a result of criminal activity; and
- the recommendations of social service professionals.

**Remaining Member of a Tenant Family [24 CFR 5.403]**

The HUD definition of family includes:

*Remaining member of a tenant family,* which is a member of an assisted family who remains in the unit when other members of the family have left the unit. Household members such as live-in aides, foster children, and foster adults do not qualify as *remaining members of a tenant family.*

If dependents are the only “remaining members of a tenant family” and there is no family member able to assume the responsibilities of the head of household, see Chapter 6, Section 6-I.B, for the policy on “Caretakers for a Child.”

### 3-I.D. HEAD OF HOUSEHOLD [24 CFR 5.504(b)]

*Head of household* means the adult member of the family who is considered the head for purposes of determining income eligibility and rent. The head of household is responsible for ensuring that the family fulfills all of its responsibilities under the program, alone or in conjunction with a cohead or spouse.

The family may designate any qualified family member as the head of household.
The head of household must have the legal capacity to enter into a lease under state and local law. A minor who is emancipated under state law may be designated as head of household.

3-I.E. SPOUSE, COHEAD, AND OTHER ADULT
A family may have a spouse or cohead, but not both.

**Spouse** means the marriage partner of the head of household who is equally responsible with the head of household for ensuring that the family fulfills all of its responsibilities under the program.

- A *marriage partner* includes the partner in a "common law" marriage as defined in state law.
- The term “spouse” does not apply to friends, roommates, or significant others who are not marriage partners.
- A minor who is emancipated under state law may be designated as a spouse.

A *cohead* is an individual in the household who is equally responsible with the head of household for ensuring that the family fulfills all of its responsibilities under the program, but who is not a spouse. A family can have only one cohead.

- Minors who are emancipated under state law may be designated as a cohead.

*Other adult* means a family member, other than the head, spouse, or cohead, who is 18 years of age or older. Foster adults and live-in aides are not considered *other adults*.

3-I.F. DEPENDENT [24 CFR 5.603]
A *dependent* is a family member who is under 18 years of age or a person of any age who is a person with a disability or a full-time student, except that the following persons can never be dependents:

- the head of household;
- spouse;
- cohead;
- foster children/adults; and
- live-in aides.

Identifying each dependent in the family is important because each dependent qualifies the family for a deduction from annual income as described in Chapter 6.

**Joint Custody of Dependents**
Dependents that are subject to a joint custody arrangement will be considered a member of the family, if they live with the applicant or participant family 50 percent or more of the time.

When more than one applicant or participant family is claiming the same dependents as family members, the family with primary custody at the time of the initial examination or reexamination will be able to claim the dependents. If there is a dispute about which family should claim them, OCHA will make the determination based on available documents such as court orders, or an IRS return showing which family has claimed the child for income tax purposes.

3-I.G. FULL-TIME STUDENT [24 CFR 5.603]
A *full-time student* (FTS) is a person who is attending school or vocational training on a full-time basis. The time commitment or subject load that is needed to be full-time is defined by the educational institution.

Identifying each FTS is important because:

- each family member that is a FTS, other than the head, spouse, or cohead, qualifies the family for a dependent deduction; and
- the income of such a FTS is treated differently from the income of other family members.
3-I.H. ELDERLY AND NEAR-ELDERLY PERSONS, AND ELDERLY FAMILY [24 CFR 5.100 and 5.403]

Elderly Persons

An elderly person is a person who is at least 62 years of age.

Near-Elderly Persons

A near-elderly person is a person who is 50-61 years of age.

Elderly Family

An elderly family is one in which the head, spouse, cohead, or sole member is an elderly person.

3-I.I. PERSONS WITH DISABILITIES AND DISABLED FAMILY [24 CFR 5.403]

Persons with Disabilities

Under the HCV program, special rules apply to persons with disabilities and to any family whose head, spouse, or cohead is a person with disabilities. The technical definitions of individual with handicaps and persons with disabilities are provided in Exhibit 3-1 at the end of this chapter. These definitions are used for a number of purposes including ensuring that persons with disabilities are not discriminated against based upon disability.

As discussed in Chapter 2, OCHA will make all aspects of the HCV program accessible to persons with disabilities and consider reasonable accommodations requested based upon a person’s disability.

Disabled Family

A disabled family is one in which the head, spouse, cohead or sole member is a person with a disability. Identifying disabled families is important because these families qualify for special deductions from income as described in Chapter 6.

Even though persons with drug or alcohol dependencies are considered persons with disabilities for the purpose of non-discrimination, this does not prevent OCHA from denying assistance for reasons related to alcohol and drug abuse following policies found in Part III of this chapter, or from terminating assistance following the policies in Chapter 12.

3-I.J. GUESTS [24 CFR 5.100]

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 so consent.

A guest can remain in the assisted unit no longer than 14 consecutive days or a total of 90 cumulative calendar days during any 12-month period.

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

A family may request an exception to this policy for valid reasons (e.g., care of a relative recovering from a medical procedure is expected to last 40 consecutive days). An exception will not be made unless the family can identify and provide documentation of the residence to which the guest will return.

3-I.K. FOSTER CHILDREN AND FOSTER ADULTS

Foster adults are usually persons with disabilities, unrelated to the tenant family, who are unable to live alone [24 CFR 5.609].

The term foster child is a child residing in the home who is a child that is in the legal guardianship or custody of a state, county, or private adoption or 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, and for whom the family is receiving income from a governmental body.

Foster children and foster adults that are living with an applicant or assisted family are considered household members but not family members. The income of foster children/adults is not counted in family annual income, and foster children/adults do not qualify for a dependent deduction [24 CFR 5.603].

A foster child or foster adult may be allowed to reside in the unit if their presence would not result in a violation of HQS space standards according to 24 CFR 982.401.
Children that are temporarily absent from the home as a result of placement in foster care are discussed in Section 3-I.L.

3-I.L. ABSENT FAMILY MEMBERS

Individuals may be absent from the family, either temporarily or permanently, for a variety of reasons including educational activities, placement in foster care, employment, illness, incarceration, and court order.

Definitions of Temporarily and Permanently Absent

Generally an individual who is or is expected to be absent from the assisted unit for 60 consecutive days or less is considered temporarily absent and continues to be considered a family member. Generally an individual who is or is expected to be absent from the assisted unit for more than 60 consecutive days is considered permanently absent and no longer a family member. Exceptions to this general policy are discussed below.

Absent Students

When someone who has been considered a family member attends school away from home, the person will continue to be considered a family member unless information becomes available to the PHA indicating that the student has established a separate household or the family declares that the student has established a separate household.

Absences Due to Placement in Foster Care [24 CFR 5.403]

Children temporarily absent from the home as a result of placement in foster care are considered members of the family.

If a child has been placed in foster care, OCHA will verify with the appropriate agency whether and when the child is expected to be returned to the home. Unless the agency confirms that the child has been permanently removed from the home, the child will be counted as a family member.

Absent Head, Spouse, or Cohead

An employed head, spouse, or cohead absent from the unit more than 60 consecutive days due to employment will continue to be considered a family member.

Family Members Permanently Confined for Medical Reasons

If a family member is confined to a nursing home or hospital on a permanent basis, that person is no longer considered a family member and the income of that person is not counted.

Return of Permanently Absent Family Members

The family must request approval for the return of any adult family members that OCHA has determined to be permanently absent. The individual is subject to the eligibility and screening requirements discussed elsewhere in this chapter.

3-I.M. LIVE-IN AIDE

Live-in aide means a person who resides with one or more elderly persons, near-elderly persons, or persons with disabilities, and who [24 CFR 5.403]:

- is determined to be essential to the care and well-being of the persons;
- is not obligated for the support of the persons; and
- would not be living in the unit except to provide the necessary supportive services.

OCHA must approve a live-in aide if needed as a reasonable accommodation in accordance with 24 CFR 8, to make the program accessible to and usable by the family member with disabilities.

A live-in aide is a member of the household, not the family, and the income of the aide is not considered in income calculations [24 CFR 5.609(b)]. Relatives may be approved as live-in aides if they meet all of the criteria defining a live-in aide. However, a relative who serves as a live-in aide is not considered a family member and would not be considered a remaining member of a tenant family.

A family’s request for a live-in aide must be made in writing. Written verification will be required from a reliable, knowledgeable professional, such as a doctor, social worker, or case worker, that the live-in aide is essential for the care and well-being of the elderly, near-elderly, or disabled family member. For continued approval, the family must submit a new, written request (subject to verification) at each annual reexamination.
In addition, the family and live-in aide will be required to submit a certification stating that the live-in aide is:

- not obligated for the support of the person(s) needing the care; and
- would not be living in the unit except to provide the necessary supportive services.

OCHA will not approve a particular person as a live-in aide, and may withdraw such approval if [24 CFR 982.316(b)]:

- 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 OCHA or to another PHA in connection with Section 8 or public housing assistance under the 1937 Act.

**PART II: BASIC ELIGIBILITY CRITERIA**

**3-II.A. INCOME ELIGIBILITY AND TARGETING**

**Income Limits**

HUD is required by law to set income limits that determine the eligibility of applicants for HUD’s assisted housing programs, including the HCV program. The income limits are published annually and are based on HUD estimates of median family income in a particular area or county, with adjustments for family size.

**Types of Low-Income Families [24 CFR 5.603(b)]**

*Low-income family.* A family whose annual income does not exceed 80 percent of the median income for the area, adjusted for family size.

*Very low-income family.* A family whose annual income does not exceed 50 percent of the median income for the area, adjusted for family size.

*Extremely low-income family.* A family whose annual income does not exceed the federal poverty level or 30 percent of the median income for the area, whichever number is higher

Area median income is determined by HUD, with adjustments for smaller and larger families. HUD may establish income ceilings higher or lower than 30, 50, or 80 percent of the median income for an area if HUD finds that such variations are necessary because of unusually high or low family incomes.

**Using Income Limits for Eligibility [24 CFR 982.201]**

Income limits are used for eligibility only at admission. Eligibility is established by comparing a family's annual income with HUD’s published income limits. To be income-eligible for participation in the Section 8 Moderate Rehabilitation, Housing Choice Voucher, and Single Room Occupancy Program, a family must be one of the following:

- A **very low-income** family;
- A **low-income** family that has been "continuously assisted" under the 1937 Housing Act. A family is considered to be continuously assisted if the family is already receiving assistance under any 1937 Housing Act program at the time the family is admitted to the HCV program [24 CFR 982.4];
- A low-income family that qualifies for voucher assistance as a non-purchasing household living in:
  - HOPE 1 (public housing homeownership);
  - HOPE 2 (multifamily housing homeownership) developments; or
  - other HUD-assisted multifamily homeownership programs covered by 24 CFR 248.173.
- A low-income or moderate-income family that is displaced as a result of the prepayment of a mortgage or voluntary termination of a mortgage insurance contract on eligible low-income housing as defined in 24 CFR 248.101.
Using Income Limits for Targeting [24 CFR 982.201]

At least seventy-five (75) percent of the families admitted to OCHA's program must be extremely low-income families. HUD may approve exceptions to this requirement if OCHA demonstrates that it has made all required efforts, but has been unable to attract an adequate number of qualified extremely low-income families.

Families continuously assisted under the 1937 Housing Act and families living in eligible low-income housing that are displaced as a result of prepayment of a mortgage or voluntary termination of a mortgage insurance contract are not counted for income targeting purposes.

HUD’s published income limits:

<table>
<thead>
<tr>
<th>No. of Persons</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very Low-Income Family</td>
<td>24,300</td>
<td>27,800</td>
<td>31,250</td>
<td>34,700</td>
<td>37,500</td>
<td>40,300</td>
<td>43,050</td>
<td>45,850</td>
</tr>
<tr>
<td>30% of Median</td>
<td>14,600</td>
<td>16,650</td>
<td>20,780</td>
<td>25,100</td>
<td>29,420</td>
<td>33,740</td>
<td>38,060</td>
<td>42,380</td>
</tr>
</tbody>
</table>

Families will be notified in writing of their eligibility.

3-II.B. CITIZENSHIP OR ELIGIBLE IMMIGRATION STATUS [24 CFR 5, Subpart E]

Housing assistance is available only to individuals who are U.S. citizens, U.S. nationals (herein referred to as citizens and nationals), or noncitizens that have eligible immigration status. At least one family member must be a citizen, national, or noncitizen with eligible immigration status in order for the family to qualify for any level of assistance.

Declaration [24 CFR 5.508]

HUD requires each family member to declare whether the individual is a citizen, a national, or an eligible noncitizen, except those members who elect not to contend that they have eligible immigration status. Those who elect not to contend their status are considered to be ineligible noncitizens. For citizens, nationals and eligible noncitizens the declaration must be signed personally by the head, spouse, cohead, and any other family member 18 or older, and by a parent or guardian for minors. The family must identify in writing any family members who elect not to contend their immigration status (see Ineligible Noncitizens below). No declaration is required for live-in aides, foster children, or foster adults.

U.S. Citizens and Nationals

Family members who declare citizenship or national status will not be required to provide additional documentation unless OCHA receives information indicating that an individual’s declaration may not be accurate.

Eligible Noncitizens

In addition to providing a signed declaration, those declaring eligible noncitizen status must sign a verification consent form and cooperate with OCHA’s efforts to verify their immigration status as described in Chapter 7. The documentation required for establishing eligible noncitizen status varies depending upon factors such as the date the person entered the U.S., the conditions under which eligible immigration status has been granted, the person’s age, and the date on which the family began receiving HUD-funded assistance.

Lawful residents of the Marshall Islands, the Federated States of Micronesia, and Palau, together known as the Freely Associated States, or FAS, are eligible for housing assistance under section 141 of the Compacts of Free Association between the U.S. Government and the Governments of the FAS [Public Law 106-504].
**Ineligible Noncitizens**

Those noncitizens who do not wish to contend their immigration status are required to have their names listed on a non-contending family members listing, signed by the head, spouse, or cohead (regardless of citizenship status), indicating their ineligible immigration status. OCHA is not required to verify a family member’s ineligible status and is not required to report an individual’s unlawful presence in the U.S. to the United States Citizenship and Immigration Services (USCIS).

Providing housing assistance to noncitizen students is prohibited [24 CFR 5.522]. This prohibition extends to the noncitizen spouse of a noncitizen student as well as to minor children who accompany or follow to join the noncitizen student. Such prohibition does not extend to the citizen spouse of a noncitizen student or to the children of the citizen spouse and noncitizen student. Such a family is eligible for prorated assistance as a mixed family.

**Mixed Families**

A family is eligible for assistance as long as at least one member is a citizen, national, or eligible noncitizen. Families that include eligible and ineligible individuals are considered **mixed families**. Such families will be given notice that their assistance will be prorated, and that they may request a hearing if they contest this determination. See Chapter 6 for a discussion of how rents are prorated, and Chapter 16 for a discussion of informal hearing procedures.

**Ineligible Families [24 CFR 5.514(d), (e), and (f)]**

No individual or family may be assisted prior to the affirmative establishment by OCHA that the individual or at least one family member is eligible. Verification of eligibility for this purpose occurs when the individual or family members have submitted documentation to OCHA in accordance with program requirements [24 CFR 5.512(a)].

**Timeframe for Determination of Citizenship Status [24 CFR 5.508(g)]**

OCHA will verify the status of applicants at the time other eligibility factors are determined.

If an individual qualifies for a time extension for the submission of required documents, OCHA will grant such an extension for no more than 30 days [24 CFR 5.508(h)].

Each family member is required to submit evidence of eligible status only one time during continuous occupancy.

**3-II.C. SOCIAL SECURITY NUMBERS [24 CFR 5.216 and 5.218]**

The applicant and all members of the applicant’s household must disclose the complete and accurate social security number (SSN) assigned to each household member, and the documentation necessary to verify each SSN. If a child under age 6 has been added to an applicant family within 6 months prior to voucher issuance, an otherwise eligible family may be admitted to the program and must disclose and document the child’s SSN within 90 days of the effective date of the initial HAP contract. A detailed discussion of acceptable documentation is provided in Chapter 7.

*Note:* These requirements do not apply to noncitizens who do not contend eligible immigration status.

In addition, each participant who has not previously disclosed a SSN, has previously disclosed a SSN that HUD or the SSA determined was invalid, or has been issued a new SSN must submit their complete and accurate SSN and the documentation required to verify the SSN at the time of the next interim or annual reexamination or recertification. Participants age 62 or older as of January 31, 2010, whose determination of eligibility was begun before January 31, 2010, are exempt from this requirement and remain exempt even if they move to a new assisted unit.

OCHA will deny assistance to an applicant family if they do not meet the SSN disclosure and documentation requirements contained in 24 CFR 5.216 within ninety (90) days of application.

**3-II.D. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 5.230, HCV GB, p. 5-13]**

HUD requires each adult family member, and the head of household, spouse, or cohead, regardless of age, to sign form HUD-9886, Authorization for the Release of Information/Privacy Act Notice, and other consent forms as needed to collect information relevant to the family’s eligibility and level of assistance. Chapter 7 provides detailed information concerning the consent forms and verification requirements.

OCHA will deny admission to the program if any member of the applicant family fails to sign and submit the consent forms for obtaining information in accordance with 24 CFR 5, Subparts B and F [24 CFR 982.552(b)(3)].
3-II.E. STUDENTS ENROLLED IN INSTITUTIONS OF HIGHER EDUCATION [24 CFR 5.612]

Section 327 of Public Law 109-115 and the implementing regulation at 24 CFR 5.612 established new restrictions on the eligibility of certain students (both part- and full-time) who are enrolled in institutions of higher education.

If a student enrolled at an institution of higher education is under the age of 24, is not a veteran, is not married, does not have a dependent child, and is not a person with disabilities receiving HCV assistance as of November 30, 2005, the student’s eligibility must be examined along with the income eligibility of the student’s parents. In these cases, both the student and the student’s parents must be income eligible for the student to receive HCV assistance. If, however, a student in these circumstances is determined independent from his/her parents in accordance with OCHA policy, the income of the student’s parents will not be considered in determining the student’s eligibility.

The new law does not apply to students who reside with parents who are applying to receive HCV assistance. It is limited to students who are seeking assistance on their own, separately from their parents.

Definitions

In determining whether and how the new eligibility restrictions apply to a student, OCHA will rely on the following definitions:

*Dependent Child*

In the context of the student eligibility restrictions, *dependent child* means a dependent child of a student enrolled in an institution of higher education. The dependent child must also meet the definition of *dependent* in 24 CFR 5.603, which states that the dependent must be a member of the assisted family, other than the head of household or spouse, who is under 18 years of age, or is a person with a disability, or is a full-time student. Foster children and foster adults are not considered dependents.

*Independent Student*

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

- The individual is of legal contract age under state law.
- 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.
- To be considered an *independent student* according to the Department of Education, a student must meet one or more of the following criteria:
  - The individual is at least 24 years old by December 31 of the award year for which aid is sought;
  - The individual is an orphan, in foster care or a ward of the court or was an orphan, in foster care or ward of the court at any time when the individual was 13 years of age or older;
  - The individual is, or was immediately prior to attaining the age of majority, an emancipated minor or in legal guardianship as determined by a court of competent jurisdiction in the individual’s state of legal residence
  - The individual is a veteran of the U.S. Armed Forces or is currently serving on active duty in the Armed Forces for other than training purposes;
  - The individual is a graduate or professional student;
  - The individual is married.
  - The individual has one or more legal dependents other than a spouse (for example, dependent children or an elderly dependent parent)
  - The individual has been verified during the school year in which the application is submitted as either an unaccompanied youth who is a homeless child or youth, or as unaccompanied, at risk of homelessness, and self-supporting by:
    - A local educational agency homeless liaison
    - The director of a program funded under subtitle B of title IV of the McKinney-Vento Homeless Assistance Act or a designee of the director
A financial aid administrator

The individual is a student for whom a financial aid administrator makes a documented determination of independence by reason of other unusual circumstances

- 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 and must be submitted even if no assistance is being provided.
- If OCHA determines that an individual meets the definition of a vulnerable youth such a determination is all that is necessary to determine that the person is an independent student for the purposes of using only the student’s income for determining eligibility for assistance.

OCHA will verify that a student meets the above criteria in accordance with the policies in Section 7-II.E.

Institution of Higher Education

OCHA will use the statutory definition under section 102 of the Higher Education Act of 1965 to determine whether a student is attending an institution of higher education.

Parents

For purposes of student eligibility restrictions, the definition of parents includes biological or adoptive parents, stepparents (as long as they are currently married to the biological or adoptive parent), and guardians (e.g., grandparents, aunt/uncle, godparents, etc.).

Person with Disabilities

OCHA will use the statutory definition under section 3(b)(3)(E) of the 1937 Act to determine whether a student is a person with disabilities (see Exhibit 3-1).

Veteran

A veteran is a person who served in the active military, naval, or air service and who was discharged or released from such service under conditions other than dishonorable.

Vulnerable Youth

A vulnerable youth is an individual who meets the U.S. Department of Education’s definition of independent student in paragraphs (b), (c), or (h), as adopted in Section II of FR Notice 9/21/16:

- The individual is an orphan, in foster care, or a ward of the court, or was an orphan, in foster care, or ward of the court at any time when the individual was 13 years of age or older
- The individual is, or was immediately prior to attaining the age of majority, an emancipated minor or in legal guardianship as determined by a court of competent jurisdiction in the individual’s state of legal residence
- The individual has been verified during the school year in which the application is submitted as either an unaccompanied youth who is a homeless child or youth, or as unaccompanied, at risk of homelessness, and self-supporting by:
  - A local educational agency homeless liaison
  - The director of a program funded under subtitle B of title IV of the McKinney-Vento Homeless Assistance Act or a designee of the director
  - A financial aid administrator

Determining Student Eligibility

If a student is applying for assistance on his/her own, apart from his/her parents, OCHA will determine whether the student is subject to the eligibility restrictions contained in 24 CFR 5.612. If the student is subject to those restrictions, OCHA will ensure that:

- the student is individually eligible for the program;
- either the student is independent from his/her parents or the student’s parents are income eligible for the program; and
• the “family” with which the student is applying is collectively eligible for the program.

If OCHA determines that the student, the student’s parents (if applicable), or the student’s “family” is not eligible, OCHA will send a notice of denial in accordance with the policies in Section 3-III.F, and the applicant family will have the right to request an informal review in accordance with the policies in Section 16-III.B.

**Determining Parental Income Eligibility**

For any student who is subject to 24 CFR 5.612 restrictions and who does not satisfy the definition of independent student in this section, OCHA will determine the income eligibility of the student’s parents as follows:

• If the student’s parents are married and living together, OCHA will obtain a joint income declaration and certification of joint income from the parents.

• If the student’s parent is widowed or single, OCHA will obtain an income declaration and certification of income from that parent.

• If the student’s parents are divorced or separated, OCHA will obtain an income declaration and certification of income from each parent.

• If the student has been living with one of his/her parents and has not had contact with or does not know where to contact his/her other parent, OCHA will require the student to submit a certification under penalty of perjury describing the circumstances and stating that the student does not receive financial assistance from the other parent. OCHA will then obtain an income declaration and certification of income from the parent with whom the student has been living or had contact.

In determining the income eligibility of the student’s parents, OCHA will use the income limits for the jurisdiction in which the parents live.

**PART III: DENIAL OF ASSISTANCE**

**3-III.A. OVERVIEW**

A family that does not meet the eligibility criteria discussed in Parts I and II, must be denied assistance.

In addition, HUD requires or permits OCHA to deny assistance based on certain types of current or past behaviors of family members.

**Prohibited Reasons for Denial of Program Assistance [24 CFR 982.202(b)]**

HUD rules prohibit denial of program assistance to the program based on any of the following criteria:

• Age, disability, race, color, religion, sex, familial status or national origin. (See Chapter 2 for additional information about fair housing and equal opportunity requirements.);

• Where a family lives prior to admission to the program;

• Where the family will live with assistance under the program. Although eligibility is not affected by where the family will live, there may be restrictions on the family's ability to move outside the PHA's jurisdiction (See Chapter 10, Portability.);

• Whether members of the family are unwed parents, recipients of public assistance, or children born out of wedlock;

• Whether the family includes children;

• Whether a family decides to participate in a family self-sufficiency program; and/or

• Whether or not a qualified applicant has been a victim of domestic violence, dating violence, sexual assault or stalking if the applicant is otherwise qualified.
3-III.B. MANDATORY DENIAL OF ASSISTANCE [24 CFR 982.553(a)]

HUD requires OCHA to deny assistance in the following cases:

- Any member of the household has been evicted from federally-assisted housing in the last 3 years for drug-related criminal activity.
- OCHA determines that any household member is currently engaged in the use of illegal drugs. *Currently engaged in* is defined as any use of illegal drugs during the previous twelve (12) months.
- OCHA has reasonable cause to believe that any household member's current use or pattern of use of illegal drugs, or current abuse or pattern of abuse of alcohol, may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.
- Any household member has ever been convicted of drug-related criminal activity for the production or manufacture of methamphetamine on the premises of federally assisted housing.
- Any household member is subject to a lifetime registration requirement under a state sex offender registration program.

3-III.C. OTHER REASONS FOR DENIAL OF ASSISTANCE

Criminal Activity [24 CFR 982.553]

If any household member is currently engaged in, or has engaged in any of the following criminal activities, within the past three years from date of complete application, the family will be denied assistance:

- *Drug-related criminal activity,* defined by HUD as the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute or use the drug [24 CFR 5.100].
- *Violent criminal activity,* defined by HUD as any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage [24 CFR 5.100].
- Criminal activity that may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents or persons residing in the immediate vicinity.
- Criminal activity that may threaten the health or safety of property owners, management staff, and persons performing contract administration functions or other responsibilities on behalf of the PHA (including an OCHA employee or an OCHA contractor, subcontractor, or agent).
- *Immediate vicinity* means within a three-block radius of the premises.

In making its decision to deny assistance, OCHA will consider the factors discussed in Section 3-III.E. Upon consideration of such factors, OCHA may, on a case-by-case basis, decide not to deny assistance.

Previous Behavior in Assisted Housing [24 CFR 982.552(c)]

HUD authorizes OCHA to deny assistance based on the family’s previous behavior in assisted housing:

OCHA **will** deny assistance to an applicant family:

- Who have not paid financial charges owed to OCHA or other federally assisted housing. Balances owed which exceed the State of Oklahoma Statute of Limitations will not be considered;
- Who have intentionally falsified information on a current or previous application or falsified an application for admission/recertification for any housing program administered by OCHA or another PHA;
- Who have not attended the briefing sessions required by OCHA;
- Who have committed fraud with any Federal Housing Assistance program within two (2) years from the date the violation occurred or two (2) years from the date of termination;
- Who have breached an agreement with OCHA or other assisted Housing Agency to pay amounts owed;
• Who have failed to sign and submit consent forms for obtaining income and other required information;
• Who have not submitted required evidence of citizenship or eligible immigration status;
• Welfare-To-Work (WTW) family who fails to fulfill its obligation under the WTW Voucher Program;
• A family member has engaged in or threatened violent or abusive behavior toward OCHA personnel.
  o Abusive or violent behavior towards OCHA personnel includes verbal as well as physical abuse or violence. Use of racial epithets, or other language, written or oral, that is customarily used to intimidate may be considered abusive or violent behavior.

In making its decision to deny assistance, OCHA will consider the factors discussed in Section 3-III.E. Upon consideration of such factors, OCHA may, on a case-by-case basis, decide not to deny assistance.

3-III.D. SCREENING

Screening for Eligibility

OCHA is authorized to obtain criminal conviction records from law enforcement agencies to screen applicants for admission to the HCV program. This authority assists OCHA in complying with HUD requirements and OCHA policies to deny assistance to applicants who are engaging in or have engaged in certain criminal activities. In order to obtain access to the records, OCHA will require every applicant family to submit a consent form signed by each adult household member [24 CFR 5.903].

OCHA is required to perform criminal background checks necessary to determine whether any household member is subject to a lifetime registration requirement under a state sex offender program in the state where the housing is located, as well as in any other state where a household member is known to have resided [24 CFR 982.553(a)(2)(i)].

If OCHA proposes to deny assistance based on a criminal record or on lifetime sex offender registration information obtained under 24 CFR 5, Subpart J, OCHA will notify the household of the proposed action and must provide the subject of the record and the applicant a copy of the record and an opportunity to dispute the accuracy and relevance of the information prior to a denial of admission. [24 CFR 5.903(f) and 5.905(d)].

Screening for Suitability as a Tenant [24 CFR 982.307]

OCHA has no liability or responsibility to the owner for the family’s behavior or suitability for tenancy.

OCHA will not conduct additional screening to determine an applicant family’s suitability for tenancy.

The owner is responsible for screening and selection of the family to occupy the owner’s unit. OCHA will inform the owner that screening and selection for tenancy is the responsibility of the owner. An owner may consider a family’s history with respect to factors such as: payment of rent and utilities, caring for a unit and premises, respecting the rights of other residents to the peaceful enjoyment of their housing, criminal activity that is a threat to the health, safety or property of others, and compliance with other essential conditions of tenancy.

HUD requires OCHA to provide prospective owners with the family's current and prior address (as shown in OCHA records) and the name and address (if known) of the owner at the family's current and prior addresses.

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

3-III.E. CRITERIA FOR DECIDING TO DENY ASSISTANCE

Evidence [24 CFR 982.553(c)]

OCHA will use the concept of the preponderance of the evidence as the standard for making all admission decisions.

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

Consideration of Circumstances [24 CFR 982.552(c)(2)]

HUD authorizes OCHA to consider all relevant circumstances when deciding whether to deny assistance based on a family’s past history except in the situations for which denial of assistance is mandated (see Section 3-III.B).
Removal of a Family Member's Name from the Application [24 CFR 982.552(c)(2)(ii)]

HUD permits OCHA to impose as a condition of admission, a requirement that family members who participated in or were culpable for an action or failure to act which results in the denial of assistance, to not reside in the unit.

As a condition of receiving assistance, a family may agree to remove the culpable family member from the application. In such instances, the head of household must certify that the family member will not be permitted to visit or to stay as a guest in the assisted unit.

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

If the family includes a person with disabilities, OCHA’s decision concerning denial of admission is subject to consideration of reasonable accommodation in accordance with 24 CFR Part 8.

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

3-III.F. NOTICE OF ELIGIBILITY OR DENIAL

If the family is eligible for assistance, OCHA will notify the family when it extends the invitation to attend the voucher briefing appointment, as discussed in Chapter 5.

If OCHA determines that a family is not eligible for the program for any reason, the family will be notified in writing at their last known address. The notice will describe: (1) the reasons for which assistance has been denied, (2) the family’s right to an informal review, and (3) the process for obtaining the informal review [24 CFR 982.554(a)]. See Chapter 16, for informal review policies and procedures.

If based on a criminal record or sex offender registration information obtained under 24 CFR 5, Subpart J, an applicant family appears to be ineligible, OCHA will notify the family in writing of the proposed denial and provide a copy of the record to the applicant and to the subject of the record [24 CFR 5.903(f) and 5.905(d)]. The family will be given ten (10) business days to dispute the accuracy and relevance of the information [24 CFR 982.553(d)]. If the family does not contact OCHA to dispute the information within that ten (10) day period, OCHA will proceed with issuing the notice of denial of admission. A family that does not exercise their right to dispute the accuracy of the information prior to issuance of the official denial letter will still be given the opportunity to do so as part of the informal review process.

Notice requirements related to denying assistance to noncitizens are contained in Section 3-II.B.

Notice policies related to denying admission to applicants who may be victims of domestic violence, dating violence, sexual assault or stalking are contained in Section 3-III.G.

3-III.G. PROHIBITION AGAINST DENIAL OF ASSISTANCE TO VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT AND STALKING [24 CFR Part 5, Subpart L]

The Violence against Women Act of 2013 (VAWA) prohibits denial of admission to an otherwise qualified applicant on the basis or as a direct result of the fact that the applicant is or has been a victim of domestic violence, dating violence, sexual assault or stalking. Specifically, Section 606(4)(A) of VAWA adds the following provision to Section 8 of the U.S. Housing Act of 1937, which lists contract provisions and requirements for the HCV program:

- That an applicant or participant is or has been a victim of domestic violence, dating violence, sexual assault or stalking is not an appropriate reason for denial of program assistance or for denial of admission, if the applicant otherwise qualifies for assistance or admission [24 CFR 5.2005(b)].

Notification

VAWA 2013 expanded notification requirements to include the obligation for OCHA to provide applicants who are denied assistance with a VAWA Notice of Occupancy Rights (form HUD-5380) and a domestic violence certification form (HUD-5382) at the time the applicant is denied.

OCHA acknowledges that a victim of domestic violence, dating violence, sexual assault, or stalking may have an unfavorable history (e.g., a poor credit history, poor rental history, a record of previous damage to an apartment, a prior arrest record) due to adverse factors that would warrant denial under OCHA’s policies.
While OCHA is not required to identify whether adverse factors that resulted in the applicant’s denial are a result of domestic violence, dating violence, sexual assault, or stalking, the applicant may inform OCHA that their status as a victim is directly related to the grounds for the denial. OCHA will request that the applicant provide enough information to OCHA to allow OCHA to make an objectively reasonable determination, based on all circumstances, whether the adverse factor is a direct result of their status as a victim.

OCHA will include in its notice of denial the VAWA information as well as including a copy of the form HUD-5382. OCHA will request that an applicant wishing to claim protection under VAWA notify OCHA within 10 business days.

EXHIBIT 3-1: DETAILED DEFINITIONS RELATED TO DISABILITIES

Person with Disabilities [24 CFR 5.403]
The term person with disabilities means a person who has any of the following types of conditions:

- Has a disability, as defined in 42 U.S.C. Section 423(d)(1)(A), which reads:
  Inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months; or
  In the case of an individual who has attained the age of 55 and is blind (within the meaning of “blindness” as defined in section 416(i)(1) of this title), inability by reason of such blindness to engage in substantial gainful activity, requiring skills or ability comparable to those of any gainful activity in which he has previously engaged with some regularity and over a substantial period of time.

- Has a developmental disability as defined in the Developmental Disabilities Assistance and Bill of Rights Act of 2000 [42 U.S.C.15002(8)], which defines developmental disability in functional terms as follows:
  (A) In General
  The term “developmental disability” means a severe, chronic disability of an individual that:
  (i) is attributable to a mental or physical impairment or combination of mental and physical impairments;
  (ii) is manifested before the individual attains age 22;
  (iii) is likely to continue indefinitely;
  (iv) results in substantial functional limitations in 3 or more of the following areas of major life activity: (I) Self-care, (II) Receptive and expressive language, (III) Learning, (IV) Mobility, (V) Self-direction, (VI) Capacity for independent living, (VII) Economic self-sufficiency; and
  (v) reflects the individual’s need for a combination and sequence of special, interdisciplinary, or generic services, individualized supports, or other forms of assistance that are of lifelong or extended duration and are individually planned and coordinated.

  (B) Infants and Young Children
  An individual from birth to age 9, inclusive, who has a substantial developmental delay or specific congenital or acquired condition, may be considered to have a developmental disability without meeting 3 or more of the criteria described in clauses (i) through (v) of subparagraph (A) if the individual, without services and supports, has a high probability of meeting those criteria later in life.

- Has a physical, mental, or emotional impairment that is expected to be of long-continued and indefinite duration; substantially impedes his or her ability to live independently, and is of such a nature that the ability to live independently could be improved by more suitable housing conditions.

People with the acquired immunodeficiency syndrome (AIDS) or any conditions arising from the etiologic agent for AIDS are not excluded from this definition.

A person whose disability is based solely on any drug or alcohol dependence does not qualify as a person with disabilities for the purposes of this program.

For purposes of reasonable accommodation and program accessibility for persons with disabilities, the term person with disabilities refers to an individual with handicaps.
Individual with Handicaps [24 CFR 8.3]

Individual with handicaps means any person who has a physical or mental impairment that substantially limits one or more major life activities; has a record of such an impairment; or is regarded as having such an impairment. The term does not include any individual who is an alcoholic or drug abuser whose current use of alcohol or drugs prevents the individual from participating in the program or activity in question, or whose participation, by reason of such current alcohol or drug abuse, would constitute a direct threat to property or the safety of others. As used in this definition, the phrase:

(1) Physical or mental impairment includes:

(a) Any physiological disorder or condition, cosmetic disfigurement, or anatomical loss affecting one or more of the following body systems: neurological; musculoskeletal; special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; genito-urinary; hemic and lymphatic; skin; and endocrine; or

(b) Any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness, and specific learning disabilities. The term physical or mental impairment includes, but is not limited to, such diseases and conditions as orthopedic, visual, speech and hearing impairments, cerebral palsy, autism, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, mental retardation, emotional illness, drug addiction and alcoholism.

(2) Major life activities means functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning and working.

(3) Has a record of such an impairment means has a history of, or has been misclassified as having, a mental or physical impairment that substantially limits one or more major life activities.

(4) Is regarded as having an impairment means:

(a) Has a physical or mental impairment that does not substantially limit one or more major life activities but that is treated by a recipient as constituting such a limitation;

(b) Has a physical or mental impairment that substantially limits one or more major life activities only as a result of the attitudes of others toward such impairment; or

(c) Has none of the impairments defined in paragraph (1) of this section but is treated by a recipient as having such an impairment.
Chapter 4

APPLICATIONS, WAITING LIST AND TENANT SELECTION

INTRODUCTION

When a family wishes to receive Section 8 HCV assistance, the family must submit an application that provides OCHA with the information needed to determine the family’s eligibility. HUD requires OCHA to place all families that apply for assistance on a waiting list. When HCV assistance becomes available, OCHA must select families from the waiting list in accordance with HUD requirements and OCHA policies as stated in the Administrative Plan.

This chapter describes HUD and OCHA policies for taking applications, managing the waiting list and selecting families for HCV assistance. The policies outlined in this chapter are organized into three sections, as follows:

Part I: The Application Process. This part provides an overview of the application process, and discusses how applicants can obtain and submit applications. It also specifies how OCHA will handle the applications it receives.

Part II: Managing the Waiting List. This part presents the policies that govern how OCHA’s waiting list is structured, when it is opened and closed, and how the public is notified of the opportunity to apply for assistance. It also discusses the process OCHA will use to keep the waiting list current.

Part III: Selection for HCV Assistance. This part describes the policies that guide OCHA in selecting families for HCV assistance as such assistance becomes available. It also specifies how in-person interviews will be used to ensure that OCHA has the information needed to make a final eligibility determination.

PART I: THE APPLICATION PROCESS

4-I.A. OVERVIEW

This part describes the policies that guide OCHA’s efforts to distribute and accept applications, and to make preliminary determinations of applicant family eligibility that affect placement of the family on the waiting list. This part also describes OCHA’s obligation to ensure the accessibility of the application process to elderly persons, people with disabilities, and people with limited English proficiency (LEP).

4-I.B. APPLYING FOR ASSISTANCE

Any family that wishes to receive HCV assistance must apply for admission to the program. HUD permits OCHA to determine the format and content of HCV applications, as well how such applications will be made available to interested families and how applications will be accepted by OCHA.

OCHA uses a two-step application process.

Under the two-step application process, OCHA initially will require families to provide only the information needed to make an initial assessment of the family’s eligibility, and to determine the family’s placement on the waiting list. The family will be required to provide all of the information necessary to establish family eligibility and level of assistance when the family is selected from the waiting list.

Preliminary applications will be accepted via the on-line application system available through OCHA’s website. When assistance is available, the applicant will be scheduled to come to the Central Office and complete a formal application.

4-I.C. PLACEMENT ON THE WAITING LIST

OCHA will review each complete application received and make a preliminary assessment of the family’s eligibility. OCHA will accept applications from families for whom the list is open unless there is good cause for not accepting the application (such as denial of assistance) for the grounds stated in the regulations [24 CFR 982.206(b)(2)]. Where the family is determined to be ineligible, OCHA will notify the family in writing [24 CFR 982.201(f)]. Where the family is determined to be eligible, the family will be placed on a waiting list of applicants.

No applicant has a right or entitlement to be listed on the waiting list, or to any particular position on the waiting list [24 CFR 982.202(c)].
Ineligible for Placement on the Waiting List
If OCHA can determine from the information provided that a family is ineligible, the family will not be placed on the waiting list. Where a family is determined to be ineligible, OCHA will send written notification of the ineligibility. The notice will specify the reasons for ineligibility, and will inform the family of its right to request an informal review.

In some cases a determination regarding eligibility/ineligibility cannot be made due to discrepancies, no response to correspondence and/or returned mail. These applications are logged into the inactive files, where they are retained for three (3) years. Any decision to withdraw from the waiting list the name of an applicant family that includes a person with a disability is subject to reasonable accommodation. If the applicant did not respond to OCHA’s request for information or updates because of the family member's disability, OCHA will reinstate the applicant in the family's former position on the waiting list. An applicant will not be reinstated beyond sixty (60) days unless as a reasonable accommodation. In special instances, an inactive application may be reinstated, such determination to be made by the department head or designee.

Eligible for Placement on the Waiting List
Placement on the waiting list does not indicate that the family is, in fact, eligible for assistance. A final determination of eligibility will be made when the family is selected from the waiting list.

Applicants will be placed on the waiting list according to any preference(s) for which they qualify, and the date and time their complete application is received by OCHA.

Families terminated as a result of insufficient funding will be added to the HCV wait list at any time, even if the wait list is closed. When funding is available, these families will be selected from the wait list first.

PART II: MANAGING THE WAITING LIST

4-II.A. OVERVIEW
OCHA has policies regarding various aspects of organizing and managing the waiting list of applicant families.

4-II.B. ORGANIZATION OF THE WAITING LIST [24 CFR 982.204 and 205]
OCHA’s HCV waiting list will be organized in such a manner to allow OCHA to accurately identify and select families for assistance in the proper order, according to the admissions policies described in this plan.

The waiting list will contain the following information for each applicant listed:
- Applicant name;
- Family unit size;
- Date and time of application;
- Qualification for any local preference; and
- Racial or ethnic designation of the head of household.

OCHA will maintain a single waiting list for the HCV program.

A family that applies for assistance from the HCV program will be offered the opportunity to apply for any public housing, project-based voucher or moderate rehabilitation program OCHA operates if 1) the other programs’ waiting lists are open, and 2) the family is qualified for the other programs.

A family’s decision to apply for, receive, or refuse other housing assistance will not affect the family’s placement on the HCV waiting list, or any preferences for which the family may qualify.

OCHA will not merge the HCV waiting list with the waiting list for any other program OCHA operates.
4-II.C. OPENING AND CLOSING THE WAITING LIST [24 CFR 982.206]

Closing the Waiting List

OCHA may close the waiting list if it determines that the existing waiting list has an adequate pool of families to use its available HCV assistance. Where OCHA has particular preferences or funding criteria that require a specific category of family, OCHA may elect to continue to accept applications from these applicants while closing the waiting list to others.

Reopening the Waiting List

When OCHA opens a waiting list, public notice will be given by publication in a local newspaper of general circulation, and also by minority media and other suitable means. The public notice will state where and when to apply. The notice will comply with HUD fair housing requirements.

If the list is only being reopened for certain categories of families, this information will be contained in the notice.

4-II.D. FAMILY AND OWNER OUTREACH

The potential family groups eligible for the Section 8 Housing programs are established by income limits set by HUD and by the breakdown in types of housing detailed in the Annual Contributions Contract (ACC). Therefore, measurement of the extent of success of the programs should be comparatively simple in making certain that all those families eligible for housing assistance are given the opportunity to receive it.

OCHA continually strives to conform to allocations as detailed in the OCHA’s ACC with HUD. Compliance control will be maintained by proper selection of various outreach methods. The following discussion of outreach methods has been divided into two sections, the first for families and the second for owners.

Family Outreach

Family outreach is achieved by any one or combination of the following methods:

- Referral by residents and applicants of the Public Housing Program and the Section 8 Programs;
- Public service announcements or news items in the Daily Oklahoman, Black Chronicle, Journal Record, El Nacionale and internet. If not productive, paid classified ads are utilized;
- Informational fact sheets or brochures are distributed to area agencies and centers. Personal contacts with community agencies include but not limited to: Latino Community Development Agency, Native American Center, Areawide Aging Agency, Salvation Army, Neighbor to Neighbor, and local homeless shelters;
- Public service announcements on local television and radio stations;
- A printed brochure geared to potentially qualified families is continually distributed to individuals, social agencies or other agencies dealing with minorities;
- Satellite centers where families not being reached are most likely to congregate include the following:
  - Department of Human Services;
  - Social Security Administration; and
  - Workforce Oklahoma.

These sources offer a representative cross-section of families given the opportunity to participate in the program. An applicant list of families will be maintained when immediate assistance is not available. Special outreach will be made to applicants on the Section 8 waiting list to fill vacancies in the Single Room Occupancy (SRO) Program.

Owner Outreach

Coexistent with family outreach, OCHA operates an adequate outreach program for owners with personal contacts maintained with the Oklahoma City Board of Realtors, the Oklahoma City Apartment Association, and other similar organizations. OCHA staff will be assigned to a one-on-one discussion with large and small property owners by phone and personal contact to maintain an adequate number of landlords.

OCHA prepares information packets directed to owner participation by listing advantages of the programs to prospective landlords. The packets are available upon request. Periodic speaking engagements to civic and community groups likewise keep the programs visible. Quadrant distribution of information assures contact with both large apartment management entities as well as single property owners in areas outside of low-income and minority concentration.
OCHA also maintains a Housing List of property owners who wish to participate in the Section 8 HCV Program. Housing lists are distributed to all families at the time of Voucher issuance.

4-II.E. REPORTING CHANGES IN FAMILY CIRCUMSTANCES

While the family is on the waiting list, the family must inform OCHA of changes in contact information, including current residence, mailing address, and phone number. The changes may be submitted orally or in writing.

4-II.F. UPDATING THE WAITING LIST [24 CFR 982.204]

Purging the Waiting List

Updating the Application Waiting List is an important task and will be performed at least annually. Once OCHA has an updated waiting list it will be much easier for the Intake Staff to contact applicants.

Preparing the Update Package

The first step in updating the waiting list is to send each applicant an update package. The package contains both a letter explaining the update process and an update form to complete. The applicant will have fourteen (14) calendar days from the date of the update letter to respond to OCHA, either by mailing back the update form in the envelope provided, facsimile or by hand carrying it back to OCHA Central Office.

Completing the Waiting List Update

After all the responses have been received from applicants who confirm their continued interest in OCHA Section 8 HCV Program, the Intake Staff will complete the data entry of the update forms. Applicants, who do not respond within fourteen (14) calendar days to the update letter or the update package is returned undeliverable, will be removed from the waiting list. An applicant will not be reinstated beyond sixty (60) calendar days unless as a reasonable accommodation. If a request is not made within sixty (60) calendar days the Preliminary Application will be dropped and the applicant will need to reapply for the Section 8 HCV Program.

PART III: SELECTION FOR HCV ASSISTANCE

4-III.A. OVERVIEW

As vouchers become available, families on the waiting list must be selected for assistance in accordance with the policies described in this part. The source of HCV funding also may affect the order in which families are selected from the waiting list.

4-III.B. SELECTION AND HCV FUNDING SOURCES

Special Admissions [24 CFR 982.203]

HUD may award funding for specifically-named families living in specified types of units (e.g., a family that is displaced by demolition of Public Housing; Veterans Affairs Supportive Housing). In these cases, OCHA may admit families that are not on the waiting list, or without considering the family’s position on the waiting list.

Targeted Funding [24 CFR 982.204(e)]

HUD may award OCHA funding for a specified category of families on the waiting list. OCHA will use this funding only to assist the families within the specified category. Within this category of families, the order in which such families are assisted is determined according to the policies provided in Section 4-III.C.

Regular HCV Funding

Regular HCV funding may be used to assist any eligible family on the waiting list. Families are selected from the waiting list according to the policies provided in Section 4-III.C.
4-III.C. SELECTION METHOD

Local Preferences [24 CFR 982.207]

OCHA is permitted to establish local preferences, and to give priority to serving families that meet those criteria. Families terminated as a result of insufficient funding will be selected from the waiting list first.

OCHA may limit the number of applicants selected from the waiting list at a fifty/fifty (50/50) ratio between non-disabled person(s) and disabled person(s).

- Disabled person is defined as a person who is under a disability as defined in Section 223 of the Social Security Act (42 U.S.C. §423), or as defined in Chapter 3 Exhibit 3-1.

Preference for admissions will be given to the following programs: City Care, Palo Duro, Family Unification Program (FUP), The Winds, Single Room Occupancy (SRO), Village at Oakwood (VAO), HUD-Veterans Affairs Supportive Housing (HUD-VASH), Non-Elderly Disabled (NED), Journey Home, Community Enhancement Corporation (CEC) Rental Assistance Program, John H. Johnson Care Suites, Tenant Protection Vouchers and Continuum of Care (COC).

- Tenant Protection Vouchers are regular tenant-based vouchers administered by OCHA used to subsidize rents for tenants facing a Housing conversion action or HUD enforcement actions against the owner not covered by enhanced vouchers – termination or non-renewal (by the Contract Administrator) of a Section 8 Project-based housing assistance payment contract, sale or foreclosure of a HUD-subsidized mortgage, or demolition/disposition of public housing under Section 18 of the United States Housing Act of 1937, as amended.

As authorized by the Executive Director, families who are defined as a “displaced person” and have been affected by a State or federally declared disaster.

- Displaced person is defined as a person displaced by governmental action or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster, declared or otherwise formally recognized pursuant to Federal disaster relief laws.

Income Targeting Requirement [24 CFR 982.201(b)(2)]

HUD requires that extremely low-income (ELI) families make up at least 75 percent of the families admitted to the HCV program during OCHA’s fiscal year. ELI families are those with annual incomes at or below the federal poverty level or 30 percent of the area median income, whichever number is higher. To ensure this requirement is met, OCHA may skip non-ELI families on the waiting list in order to select an ELI family.

OCHA will monitor progress in meeting the ELI requirement throughout the fiscal year. Extremely low-income families will be selected ahead of other eligible families on an as-needed basis to ensure the income targeting requirement is met.

Order of Selection

Families will be selected from the waiting list based on the targeted funding or selection preference(s) for which they qualify. Within each targeted funding or preference category, families will be selected on a first-come, first-served basis according to the date and time their complete application is received by OCHA.

4-III.D. NOTIFICATION OF SELECTION

OCHA will notify the family by mail when it is selected from the waiting list. The notice will inform the family of the following [24 CFR 982.554(a)]:

- Date, time, and location of the scheduled application interview, including any procedures for rescheduling the appointment;
- Who is required to attend the interview;
- Documents that must be provided at the interview to document the legal identity of household members, including information about what constitutes acceptable documentation; and
- Other documents and information that should be brought to the interview.

If a notification letter is returned to OCHA with no forwarding address, the family will be removed from the waiting list.
4-III.E. THE APPLICATION INTERVIEW

Families selected from the waiting list are required to participate in an eligibility interview.

The head of household and the spouse/cohead will be strongly encouraged to attend the interview together. However, either the head of household or the spouse/cohead may attend the interview on behalf of the family. Verification of information pertaining to adult members of the household not present at the interview will not begin until signed release forms are returned to OCHA.

The interview will be conducted only if the head of household or spouse/cohead provides appropriate documentation of legal identity. (Chapter 7 provides a discussion of proper documentation of legal identity.) If the family representative does not provide the required documentation, the appointment may be rescheduled when the proper documents have been obtained.

Pending disclosure and documentation of social security numbers, OCHA will allow the family to retain its place on the waiting list for six (6) months. If not all household members have disclosed their SSNs at the next time OCHA is issuing vouchers, OCHA will issue a voucher to the next eligible applicant family on the waiting list.

The family must provide the information necessary to establish the family’s eligibility and determine the appropriate level of assistance, as well as completing required forms, providing required signatures, and submitting required documentation. If any materials are missing, OCHA will provide the family with a written list of items that must be submitted.

Any required documents or information that the family is unable to provide at the interview must be provided within ten (10) business days of the interview (Chapter 7 provides details about longer submission deadlines for particular items, including documentation of Social Security numbers and eligible noncitizen status.) If the family is unable to obtain the information or materials within the required time frame, the family may request an extension. If the required documents and information are not provided within the required time frame (plus any extensions) the family will be sent a notice of denial (See Chapter 3).

An advocate, interpreter, or other assistant may assist the family with the application and the interview process.

For limited English proficient (LEP) applicants, OCHA will provide translation services in accordance with OCHA’s LEP plan.

If the family is unable to attend a scheduled interview, the family should contact OCHA in advance of the interview to schedule a new appointment. In all circumstances, if a family does not attend a scheduled interview, OCHA will remove the applicant(s) from the waiting list. Applicants who contact OCHA within sixty (60) days of missing the scheduled appointment will be required to provide a written statement for missing the appointment. Applicants who fail to contact OCHA within sixty (60) days of missing the scheduled appointment will be denied assistance based on the family’s failure to supply information needed to determine eligibility. A notice of denial will be issued in accordance with policies contained in Chapter 3.

4-III.F. COMPLETING THE APPLICATION PROCESS

If OCHA determines that the family is ineligible, OCHA will send written notification of the ineligibility determination. The notice will specify the reasons for ineligibility, and will inform the family of its right to request an informal review (Chapter 16).

If OCHA determines that the family is eligible to receive assistance, OCHA will invite the family to attend a briefing in accordance with the policies in Chapter 5.
Chapter 5
BRIEFS AND VOUCHER ISSUANCE

INTRODUCTION
This chapter explains the briefing and voucher issuance process.
This chapter describes HUD regulations and OCHA policies related to these topics in two parts:

Part I: Briefings and Family Obligations. This part details the program’s requirements for briefing families orally, and for providing written materials describing the program and its requirements.

Part II: Subsidy Standards and Voucher Issuance. This part discusses OCHA’s standards for determining how many bedrooms a family of a given composition qualifies for, which in turn affects the amount of subsidy the family can receive. It also discusses the policies that dictate how vouchers are issued, and how long families have to locate a unit.

PART I: BRIEFS AND FAMILY OBLIGATIONS

5-I.A. OVERVIEW
HUD regulations require OCHA to conduct mandatory briefings for applicant families. The briefing provides a broad description of owner and family responsibilities, explains OCHA’s procedures, and includes instructions on how to lease a unit. This part describes how oral briefings will be conducted, specifies what written information will be provided to families, and lists the family’s obligations under the program.

5-I.B. BRIEFING [24 CFR 982.301]
OCHA will give the family an oral briefing and provide the family with a briefing packet containing written information about the program.

Briefings will be conducted in group meetings.
The head of household is required to attend the briefing, unless a reasonable accommodation is requested and approved by OCHA.
Families that attend group briefings and still need individual assistance will be referred to an appropriate OCHA staff person.
For Limited English Proficient (LEP) applicants, OCHA will provide translation services in accordance with OCHA’s LEP plan (See Chapter 2).

Notification and Attendance
Families will be notified of their eligibility for assistance at the time they are invited to attend a briefing. The notice will identify who is required to attend the briefing, as well as the date and time of the scheduled briefing.
If the notice is returned by the post office with no forwarding address, the applicant will be dropped and their name will not be placed back on the waiting list. If the notice is returned by the post office with a forwarding address, the notice will be re-sent to the address indicated.

Applicants who fail to attend a scheduled briefing will be denied assistance (see Chapter 3). Applicants that contact OCHA within sixty (60) days of the briefing will be re-scheduled for another briefing.

Oral Briefing [24 CFR 982.301(a)]
OCHA staff will provide information on the following subjects:

- How the Housing Choice Voucher program works;
- Family and owner responsibilities;
• Where the family can lease a unit, including renting a unit inside or outside OCHA’s jurisdiction;
• OCHA will inform the family of how portability may affect the family’s assistance through screening, subsidy standards, payment standards, and any other elements of the portability process which may affect the family’s assistance;
• An explanation of how portability works. OCHA may not discourage the family from choosing to live anywhere in OCHA’s jurisdiction or outside OCHA’s jurisdiction under portability, unless otherwise expressly authorized by statute, regulation, PIH Notice, or court order; and
• The advantages of areas that do not have a high concentration of low-income families.

**Briefing Packet [24 CFR 982.301(b)]**

Documents and information provided in the briefing packet will include the following:

• The term of the voucher, voucher suspensions and OCHA’s policies on any extensions of the term and how the family can request an extension.
• A description of the method used to calculate the housing assistance payment for a family, including how OCHA determines the payment standard for a family, how OCHA determines total tenant payment for a family, and information on the payment standard and utility allowance schedule.
• An explanation of how OCHA determines the maximum allowable rent for an assisted unit.
• Where the family may lease a unit and an explanation of how portability works, including information on how portability may affect the family’s assistance through screening, subsidy standards, payment standards, and any other elements of the portability process that may affect the family’s assistance.
• The HUD-required tenancy addendum, which must be included in the lease.
• The “Request for Tenancy Approval” form the family must use to request approval of tenancy, and a description of the procedure for requesting approval for a tenancy.
• A statement of OCHA policy on providing information about families to prospective owners.
• OCHA subsidy standards including when and how exceptions are made.
• Materials (e.g., brochures) on how to select a unit and any additional information on selecting a unit that HUD provides.
• The HUD pamphlet on lead-based paint entitled *Protect Your Family from Lead in Your Home.*
• Information on federal, state and local equal opportunity laws and a copy of the housing discrimination complaint form.
• A list of landlords known to OCHA who may be willing to lease a unit to the family or other resources (e.g., newspapers, organizations, online search tools) known to the PHA that may assist the family in locating a unit. PHAs must ensure that the list of landlords or other resources covers areas outside of poverty or minority concentration.
• Notice that if the family includes a person with disabilities, the family may request a list of available accessible units known to OCHA.
• The family obligations under the program.
• The grounds on which OCHA may terminate assistance for a participant family because of family action or failure to act. OCHA informal hearing procedures including when OCHA is required to offer a participant family the opportunity for an informal hearing, and how to request the hearing.
• Maps showing areas with housing opportunities outside areas of poverty or minority concentration, both within its jurisdiction and its neighboring jurisdiction.
• Information about the characteristics of these areas including job opportunities, schools, transportation, and other services.
• An explanation of how portability works, including a list of portability contact persons for neighboring PHAs with names, addresses, and telephone numbers.

• Information on how to fill out and file a housing discrimination complaint form.

• “What You Should Know about EIV,” a guide to the Enterprise Income Verification (EIV) system published by HUD as an attachment to Notice PIH 2010-19.

• The form HUD-5380 domestic violence certification form and the form HUD-5382 notice of occupancy rights, which contain information on VAWA protections for victims of domestic violence, dating violence, sexual assault, and stalking.

• An explanation of the advantages of moving to an area that does not have a high concentration of low-income families.

5-I.C. FAMILY OBLIGATIONS

Obligations of the family are described in the HCV regulations and on the voucher itself. These obligations include responsibilities the family is required to fulfill, as well as prohibited actions. Violation of any family obligation may result in termination of assistance, as described in Chapter 12.

Time Frames for Reporting Changes Required By Family Obligations

Unless otherwise noted below, when family obligations require the family to respond to a request or notify OCHA of a change, notifying OCHA of the request or change within ten (10) business days is considered prompt notice.

When a family is required to provide notice to OCHA, the notice must be in writing.

Family Obligations [24 CFR 982.551]

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

• The family must supply any information that OCHA or HUD determines to be necessary, including submission of required evidence of citizenship or eligible immigration status.

• The family must supply any information requested by OCHA or HUD for use in a regularly scheduled reexamination or interim reexamination of family income and composition.

• The family must disclose and verify social security numbers and sign and submit consent forms for obtaining information.

• Any information supplied by the family must be true and complete.

• The family is responsible for any Housing Quality Standards (HQS) breach by the family caused by failure to pay tenant-provided utilities or appliances, or damages to the dwelling unit or premises beyond normal wear and tear caused by any member of the household or guest.

• The family must allow OCHA to inspect the unit at reasonable times and after reasonable notice, as described in Chapter 8 of this plan.

• The family must not commit any serious or repeated violation of the lease.

  o **Serious and repeated lease violations** will include, but not be limited to, nonpayment of rent, disturbance of neighbors, destruction of property, living or housekeeping habits that cause damage to the unit or premises, and criminal activity. Generally, the criterion to be used will be whether or not the reason for the eviction was the fault of the tenant or guests. Any incidents of, or criminal activity related to, domestic violence, dating violence, sexual assault or stalking will not be construed as serious or repeated lease violations by the victim [24 CFR 5.2005(c)(1)].

• The family must notify OCHA and the owner before moving out of the unit or terminating the lease.

• The family must promptly give OCHA a copy of any owner eviction notice.

• The family must use the assisted unit for residence by the family. The unit must be the family’s only residence.
• The composition of the assisted family residing in the unit must be approved by OCHA. The family must promptly notify OCHA in writing of the birth, adoption, or court-awarded custody of a child. The family must request OCHA approval to add any other family member as an occupant of the unit.
  o The request to add a family member must be submitted in writing and approved prior to the person moving into the unit. OCHA will determine eligibility of the new member in accordance with the policies in Chapter 3.
• The family must promptly notify OCHA in writing if any family member no longer lives in the unit.
• If OCHA has given approval, a foster child or a live-in aide may reside in the unit.
• The family must not sublease the unit, assign the lease, or transfer the unit.
  o Subleasing includes receiving payment to cover rent and utility costs by a person living in the unit who is not listed as a family member.
• The family must supply any information requested by OCHA to verify that the family is living in the unit or information related to family absence from the unit.
• The family must promptly notify OCHA when the family is absent from the unit for an extended period.
  o An extended period is defined as any period greater than thirty (30) calendar days. Written notice must be provided to OCHA at the start of the extended absence.
• The family must pay utility bills and provide and maintain any appliances that the owner is not required to provide under the lease.
• The family must not own or have any interest in the unit.
• Family members must not commit fraud, bribery, or any other corrupt or criminal act in connection with the program. (See Chapter 14, Program Integrity for additional information.)
• Family members must not engage in drug-related criminal activity or violent criminal activity or other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises. See Chapter 12 for HUD and OCHA policies related to drug-related and violent criminal activity.
• Members of the household must not engage in abuse of alcohol in a way that threatens the health, safety or right to peaceful enjoyment of the other residents and persons residing in the immediate vicinity of the premises. See Chapter 12 for a discussion of HUD and OCHA policies related to alcohol abuse.
• An assisted family or member of the family must not receive HCV program assistance while receiving another housing subsidy, for the same unit or a different unit under any other federal, state or local housing assistance program.
• A family must not receive HCV program assistance while residing in a unit owned by a parent, child, grandparent, grandchild, sister or brother of any member of the family, unless OCHA has determined (and has notified the owner and the family of such determination) that approving rental of the unit, notwithstanding such relationship, would provide reasonable accommodation for a family member who is a person with disabilities.

PART II: SUBSIDY STANDARDS AND VOUCHER ISSUANCE

5-II.A. OVERVIEW
OCHA will establish subsidy standards that determine the number of bedrooms needed for families of different sizes and compositions. OCHA will also establish policies related to the issuance of the voucher, to the voucher term, and to any extensions of that term.
5-II.B. DETERMINING FAMILY UNIT (VOUCHER) SIZE [24 CFR 982.402]

For each family, OCHA determines the appropriate number of bedrooms under OCHA’s subsidy standards and enters the family unit size on the voucher that is issued to the family. The family unit size does not dictate the size of unit the family must actually lease, nor does it determine who within a household will share a bedroom/sleeping room.

The following requirements apply when OCHA determines family unit size:

- The subsidy standards must provide for the smallest number of bedrooms needed to house a family without overcrowding.
- The subsidy standards must be consistent with space requirements under the Housing Quality Standards.
- Any live-in aide (approved by OCHA to reside in the unit to care for a family member who is disabled) must be counted in determining the family unit size.
- No more than two persons shall be required to occupy a bedroom.
- Persons of different generations, persons of the opposite sex (other than spouses), and unrelated adults shall not be required to share a bedroom.
- Children, with the exception of infants under twelve (12) months of age, shall not be required to share a bedroom with persons of different generations including their parents.
- A child shall not be required to share a bedroom with another child five (5) years of age or older that is of the opposite sex; however, children of the same sex and generation shall be required to share a bedroom regardless of age.
- Separate bedrooms may be provided for individual family members with a disability if needed as a reasonable accommodation. Such requests by the family must be submitted in writing and the need of the reasonable accommodation verified as outlined in Chapter 2.
- Unless a live-in-aide resides with a family, the family unit size for any family consisting of a single person must be either a zero- or one-bedroom unit, as determined under OCHA subsidy standards.

5-II.C. EXCEPTIONS TO SUBSIDY STANDARDS

For a single person who is not elderly, disabled, or a remaining family member, an exception cannot override the regulatory limit of a zero or one bedroom [24 CFR 982.402(b)(8)].

Reasons may include, but are not limited to:

- A need for an additional bedroom for medical equipment; and/or
- A need for a separate bedroom for reasons related to a family member’s disability, medical or health condition.

OCHA will consider granting an exception for any of the reasons specified in the regulation: the age, sex, health, disability, or relationship of family members or other personal circumstances.

The family must request any exception to the subsidy standards in writing. The request must explain the need or justification for a larger family unit size, and must include appropriate documentation. Requests based on health-related reasons must be verified by a knowledgeable professional source (e.g., doctor or health professional), unless the disability and the disability–related request for accommodation is readily apparent or otherwise known.

The family’s continued need for an additional bedroom due to special medical equipment must be re-verified at annual reexamination.

OCHA will notify the family of its determination after receiving and reviewing the family’s request. If a participant family’s request is denied, OCHA will inform the family of their right to request an informal hearing.
5-II.D. VOUCHER ISSUANCE [24 CFR 982.302]

This chapter deals only with voucher issuance for applicants. For voucher issuance associated with moves of program participants, please refer to Chapter 10.

The voucher is the family’s authorization to search for housing. It specifies the unit size for which the family qualifies, and includes both the date of voucher issuance and date of expiration. It contains a brief description of how the program works and explains the family obligations under the program. The voucher is evidence that OCHA has determined the family to be eligible for the program. However, OCHA does not have any liability to any party by the issuance of the voucher, and the voucher does not give the family any right to participate in OCHA’s HCV program.

If OCHA determines that there is insufficient funding after a voucher has been issued, OCHA may rescind the voucher and place the affected family back on the waiting list.

Vouchers will be issued to eligible applicants following the mandatory briefing.

5-II.E. VOUCHER TERM AND EXTENSIONS

Voucher Term [24 CFR 982.303]

The initial voucher term will be sixty (60) calendar days.

The family must submit a Request for Tenancy Approval within the 60-day period unless OCHA grants an extension.

Extensions of Voucher Term [24 CFR 982.303(b)]

All requests for extensions to the voucher term must be made in writing and submitted to OCHA prior to the expiration date of the voucher (or extended term of the voucher).

Extensions shall not be approved for more than thirty (30) days at a time upon written request from the family.

Extensions will be given based on actual number of days.

Extensions will not exceed sixty (60) days, unless additional search time if needed as a reasonable accommodation to make the program accessible to and usable by a person with disabilities.

Extensions must be for good cause.

- Good cause examples: (The presence of these circumstances does not guarantee that an extension will be granted)
  - Serious illness or death in the family;
  - Other family emergency;
  - Whether family size or other special requirements make finding a unit difficult; and
  - When waiting for the landlord to complete HQS requirements on a failed unit.

Any request for an additional extension must include the reason(s) an additional extension is necessary. OCHA may require the family to provide documentation to support the request.

The family will be notified in writing of OCHA’s decision to approve or deny an extension. OCHA’s decision to deny a request for an extension of the voucher term is not subject to informal review [24 CFR 982.554(c)(4)].

Suspensions of Voucher Term [24 CFR 982.303(c)]

OCHA will provide for suspension of the initial or any extended term of the voucher from the date the family submits a request for OCHA approval of the tenancy until the date OCHA notifies the family whether the request has been approved or denied

Expiration of Voucher Term

If a family’s voucher term or extension expires before OCHA has approved a tenancy, OCHA will require the family to reapply for assistance.
INTRODUCTION
A family’s income determines eligibility for assistance and is also used to calculate the family’s payment and OCHA’s subsidy. This chapter describes HUD regulations and OCHA policies related to these topics in three parts as follows:

Part I: Annual Income. HUD regulations specify the sources of income to include and exclude to arrive at a family’s annual income. These requirements and OCHA policies for calculating annual income are found in Part I.

Part II: Adjusted Income. Once annual income has been established, HUD regulations require OCHA to subtract from annual income any of five mandatory deductions for which a family qualifies. These requirements and OCHA policies for calculating adjusted income are found in Part II.

Part III: Calculating Family Share and PHA Subsidy. This part describes the statutory formula for calculating total tenant payment (TTP), the use of utility allowances, and the methodology for determining OCHA subsidy and required family payment.

PART I: ANNUAL INCOME

6-I.A. OVERVIEW
The general regulatory definition of annual income is shown below.

24 CFR 5.609 Annual income:
(a) Annual income means all amounts, monetary or not, which:
(1) Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or
(2) Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and
(3) Which are not specifically excluded in paragraph [5.609(c)].
(4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

In addition to this general definition, HUD regulations establish policies for treating specific types of income and assets.

6-I.B. HOUSEHOLD COMPOSITION AND INCOME
Income received by all family members must be counted unless specifically excluded by the regulations. It is the responsibility of the head of household to report changes in family composition. The rules on which sources of income are counted vary somewhat by family member. The chart below summarizes how family composition affects income determinations.

Fully Excluded Income (PIH Notice 2013-4)
OCHA will not require verification of fully excluded income such as SNAP (formerly food stamps), foster care, live-in aide income, unless the family is a zero income household.
Summary of Income Included and Excluded by Person

<table>
<thead>
<tr>
<th>Category</th>
<th>Inclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Live-in aides</td>
<td>Income from all sources is excluded [24 CFR 5.609(c)(5)].</td>
</tr>
<tr>
<td>Foster child or foster adult</td>
<td>Income from all sources is excluded [24 CFR 5.609(c)(2)].</td>
</tr>
<tr>
<td>Head, spouse, or cohead</td>
<td>All sources of income not specifically excluded by the regulations are included.</td>
</tr>
<tr>
<td>Other adult family members</td>
<td>Employment income is excluded [24 CFR 5.609(c)(1)].</td>
</tr>
<tr>
<td>Children under 18 years of age</td>
<td>All other sources of income, except those specifically excluded by the regulations, are included.</td>
</tr>
<tr>
<td>Full-time students 18 years of age or older (not head, spouse, or cohead)</td>
<td>Employment income above $480/year is excluded [24 CFR 5.609(c)(11)].</td>
</tr>
<tr>
<td></td>
<td>All other sources of income, except those specifically excluded by the regulations, are included.</td>
</tr>
</tbody>
</table>

Temporarily Absent Family Members

Generally an individual who is or is expected to be absent from the assisted unit for sixty (60) consecutive days or less is considered temporarily absent and continues to be considered a family member. Generally an individual who is or is expected to be absent from the assisted unit for more than sixty (60) consecutive days is considered permanently absent and no longer a family member. Exceptions to this general policy are discussed below.

The income of family members approved to live in the unit will be counted, even if the family member is temporarily absent from the unit.

Absent Students

When someone who has been considered a family member attends school away from home, the person will continue to be considered a family member unless information becomes available to OCHA indicating that the student has established a separate household or the family declares that the student has established a separate household.

Absences Due to Placement in Foster Care

If a child has been placed in foster care, OCHA will verify with the appropriate agency whether and when the child is expected to be returned to the home. Unless the agency confirms that the child has been permanently removed from the home, the child will be counted as a family member.

Absent Head, Spouse, or Cohead

An employed head, spouse, or cohead absent from the unit more than sixty (60) consecutive days due to employment will continue to be considered a family member.

Family Members Permanently Confined for Medical Reasons

The family may present evidence that the family member is confined on a permanent basis and request that the person not be considered a family member. OCHA will request verification from a responsible medical professional and will use this determination. If the responsible medical professional cannot provide a determination, the person generally will be considered temporarily absent.

When an individual who has been counted as a family member is determined permanently absent, the family is eligible for the medical expense deduction only if the remaining head, spouse, or cohead qualifies as an elderly person or a person with disabilities.

Joint Custody of Dependents

Dependents that are subject to a joint custody arrangement will be considered a member of the family, if they live with the applicant or participant family 50 percent or more of the time.

When more than one applicant or participant family is claiming the same dependents as family members, the family with primary custody at the time of the initial examination or reexamination will be able to claim the dependent(s). If there is a dispute about which family should claim them, OCHA will make the determination based on available documents such as court orders, or an IRS return showing which family has claimed the child for income tax purposes.
Caretakers for a Child

If neither a parent nor a designated guardian remains in a household receiving HCV assistance, OCHA will take the following actions:

- If a responsible agency has determined that another adult is to be brought into the assisted unit to care for a child for an indefinite period, the designated caretaker will not be considered a family member until a determination of custody or legal guardianship is made.

- At any time that custody or guardianship legally has been awarded to a caretaker, the housing choice voucher will be transferred to the caretaker.

6-I.C. ANTICIPATING ANNUAL INCOME

OCHA is required to count all income “anticipated to be received from a source outside the family during the twelve (12) month period following admission or annual reexamination effective date” [24 CFR 5.609(a)(2)]. Policies related to anticipating annual income are provided below.

Basis of Annual Income Projection

OCHA is required to use HUD’s Enterprise Income Verification (EIV) system in its entirety as a third party source to verify employment and income information, and to reduce administrative subsidy payment errors in accordance with HUD administrative guidance [24 CFR 5.233(a)(2)].

HUD allows OCHA to use pay-stubs to project income once EIV data has been received in such cases where the family does not dispute the EIV employer data and where OCHA does not determine it is necessary to obtain additional third-party data.

When EIV is obtained and the family does not dispute the EIV employer data, OCHA will use current tenant-provided documents to project annual income. When the tenant-provided documents are pay stubs, the family must provide the last six (6) current and consecutive pay stubs.

OCHA will obtain written and/or oral third-party verification in accordance with the verification requirements and policy in Chapter 7 in the following cases:

- If EIV or other Upfront Income Verification (UIV) data is not available,
- If the family disputes the accuracy of the EIV employer data, and/or
- If OCHA determines additional information is needed.

In such cases, OCHA will review and analyze current data to anticipate annual income. In all cases, the family file will be documented with a clear record of the reason for the decision, and a clear audit trail will be left as to how OCHA annualized projected income.

When OCHA cannot readily anticipate income based upon current circumstances (e.g., in the case of seasonal employment, unstable working hours, or suspected fraud), OCHA will review and analyze historical data for patterns of employment, paid benefits, and receipt of other income and use the results of this analysis to establish annual income.

Any time current circumstances are not used to project annual income, a clear rationale for the decision will be documented in the file. In all such cases the family may present information and documentation to OCHA to show why the historic pattern does not represent the family’s anticipated income.

6-I.D. EARNED INCOME

Types of Earned Income Included in Annual Income

Wages and Related Compensation

The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services is included in annual income [24 CFR 5.609(b)(1)].

Some Types of Military Pay

All regular pay, special pay and allowances of a member of the Armed Forces are counted [24 CFR 5.609(b)(8)] except for the special pay to a family member serving in the Armed Forces who is exposed to hostile fire [24 CFR 5.609(c)(7)].
Types of Earned Income Not Counted in Annual Income

Temporary, Nonrecurring, or Sporadic Income [24 CFR 5.609(c)(9)]

This type of income (including gifts) is not included in annual income. Sporadic income includes temporary payments from the U.S. Census Bureau for employment lasting no longer than 180 days.

- Sporadic income is income that is not received periodically and cannot be reliably predicted.

Children’s Earnings

Employment income earned by children (including foster children) under the age of 18 years is not included in annual income [24 CFR 5.609(c)(1)]. (See Eligibility chapter for a definition of foster children.)

Certain Earned Income of Full-Time Students

Earnings in excess of $480 for each full-time student 18 years old or older (except for the head, spouse, or cohead) are not counted [24 CFR 5.609(c)(11)]. To be considered “full-time,” a student must be considered “full-time” by an educational institution with a degree or certificate program.

Income of a Live-in Aide

Income earned by a live-in aide, as defined in [24 CFR 5.403], is not included in annual income [24 CFR 5.609(c)(5)]. (See Eligibility chapter for a full discussion of live-in aides.)

Income Earned under Certain Federal Programs

Income from some federal programs is specifically excluded from consideration as income [24 CFR 5.609(c)(17)], including:

- Payments to volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058);
- Payments received under programs funded in whole or in part under the Job Training Partnership Act (29 U.S.C. 1552(b));
- Awards under the federal work-study program (20 U.S.C. 1087 uu);
- Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f));
- Allowances, earnings, and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d));
- Allowances, earnings, and payments to participants in programs funded under the Workforce Investment Act of 1998 (29 U.S.C. 2931).

Resident Service Stipend

Amounts received under a resident service stipend are not included in annual income. A resident service stipend is a modest amount (not to exceed $200 per individual per month) received by a resident for performing a service for OCHA or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination, and serving as a member of OCHA’s governing board. No resident may receive more than one such stipend during the same period of time [24 CFR 5.600(c)(8)(iv)].

State and Local Employment Training Programs

Incremental earnings and benefits to any family member resulting from participation in qualifying state or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident management staff are excluded from annual income. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives and are excluded only for the period during which the family member participates in the training program [24 CFR 5.609(c)(8)(v)].

HUD-Funded Training Programs

Amounts received under training programs funded in whole or in part by HUD [24 CFR 5.609(c)(8)(i)] are excluded from annual income.
**Earned Income Tax Credit**

Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j)), are excluded from annual income [24 CFR 5.609(c)(17)]. Although many families receive the EITC annually when they file taxes, an EITC can also be received throughout the year. The prorated share of the annual EITC is included in the employee’s payroll check.

**6-I.E. EARNED INCOME DISALLOWANCE FOR PERSONS WITH DISABILITIES [24 CFR 5.617; Streamlining Final Rule (SFR) Federal Register 3/8/16]**

The earned income disallowance (EID) encourages people with disabilities to enter the work force by not including the full value of increases in earned income for a period of time. Eligibility criteria and limitations on the disallowance are summarized below.

**Eligibility**

This disallowance applies only to individuals in families already participating in the HCV program (not at initial examination). To qualify, the family must experience an increase in annual income that is the result of one of the following events:

- Employment of a family member who is a person with disabilities and who was previously unemployed for one or more years prior to employment. *Previously unemployed* includes a person who annually has earned not more than the minimum wage applicable to the community multiplied by 500 hours. The applicable minimum wage is the federal minimum wage unless there is a higher state or local minimum wage.

- Increased earnings by a family member who is a person with disabilities and whose earnings increase during participation in an economic self-sufficiency or job-training program. A self-sufficiency program includes a program designed to encourage, assist, train, or facilitate the economic independence of HUD-assisted families or to provide work to such families [24 CFR 5.603(b)].

- New employment or increased earnings by a family member who is a person with disabilities and who has received benefits or services under Temporary Assistance for Needy Families (TANF) or any other state program funded under Part A of Title IV of the Social Security Act within the past six months. If the benefits are received in the form of monthly maintenance, there is no minimum amount. If the benefits or services are received in a form other than monthly maintenance, such as one-time payments, wage subsidies, or transportation assistance, the total amount received over the six-month period must be at least $500.

**Calculation of the Disallowance**

Calculation of the earned income disallowance for an eligible member of a qualified family begins with a comparison of the member’s current income with his or her “baseline income.” The family member’s baseline income is his or her income immediately prior to qualifying for the EID. The family member’s baseline income remains constant throughout the period that he or she is participating in the EID.

While qualification for the disallowance is the same for all families, calculation of the disallowance will differ depending on when the family member qualified for the EID. Participants qualifying prior to May 9, 2016, will have the disallowance calculated under the “Original Calculation Method” described below which requires a maximum lifetime disallowance period of up to 48 consecutive months. Participants qualifying on or after May 9, 2016, will be subject to the “Revised Calculation Method.” Which shortens the lifetime disallowance period to 24 consecutive months.

Under both the original and new methods, the EID eligibility criteria, the benefit amount, the single lifetime eligibility requirement and the ability of the applicable family member to stop and restart employment during the eligibility period are the same.

**Original Calculation Method**

**Initial 12-Month Exclusion**

During the initial 12-month exclusion period, the full amount (100 percent) of any increase in income attributable to new employment or increased earnings is excluded. The 12 months are cumulative and need not be consecutive.
Second 12-Month Exclusion and Phase-In

During the second 12-month exclusion period, the exclusion is reduced to half (50 percent) of any increase in income attributable to employment or increased earnings. The 12 months are cumulative and need not be consecutive.

Lifetime Limitation

The EID has a four-year (48-month) lifetime maximum. The four-year eligibility period begins at the same time that the initial exclusion period begins and ends 48 months later. The one-time eligibility for the EID applies even if the eligible individual begins to receive assistance from another housing agency, if the individual moves between public housing and Section 8 assistance, or if there are breaks in assistance.

Revised Calculation Method

Initial 12-Month Exclusion

During the initial exclusion period of 12 consecutive months, the full amount (100 percent) of any increase in income attributable to new employment or increased earnings is excluded.

Second 12-Month Exclusion

During the second exclusion period of 12 consecutive months, OCHA must exclude at least 50 percent of any increase in income attributable to employment or increased earnings.

Lifetime Limitation

The EID has a two-year (24-month) lifetime maximum. The two-year eligibility period begins at the same time that the initial exclusion period begins and ends 24 months later. During the 24-month period, an individual remains eligible for EID even if they begin to receive assistance from a different housing agency, move between public housing and Section 8 assistance, or have breaks in assistance.

6-I.F. BUSINESS INCOME [24 CFR 5.609(b)(2)]

Annual income includes “the net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family” [24 CFR 5.609(b)(2)].

Business Expenses

To determine business expenses that may be deducted from gross income, OCHA will use current applicable Internal Revenue Service (IRS) rules for determining allowable business expenses [see IRS Publication 535], unless a topic is addressed by HUD regulations or guidance as described below.

Business Expansion

HUD regulations do not permit OCHA to deduct from gross income expenses for business expansion.

• **Business expansion** is defined as any capital expenditures made to add new business activities, to expand current facilities, or to operate the business in additional locations.

Capital Indebtedness

HUD regulations do not permit OCHA to deduct from gross income the amortization of capital indebtedness.

• **Capital indebtedness** is defined as the principal portion of the payment on a capital asset such as land, buildings, and machinery. This means OCHA will allow as a business expense interest, but not principal, paid on capital indebtedness.

Negative Business Income

If the net income from a business is negative, no business income will be included in annual income; a negative amount will not be used to offset other family income.
Withdrawal of Cash or Assets from a Business

HUD regulations require OCHA to include in annual income the withdrawal of cash or assets from the operation of a business or profession unless the withdrawal reimburses a family member for cash or assets invested in the business by the family.

Co-owned Businesses

If a business is co-owned with someone outside the family, the family must document the share of the business it owns. If the family’s share of the income is lower than its share of ownership, the family must document the reasons for the difference.

6-I.G. ASSETS [24 CFR 5.609(b)(3); 24 CFR 5.603(b)]

Overview

There is no asset limitation for participation in the HCV program. However, HUD requires that OCHA include in annual income the “interest, dividends, and other net income of any kind from real or personal property” [24 CFR 5.609(b)(3)]. This section discusses how the income from various types of assets is determined. For most types of assets, OCHA will determine the value of the asset in order to compute income from the asset. Therefore, for each asset type, this section discusses:

- How the value of the asset will be determined; and
- How income from the asset will be calculated.

Optional policies for family self-certification of assets are found in Chapter 7.

General Policies

Income from Assets

OCHA will use current circumstances to determine both the value of an asset and the anticipated income from the asset.

Anytime current circumstances are not used to determine asset income, a clear rationale for the decision will be documented in the file. In such cases the family may present information and documentation to OCHA to show why the asset income determination does not represent the family’s anticipated asset income.

Valuing Assets

The calculation of asset income sometimes requires OCHA to make a distinction between an asset’s market value and its cash value.

- The market value of an asset is its worth (e.g., the amount a buyer would pay for real estate or the balance in an investment account).
- The cash value of an asset is its market value less all reasonable costs that would be incurred when converting the asset to cash.
  - Reasonable costs that would be incurred when disposing of an asset include, but are not limited to, penalties for premature withdrawal, broker and legal fees, and settlement costs incurred in real estate transactions.

Lump-Sum Receipts

Payments that are received in a single lump sum, such as inheritances, capital gains, lottery winnings, insurance settlements, and proceeds from the sale of property, are generally considered assets, not income. However, such lump-sum receipts are counted as assets only if they are retained by a family in a form recognizable as an asset (e.g., deposited in a savings or checking account). (For a discussion of lump-sum payments that represent the delayed start of a periodic payment, most of which are counted as income, see sections 6-I.H and 6-I.I.)

Imputing Income from Assets [24 CFR 5.609(b)(3)]

When net family assets are $5,000 or less, OCHA will include in annual income the actual income anticipated to be derived from the assets. When the family has net family assets in excess of $5,000, OCHA will include in annual income the greater of (1) the actual income derived from the assets or (2) the imputed income. Imputed income from assets is calculated by multiplying the total cash value of all family assets by the current OCHA-established passbook savings rate.
Notice PIH 2012-29 requires OCHA to establish an imputed asset passbook savings rate based on the national average rate. The rate was previously established by the HUD field offices.

OCHA will initially set the imputed asset passbook rate at the national rate established by the Federal Deposit Insurance Corporation (FDIC).

OCHA will review the passbook rate annually, in December of each year. The rate will not be adjusted unless the current OCHA rate is no longer within 0.75 percent of the national rate. If it is no longer within 0.75 percent of the national rate, the passbook rate will be set at the current national rate.

Changes to the passbook rate will take effect on February 1 following the December review.

**Determining Actual Anticipated Income from Assets**

It may or may not be necessary for OCHA to use the value of an asset to compute the actual anticipated income from the asset. When the value is required to compute the anticipated income from an asset, the market value of the asset is used. For example, if the asset is a property for which a family receives rental income, the anticipated income is determined by annualizing the actual monthly rental amount received for the property; it is not based on the property’s market value. However, if the asset is a savings account, the anticipated income is determined by multiplying the market value of the account by the interest rate on the account.

**Withdrawal of Cash or Liquidation of Investments**

Any withdrawal of cash or assets from an investment will be included in income except to the extent that the withdrawal reimburses amounts invested by the family. For example, when a family member retires, the amount received by the family from a retirement plan is not counted as income until the family has received payments equal to the amount the family member deposited into the retirement fund.

**Jointly Owned Assets**

If an asset is owned by more than one person and any family member has unrestricted access to the asset, OCHA will count the full value of the asset. A family member has unrestricted access to an asset when he or she can legally dispose of the asset without the consent of any of the other owners.

If an asset is owned by more than one person, including a family member, but the family member does not have unrestricted access to the asset, OCHA will prorate the asset according to the percentage of ownership. If no percentage is specified or provided for by state or local law, OCHA will prorate the asset evenly among all owners.

**Assets Disposed Of For Less than Fair Market Value [24 CFR 5.603(b)]**

HUD regulations require OCHA to count as a current asset any business or family asset that was disposed of for less than fair market value during the two years prior to the effective date of the examination/reexamination, except as noted below.

**Minimum Threshold**

OCHA will not include the value of assets disposed of for less than fair market value unless the cumulative fair market value of all assets disposed of during the past two years exceeds the gross amount received for the assets by more than $1,000.

When the two-year period expires, the income assigned to the disposed asset(s) also expires. If the two-year period ends between annual recertifications, the family may request an interim recertification to eliminate consideration of the asset(s).

Assets placed by the family in nonrevocable trusts are considered assets disposed of for less than fair market value except when the assets placed in trust were received through settlements or judgments.

**Separation or Divorce**

All assets disposed of as part of a separation or divorce settlement will be considered assets for which important consideration not measurable in monetary terms has been received. In order to qualify for this exemption, a family member must be subject to a formal separation or divorce settlement agreement established through arbitration, mediation, or court order.

**Foreclosure or Bankruptcy**

Assets are not considered disposed of for less than fair market value when the disposition is the result of a foreclosure or bankruptcy sale.
**Family Declaration**

Families must sign a declaration form at initial certification and each annual recertification identifying all assets that have been disposed of for less than fair market value or declaring that no assets have been disposed of for less than fair market value. OCHA may verify the value of the assets disposed of if other information available to OCHA does not appear to agree with the information reported by the family.

**Types of Assets**

**Checking and Savings Accounts**

In determining the value of a checking account, OCHA will use the average monthly balance for the last six (6) months.

In determining the value of a savings account, OCHA will use the current balance.

In determining the anticipated income from an interest-bearing checking or savings account, OCHA will multiply the value of the account by the current rate of interest paid on the account.

For regular checking accounts and savings accounts, *cash value* has the same meaning as *market value*. If a checking account does not bear interest, the anticipated income from the account is zero.

**Investment Accounts Such as Stocks, Bonds, Saving Certificates, and Money Market Funds**

In determining the market value of an investment account, OCHA will use the value of the account on the most recent investment report.

How anticipated income from an investment account will be calculated depends on whether the rate of return is known. For assets that are held in an investment account with a known rate of return (e.g., savings certificates), asset income will be calculated based on that known rate (market value multiplied by rate of earnings). When the anticipated rate of return is not known (e.g., stocks), OCHA will calculate asset income based on the earnings for the most recent reporting period.

**Equity in Real Property or Other Capital Investments**

Equity (cash value) in a property or other capital asset is the estimated current market value of the asset less the unpaid balance on all loans secured by the asset and reasonable costs (such as broker fees) that would be incurred in selling the asset.

Equity in real property and other capital investments is considered in the calculation of asset income except for the following types of assets:

- Equity accounts in HUD homeownership programs [24 CFR 5.603(b)];
- The value of a home currently being purchased with assistance under the HCV program Homeownership Option for the first ten (10) years after the purchase date of the home [24 CFR 5.603(b)];
- Equity in owner-occupied cooperatives and manufactured homes in which the family lives;
- Equity in real property when a family member’s main occupation is real estate. This real estate is considered a business asset, and income related to this asset will be calculated as described in section 6-I.F;
- Interests in Indian Trust lands [24 CFR 5.603(b)];
- Real property and capital assets that are part of an active business or farming operation.

A family may have real property as an asset in two ways: (1) owning the property itself and (2) holding a mortgage or deed of trust on the property. In the case of a property owned by a family member, the anticipated asset income generally will be in the form of rent or other payment for the use of the property. If the property generates no income, actual anticipated income from the asset will be zero.

In the case of a mortgage or deed of trust held by a family member, the outstanding balance (unpaid principal) is the cash value of the asset. The interest portion only of payments made to the family in accordance with the terms of the mortgage or deed of trust is counted as anticipated asset income.

**Trusts**

A trust is a legal arrangement generally regulated by state law in which one party (the creator or grantor) transfers property to a second party (the trustee) who holds the property for the benefit of one or more third parties (the beneficiaries).
Revocable Trusts

If any member of a family has the right to withdraw the funds in a trust, the value of the trust is considered an asset. Any income earned as a result of investment of trust funds is counted as actual asset income, whether the income is paid to the family or deposited in the trust.

Nonrevocable Trusts

In cases where a trust is not revocable by, or under the control of, any member of a family, the value of the trust fund is not considered an asset. However, any income distributed to the family from such a trust is counted as a periodic payment or a lump-sum receipt, as appropriate [24 CFR 5.603(b)]. (Periodic payments are covered in section 6-I.H. Lump-sum receipts are discussed earlier in this section.)

Retirement Accounts

Company Retirement/Pension Accounts

In order to correctly include or exclude as an asset any amount held in a company retirement or pension account by an employed person, OCHA must know whether the money is accessible before retirement.

While a family member is employed, only the amount the family member can withdraw without retiring or terminating employment is counted as an asset.

After a family member retires or terminates employment, any amount distributed to the family member is counted as a periodic payment or a lump-sum receipt, as appropriate, except to the extent that it represents funds invested in the account by the family member. (For more on periodic payments, see section 6-I.H.) The balance in the account is counted as an asset only if it remains accessible to the family member.

IRA, Keogh, and Similar Retirement Savings Accounts

IRA, Keogh, and similar retirement savings accounts are counted as assets even though early withdrawal would result in a penalty.

Personal Property

In determining the value of personal property held as an investment, OCHA will use the family’s estimate of the value. OCHA may obtain an appraisal to confirm the value of the asset if there is reason to believe that the family’s estimated value is off by fifty ($50) dollars or more. The family must cooperate with the appraiser, but cannot be charged any costs related to the appraisal.

Generally, personal property held as an investment generates no income until it is disposed of. If regular income is generated (e.g., income from renting the personal property), the amount that is expected to be earned in the coming year is counted as actual income from the asset.

Necessary personal property consists of only those items not held as an investment, and may include clothing, furniture, household furnishings, jewelry, and vehicles, including those specially equipped for persons with disabilities [24 CFR 5.603(b)].

Life Insurance

The cash value of a life insurance policy available to a family member before death, such as a whole life or universal life policy is included in the calculation of the value of the family’s assets. The cash value is the surrender value. If such a policy earns dividends or interest that the family could elect to receive, the anticipated amount of dividends or interest is counted as income from the asset whether or not the family actually receives it.

6-I.H. PERIODIC PAYMENTS

Periodic Payments Included in Annual Income

- Periodic payments from sources such as social security, unemployment and welfare assistance, annuities, insurance policies, retirement funds, and pensions. However, periodic payments from retirement accounts, annuities, and similar forms of investments are counted only after they exceed the amount contributed by the family [24 CFR 5.609(b)(4) and (b)(3)].

- Disability or death benefits and lottery receipts paid periodically, rather than in a single lump sum [24 CFR 5.609(b)(4)].
Lump-Sum Payments for the Delayed Start of a Periodic Payment

Most lump-sums received as a result of delays in processing periodic payments, such as unemployment or welfare assistance, are counted as income. However, lump-sum receipts for the delayed start of periodic social security or supplemental security income (SSI) payments are not counted as income. Additionally, any deferred disability benefits that are received in a lump-sum or in prospective monthly amounts from the Department of Veterans Affairs are to be excluded from annual income [24 CFR 5.609(c)(14)].

When a delayed-start payment is received and reported during the period in which OCHA is processing an annual reexamination, OCHA will adjust the family share and OCHA subsidy retroactively for the period the payment was intended to cover. The family may pay in full any amount due or request to enter into a repayment agreement with OCHA.

Treatment of Overpayment Deductions from Social Security Benefits

OCHA will make a special calculation of annual income when the Social Security Administration (SSA) overpays an individual, resulting in a withholding or deduction from his or her benefit amount until the overpayment is paid in full. The amount and duration of the withholding will vary depending on the amount of the overpayment and the percent of the benefit rate withheld. Regardless of the amount withheld or the length of the withholding period, OCHA will use the reduced benefit amount after deducting only the amount of the overpayment withholding from the gross benefit amount.

Periodic Payments Excluded from Annual Income

- Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the assisted family, who are unable to live alone) [24 CFR 5.609(c)(2)]. OCHA will exclude payments for the care of foster children and foster adults only if the care is provided through an official arrangement with a local welfare agency. Kinship guardianship assistance payments (Kin-GAP) and other similar guardianship payments are treated the same as foster care payments and are likewise excluded from annual income.

- Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home [24 CFR 5.609(c)(16)].

- Amounts received under the Low-Income Home Energy Assistance Program (42 U.S.C. 1626(c)) [24 CFR 5.609(c)(17)].

- Amounts received under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q) [24 CFR 5.609(c)(17)].

- Earned Income Tax Credit (EITC) refund payments (26 U.S.C. 32(j)) [24 CFR 5.609(c)(17)]. Note: EITC may be paid periodically if the family elects to receive the amount due as part of payroll payments from an employer.

- Lump-sums received as a result of delays in processing Social Security and SSI payments (see section 6-I.H.) [24 CFR 5.609(c)(14)].

- Lump-sums or prospective monthly amounts received as deferred disability benefits from the Department of Veterans Affairs (VA) [24 CFR 5.609(c)(14)].

6-I.I. PAYMENTS IN LIEU OF EARNINGS

Payments in lieu of earnings, such as unemployment and disability compensation, worker’s compensation, and severance pay, are counted as income [24 CFR 5.609(b)(5)] if they are received either in the form of periodic payments or in the form of a lump-sum amount or prospective monthly amounts for the delayed start of a periodic payment. If they are received in a one-time lump sum (as a settlement, for instance), they are treated as lump-sum receipts [24 CFR 5.609(c)(3)]. (See also the discussion of periodic payments in section 6-I.H and the discussion of lump-sum receipts in section 6-I.G.)

6-I.J. WELFARE ASSISTANCE

Overview

Welfare assistance is counted in annual income. Welfare assistance includes Temporary Assistance for Needy Families (TANF) and any payments to individuals or families based on need that are made under programs funded separately or jointly by federal, state, or local governments [24 CFR 5.603(b)].
Sanctions Resulting in the Reduction of Welfare Benefits [24 CFR 5.615]

OCHA will make a special calculation of annual income when the welfare agency imposes certain sanctions on certain families. This rule applies only if a family was receiving HCV assistance at the time the sanction was imposed.

Covered Families

The families covered by 24 CFR 5.615 are those “who receive welfare assistance or other public assistance benefits (‘welfare benefits’) from a State or other public agency (‘welfare agency’) under a program for which Federal, State or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for such assistance” [24 CFR 5.615(b)].

Imputed Income

When a welfare agency imposes a sanction that reduces a family’s welfare income because the family commits fraud or fails to comply with the agency’s economic self-sufficiency program or work activities requirement, OCHA will include in annual income “imputed” welfare income. OCHA will request that the welfare agency inform OCHA when the benefits of an HCV participant family are reduced. The imputed income is the amount the family would have received if the family had not been sanctioned.

This requirement does not apply to reductions in welfare benefits: (1) at the expiration of the lifetime or other time limit on the payment of welfare benefits, (2) if a family member is unable to find employment even though the family member has complied with the welfare agency economic self-sufficiency or work activities requirements, or (3) because a family member has not complied with other welfare agency requirements [24 CFR 5.615(b)(2)].

Offsets

The amount of the imputed income is offset by the amount of additional income the family begins to receive after the sanction is imposed. When the additional income equals or exceeds the imputed welfare income, the imputed income is reduced to zero [24 CFR 5.615(c)(4)].

6-I.K. PERIODIC AND DETERMINABLE ALLOWANCES [24 CFR 5.609(b)(7)]

Annual income includes periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing with an assisted family.

Alimony and Child Support

OCHA must count alimony or child support amounts awarded as part of a divorce or separation agreement.

OCHA will count court-award amounts for alimony and child support unless OCHA verifies that: (1) the payments are not being made, and (2) the family has made reasonable efforts to collect amounts due, including filing with courts or agencies responsible for enforcing payments.

Regular Contributions or Gifts

OCHA will count as income regular monetary and nonmonetary contributions or gifts from persons not residing with an assisted family [24 CFR 5.609(b)(7)]. Temporary, nonrecurring, or sporadic income and gifts are not counted [24 CFR 5.609(c)(9)].

Examples of regular contributions include: (1) regular payment of a family’s bills (e.g., utilities, telephone, rent, credit cards, and car payments), (2) cash or other liquid assets provided to any family member on a regular basis, and (3) “in-kind” contributions such as groceries and clothing provided to a family on a regular basis.

Nonmonetary contributions will be valued at the cost of purchasing the items, as determined by OCHA. For contributions that may vary from month to month (e.g., utility payments), OCHA will include an average amount based upon past history.

6-I.L. STUDENT FINANCIAL ASSISTANCE [24 CFR 5.609(b)(9); Notice PIH 2015-21]

Student Financial Assistance Included in Annual Income [24 CFR 5.609(b)(9); Notice PIH 2015-21]

The regulation requiring the inclusion of certain student financial assistance applies only to students who satisfy all of the following conditions:

- They are enrolled in an institution of higher education, as defined under the Higher Education Act (HEA) of 1965.
• They are seeking or receiving Section 8 assistance on their own—that is, apart from their parents—through the
HCV program, the project-based voucher program, or the moderate rehabilitation program.

• They are under 24 years of age OR they have no dependent children.

For students who satisfy these three conditions, any financial assistance in excess of tuition received: (1) under the
1965 HEA, (2) from a private source, or (3) from an institution of higher education, as defined under the 1965 HEA,
must be included in annual income.

To determine annual income in accordance with the above requirements, OCHA will use the definitions of
dependent child, institution of higher education, and parents in Section 3-II.E, along with the following definitions:

• Assistance under the Higher Education Act of 1965 includes Pell Grants, Federal Supplement Educational
Opportunity Grants, Academic Achievement Incentive Scholarships, State Assistance under the Leveraging
Educational Assistance Partnership Program, the Robert G. Byrd Honors Scholarship Program, and Federal
Work Study programs.

• Assistance from private sources means assistance from nongovernmental sources, including parents, guardians,
and other persons not residing with the student in an HCV assisted unit.

• Tuition and fees are defined in the same manner in which the Department of Education defines tuition and fees
[Notice PIH 2015-21].
  • This is the amount of tuition and required fees covering a full academic year most frequently charged to
students.
  • The amount represents what a typical student would be charged and may not be the same for all students at
an institution.
  • If tuition is charged on a per-credit-hour basis, the average full-time credit hour load for an academic year
is used to estimate average tuition.
  • Required fees include all fixed-sum charges that are required of a large proportion of all students. Examples
include, but are not limited to, writing and science lab fees and fees specific to the student’s major or
program (i.e., nursing program).
  • Expenses related to attending an institution of higher education must not be included as tuition. Examples
include, but are not limited to, room and board, books, supplies, meal plans, transportation and parking,
student health insurance plans, and other non-fixed-sum charges.

Student Financial Assistance Excluded from Annual Income [24 CFR 5.609(c)(6)]

Any student financial assistance not subject to inclusion under 24 CFR 5.609(b)(9) is fully excluded from annual
income under 24 CFR 5.609(c)(6), whether it is paid directly to the student or to the educational institution the
student is attending. This includes any financial assistance received by:

• Students residing with parents who are seeking or receiving Section 8 assistance;
• Students who are enrolled in an educational institution that does not meet the 1965 HEA definition of
institution of higher education;
• Students who are over 23 AND have at least one dependent child, as defined in Section 3-II.E;
• Students who are receiving financial assistance through a governmental program not authorized under the 1965
HEA.

6-I.M. ADDITIONAL EXCLUSIONS FROM ANNUAL INCOME

Other exclusions contained in 24 CFR 5.609(c) that have not been discussed earlier in this chapter include the
following:

• Reimbursement of medical expenses [24 CFR 5.609(c)(4)];
• Amounts received by participants in other publicly assisted programs which are specifically for or in
reimbursement of out-of-pocket expenses incurred and which are made solely to allow participation in a
specific program [24 CFR 5.609(c)(8)(iii)];
• Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS) [(24 CFR 5.609(c)(8)(ii)];

• Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era [24 CFR 5.609(c)(10)];

• Adoption assistance payments in excess of $480 per adopted child [24 CFR 5.609(c)(12)];

• Refunds or rebates on property taxes paid on the dwelling unit [24 CFR 5.609(c)(15)];

• Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home [24 CFR 5.609(c)(16)];

• Amounts specifically excluded by any other federal statute [24 CFR 5.609(c)(17)]. HUD publishes an updated list of these exclusions periodically. It includes:
  
  (a) The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017 (b));
  
  (b) Benefits under Section 1780 of the School Lunch Act and Child Nutrition Act of 1966, including WIC;
  
  (c) Payments to volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058);
  
  (d) Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c));
  
  (e) Income derived from certain sub marginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e);
  
  (f) Payments or allowances made under the Department of Health and Human Services’ Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f));
  
  (g) Payments received under programs funded in whole or in part under the Job Training Partnership Act (29 U.S.C. 1552(b)) (Effective July 1, 2000, references to Job Training Partnership Act shall be deemed to refer to the corresponding provision of the Workforce Investment Act of 1998 (29 U.S.C. 2931).);
  
  (h) Deferred disability benefits from the Department of Veterans Affairs, whether received as a lump sum or in monthly prospective amounts;
  
  (i) Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L. 94-540, 90 Stat. 2503-04);
  
  (j) Payments, funds or distributions authorized, established or directed by the Seneca Nation Settlement Act of 1990 (25 U.S.C. 1774(b));
  
  (k) A lump sum or periodic payment received by an individual Indian pursuant to the Class Action Settlement Agreement in the United States District Court case entitled Elouise Cobell et al. v. Ken Salazar et al. for a period of one (1) year from the time of receipt of that payment as provided in the Claims Resolution Act of 2010;
  
  (l) The first $2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U. S. Claims Court, the interests of individual Indians in trust or restricted lands, including the first $2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands (25 U.S.C. 1407-1408);
  
  (m) Benefits under the Indian Veterans Housing Opportunity Act of 2010 (only applies to Native American housing programs);
  
  (n) Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f));
  
  (o) Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in In Re Agent Orange-product liability litigation, M.D.L. No. 381 (E.D.N.Y.);
  
  (p) Payments received under 38 U.S.C. 1833(c) to children of Vietnam veterans born with spinal bifida, children of women Vietnam veterans born with certain birth defects and children of certain Korean service veterans born with spinal bifida;
(q) Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721);

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

(s) Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j));

(t) Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (Pub. L. 95-433);

(u) Amounts of scholarships funded under Title IV of the Higher Education Act of 1965j, including awards under federal work-study programs or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu). For Section 8 programs, the exception found in § 237 of Public Law 109–249 applies and requires that the amount of financial assistance in excess of tuition and mandatory fees shall be considered income in accordance with the provisions codified at 24 CFR 5.609(b)(9), except for those persons with disabilities as defined by 42 U.S.C. 1437a(b)(3)(E) (Pub. L. 109–249) (See See Section 6-I.L. for exceptions.);

(v) Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d));

(w) Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act (42 U.S.C. 10602);

(x) Any amounts in an "individual development account" as provided by the Assets for Independence Act, as amended in 2002;

(y) Payments made from the proceeds of Indian tribal trust cases as described in Notice PIH 2013–30, "Exclusion from Income of Payments under Recent Tribal Trust Settlements" (25 U.S.C. 117b(a));

(z) Major disaster and emergency assistance received under the Robert T. Stafford Disaster Relief and Emergency Assistance Act and comparable disaster assistance provided by states, local governments, and disaster assistance organizations.

PART II: ADJUSTED INCOME

6-II.A. INTRODUCTION

Overview

HUD regulations require OCHA to deduct from annual income any of five mandatory deductions for which a family qualifies. The resulting amount is the family’s adjusted income. Mandatory deductions are found in 24 CFR 5.611.

(1) $480 for each dependent;

(2) $400 for any elderly family or disabled family;

(3) The sum of the following, to the extent the sum exceeds three percent of annual income:
   (i) Unreimbursed medical expenses of any elderly family or disabled family;
   (ii) Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with disabilities, to the extent necessary to enable any member of the family (including the member who is a person with disabilities) to be employed. This deduction may not exceed the earned income received by family members who are 18 years of age or older and who are able to work because of such attendant care or auxiliary apparatus; and

(4) Any reasonable child care expenses necessary to enable a member of the family to be employed or to further his or her education.

This part covers policies related to these mandatory deductions. Verification requirements related to these deductions are found in Chapter 7.
Anticipating Expenses

Generally, OCHA will use current circumstances to anticipate expenses. When possible, for costs that are expected to fluctuate during the year (e.g., child care during school and nonschool periods and cyclical medical expenses), OCHA will estimate costs based on historic data and known future costs.

If a family has an accumulated debt for medical or disability assistance expenses, OCHA will include as an eligible expense the portion of the debt that the family expects to pay during the period for which the income determination is being made. However, amounts previously deducted will not be allowed even if the amounts were not paid as expected in a preceding period. OCHA may require the family to provide documentation of payments made in the preceding year.

6-II.B. DEPENDENT DEDUCTION

A deduction of $480 is taken for each dependent [24 CFR 5.611(a)(1)].

- Dependent is defined as any family member other than the head, spouse, or cohead who is under the age of 18 or who is 18 or older and is a person with disabilities or a full-time student. Foster children, foster adults, and live-in aides are never considered dependents [24 CFR 5.603(b)].

6-II.C. ELDERLY OR DISABLED FAMILY DEDUCTION

A single deduction of $400 is taken for any elderly or disabled family [24 CFR 5.611(a)(2)].

- An elderly family is a family whose head, spouse, cohead, or sole member is 62 years of age or older, and a disabled family is a family whose head, spouse, cohead, or sole member is a person with disabilities [24 CFR 5.403].

6-II.D. MEDICAL EXPENSES DEDUCTION [24 CFR 5.611(a)(3)(i)]

Unreimbursed medical expenses may be deducted to the extent that, in combination with any disability assistance expenses, they exceed three percent of annual income.

The medical expense deduction is permitted only for families in which the head, spouse, or cohead is at least 62 or is a person with disabilities. If a family is eligible for a medical expense deduction, the medical expenses of all family members are counted.

Definition of Medical Expenses

The most current IRS Publication 502, Medical and Dental Expenses, will be used to determine the costs that qualify as medical expenses.

Families That Qualify for Both Medical and Disability Assistance Expenses

This policy applies only to families in which the head, spouse, or cohead is 62 or older or is a person with disabilities.

When expenses anticipated by a family could be defined as either medical or disability assistance expenses, OCHA will consider them medical expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.

6-II.E. DISABILITY ASSISTANCE EXPENSES DEDUCTION [24 CFR 5.603(b) and 24 CFR 5.611(a)(3)(ii)]

Reasonable expenses for attendant care and auxiliary apparatus for a disabled family member may be deducted if they: (1) are necessary to enable a family member 18 years or older to work, (2) are not paid to a family member or reimbursed by an outside source, (3) in combination with any medical expenses, exceed three percent of annual income, and (4) do not exceed the earned income received by the family member who is enabled to work.

Earned Income Limit on the Disability Assistance Expense Deduction

The family must identify the family members enabled to work as a result of the disability assistance expenses. In evaluating the family’s request, OCHA will consider factors such as how the work schedule of the relevant family members relates to the hours of care provided, the time required for transportation, the relationship of the family members to the person with disabilities, and any special needs of the person with disabilities that might determine which family members are enabled to work. [24 CFR 5.603(b)]
When OCHA determines that the disability assistance expenses enable more than one family member to work, the expenses will be capped by the sum of the family members’ incomes. [24 CFR 5.611(a)(3)(ii)]

**Eligible Disability Expenses**

**Eligible Auxiliary Apparatus**

Expenses incurred for maintaining or repairing an auxiliary apparatus are eligible. In the case of an apparatus that is specially adapted to accommodate a person with disabilities (e.g., a vehicle or computer), the cost to maintain the special adaptations (but not maintenance of the apparatus itself) is an eligible expense.

- Examples of auxiliary apparatus are as follows: “Auxiliary apparatus are items such as wheelchairs, ramps, adaptations to vehicles, or special equipment to enable a blind person to read or type, but only if these items are directly related to permitting the disabled person or other family member to work”.

The cost of service animals trained to give assistance to persons with disabilities, including the cost of acquiring the animal, veterinary care, food, grooming, and other continuing costs of care, will be included.

**Eligible Attendant Care**

The family determines the type of attendant care that is appropriate for the person with disabilities.

Attendant care includes, but is not limited to, reasonable costs for home medical care, nursing services, in-home or center-based care services, interpreters for persons with hearing impairments, and readers for persons with visual disabilities.

Attendant care expenses will be included for the period that the person enabled to work is employed plus reasonable transportation time. The cost of general housekeeping and personal services is not an eligible attendant care expense. However, if the person enabled to work is the person with disabilities, personal services necessary to enable the person with disabilities to work are eligible.

**Payments to Family Members**

No disability assistance expenses may be deducted for payments to a member of an assisted family [24 CFR 5.603(b)]. However, expenses paid to a relative who is not a member of the assisted family may be deducted if they are not reimbursed by an outside source.

**Necessary and Reasonable Expenses**

The family determines the type of care or auxiliary apparatus to be provided and must describe how the expenses enable a family member to work. The family must certify that the disability assistance expenses are necessary and are not paid or reimbursed by any other source.

OCHA determines the reasonableness of the expenses based on typical costs of care or apparatus in the locality. To establish typical costs, OCHA will collect information from organizations that provide services and support to persons with disabilities. A family may present, and OCHA will consider, the family’s justification for costs that exceed typical costs in the area.

**6-IL.F. CHILD CARE EXPENSE DEDUCTION**

HUD defines *child care expenses* at 24 CFR 5.603(b) as “amounts anticipated to be paid by the family for the care of children under 13 years of age during the period for which annual income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for child care. In the case of child care necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income.”

**Clarifying the Meaning of Child for This Deduction**

Child care expenses do not include child support payments made to another on behalf of a minor who is not living in an assisted family’s household. However, child care expenses for foster children that are living in the assisted family’s household are included when determining the family’s child care expenses.
Qualifying for the Deduction

Determining Who Is Enabled to Pursue an Eligible Activity

The family must identify the family member(s) enabled to pursue an eligible activity.

- The term *eligible activity* in this section means any of the activities that may make the family eligible for a child care deduction (seeking work, pursuing an education, or being gainfully employed).

In evaluating the family’s request, OCHA will consider factors such as how the schedule for the claimed activity relates to the hours of care provided, the time required for transportation, the relationship of the family member(s) to the child, and any special needs of the child that might help determine which family member is enabled to pursue an eligible activity.

**Seeking Work**

If the child care expense being claimed is to enable a family member to seek employment, the family must provide evidence of the family member’s efforts to obtain employment at each reexamination. The deduction may be reduced or denied if the family member’s job search efforts are not commensurate with the child care expense being allowed by OCHA.

**Furthering Education**

If the child care expense being claimed is to enable a family member to further his or her education, the member must be enrolled in school (academic or vocational) or participating in a formal training program. The family member is not required to be a full-time student, but the time spent in educational activities must be commensurate with the child care claimed.

**Being Gainfully Employed**

If the child care expense being claimed is to enable a family member to be gainfully employed, the family must provide evidence of the family member’s employment during the time that child care is being provided. Gainful employment is any legal work activity (full- or part-time) for which a family member is compensated.

**Earned Income Limit on Child Care Expense Deduction**

When a family member looks for work or furthers his or her education, there is no cap on the amount that may be deducted for child care – although the care must still be necessary and reasonable. However, when child care enables a family member to work, the deduction is capped by “the amount of employment income that is included in annual income” [24 CFR 5.603(b)].

When the person who is enabled to work is a person with disabilities who receives the earned income disallowance (EID) or a full-time student whose earned income above $480 is excluded, child care costs related to enabling a family member to work may not exceed the portion of the person’s earned income that actually is included in annual income. For example, if a family member who qualifies for the EID makes $15,000 but because of the EID only $5,000 is included in annual income, child care expenses are limited to $5,000.

When the child care expense being claimed is to enable a family member to work, only one family member’s income will be considered for a given period of time. When more than one family member works during a given period, OCHA will limit allowable child care expenses to the earned income of the lowest-paid member. The family may provide information that supports a request to designate another family member as the person enabled to work.

**Eligible Child Care Expenses**

The type of care to be provided is determined by the assisted family. OCHA will not refuse to give a family the child care expense deduction because there is an adult family member in the household that may be available to provide child care.

**Allowable Child Care Activities**

For school-age children, costs attributable to public or private school activities during standard school hours are not considered. Expenses incurred for supervised activities after school or during school holidays (e.g., summer day camp, after-school sports league) are allowable forms of child care.

The costs of general housekeeping and personal services are not eligible. Likewise, child care expenses paid to a family member who lives in the family’s unit are not eligible; however, payments for child care to relatives who do not live in the unit are eligible.
**Necessary and Reasonable Costs**

Child care expenses will be considered necessary if: (1) a family adequately explains how the care enables a family member to work, actively seek employment, or further his or her education, and (2) the family certifies, and the child care provider verifies, that the expenses are not paid or reimbursed by any other source.

Child care expenses will be considered for the time required for the eligible activity plus reasonable transportation time. For child care that enables a family member to go to school, the time allowed may include not more than one study hour for each hour spent in class.

To establish the reasonableness of child care costs, OCHA will use the schedule of child care costs from the local welfare agency. Families may present, and OCHA will consider, justification for costs that exceed typical costs in the area.

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**PART III: CALCULATING FAMILY SHARE AND OCHA SUBSIDY**

**6-III.A. OVERVIEW OF RENT AND SUBSIDY CALCULATIONS**

**TTP Formula [24 CFR 5.628]**

HUD regulations specify the formula for calculating the total tenant payment (TTP) for an assisted family. TTP is the highest of the following amounts, rounded to the nearest dollar:

- 30 percent of the family’s monthly adjusted income (adjusted income is defined in Part II);
- 10 percent of the family’s monthly gross income (annual income, as defined in Part I, divided by 12); and/or
- A minimum rent of $50 that is established by OCHA.

OCHA has the authority to suspend and exempt families from minimum rent when a financial hardship exists, as defined in section 6-III.B.

The amount that a family pays for rent and utilities (the family share) will never be less than the family’s TTP but may be greater than the TTP depending on the rent charged for the unit the family selects.

**Welfare Rent [24 CFR 5.628]**

Welfare rent does not apply in this locality.

**Minimum Rent [24 CFR 5.630]**

The minimum rent is fifty ($50) dollars.

**Family Share [24 CFR 982.305(a)(5)]**

If a family chooses a unit with a gross rent (rent to owner plus an allowance for tenant-paid utilities) that exceeds OCHA’s applicable payment standard: (1) the family will pay more than the TTP, and (2) at initial occupancy OCHA may not approve the tenancy if it would require the family share to exceed 40 percent of the family’s monthly adjusted income.

**OCHA Subsidy [24 CFR 982.505(b)]**

OCHA will pay a monthly housing assistance payment (HAP) for a family that is equal to the lower of (1) the applicable payment standard for the family minus the family’s TTP or (2) the gross rent for the family’s unit minus the TTP. (For a discussion of the application of payment standards, see section 6-III.C.)

**Utility Reimbursement [24 CFR 982.514(b)]**

When OCHA subsidy for a family exceeds the rent to owner, the family is due a utility reimbursement. OCHA will pay the reimbursement to the family.

OCHA will issue all utility reimbursements monthly.
The financial hardship exemption applies only to families required to pay the minimum rent. If a family’s TTP is higher than the minimum rent, the family is not eligible for a hardship exemption. If OCHA determines that a hardship exists, the family share is the highest of the remaining components of the family’s calculated TTP.

**HUD-Defined Financial Hardship**

Financial hardship includes the following situations:

1. The family has lost eligibility for or is awaiting an eligibility determination for a federal, state, or local assistance program. This includes a family member who is a noncitizen lawfully admitted for permanent residence under the Immigration and Nationality Act who would be entitled to public benefits but for Title IV of the Personal Responsibility and Work Opportunity Act of 1996.

   A hardship will be considered to exist only if the loss of eligibility has an impact on the family’s ability to pay the minimum rent.

   For a family waiting for a determination of eligibility, the hardship period will end as of the first of the month following: (1) implementation of assistance, if approved, or (2) the decision to deny assistance. A family whose request for assistance is denied may request a hardship exemption based upon one of the other allowable hardship circumstances.

2. The family would be evicted because it is unable to pay the minimum rent.

   For a family to qualify under this provision, the cause of the potential eviction must be the family’s failure to pay rent to the owner or tenant-paid utilities.

3. Family income has decreased because of changed family circumstances, including the loss of employment.

4. A death has occurred in the family.

   In order to qualify under this provision, a family must describe how the death has created a financial hardship (e.g., because of funeral-related expenses or the loss of the family member’s income).

**Implementation of Hardship Exemption**

**Determination of Hardship**

When a family requests a financial hardship exemption, OCHA will suspend the minimum rent requirement beginning the first of the month following the family’s request.

When the minimum rent is suspended, the family share reverts to the highest of the remaining components of the calculated TTP. The example below demonstrates the effect of the minimum rent exemption.

<table>
<thead>
<tr>
<th>Example: Impact of Minimum Rent Exemption</th>
</tr>
</thead>
<tbody>
<tr>
<td>OCHA has established a minimum rent of $50.</td>
</tr>
<tr>
<td><strong>Family Share – No Hardship</strong></td>
</tr>
<tr>
<td>$0  30% of monthly adjusted income</td>
</tr>
<tr>
<td>$15 10% of monthly gross income</td>
</tr>
<tr>
<td>N/A Welfare rent</td>
</tr>
<tr>
<td>$50 Minimum rent</td>
</tr>
</tbody>
</table>

Minimum rent applies.  
TTP = $50

Hardship exemption granted.  
TTP = $15

To qualify for a hardship exemption, a family must submit a request for a hardship exemption in writing. The request must explain the nature of the hardship and how the hardship has affected the family’s ability to pay the minimum rent.
OCHA then determines whether the financial hardship exists and whether the hardship is temporary or long-term. OCHA defines temporary hardship as a hardship expected to last ninety (90) days or less. Long-term hardship is defined as a hardship expected to last more than ninety (90) days.

**No Financial Hardship**

If OCHA determines there is no financial hardship, OCHA will reinstate the minimum rent and require the family to repay the amounts suspended.

**Temporary Hardship**

If OCHA determines that a qualifying financial hardship is temporary, OCHA will suspend the minimum rent for the ninety (90) day period beginning the first of the month following the date of the family’s request for a hardship exemption.

At the end of the ninety (90) day suspension period, the family must resume payment of the minimum rent and must repay OCHA the amounts suspended. OCHA will enter into a repayment agreement in accordance with the procedures found in Chapter 16 of this plan. OCHA also may determine that circumstances have changed and the hardship is now a long-term hardship.

**Long-Term Hardship**

If OCHA determines that the financial hardship is long-term, OCHA will exempt the family from the minimum rent requirement for so long as the hardship continues. The exemption will apply from the first of the month following the family’s request until the end of the qualifying hardship. When the financial hardship has been determined to be long-term, the family is not required to repay the minimum rent.

**6-III.C. APPLYING PAYMENT STANDARDS [24 CFR 982.505; 982.503(b)]**

**Overview**

OCHA’s schedule of payment standards is used to calculate housing assistance payments for HCV families. This section covers the application of OCHA’s payment standards. The establishment and revision of OCHA’s payment standard schedule are covered in Chapter 16.

- Payment standard is defined as “the maximum monthly assistance payment for a family assisted in the voucher program (before deducting the total tenant payment by the family)” [24 CFR 982.4(b)].

The payment standard for a family is the lower of (1) the payment standard for the family unit size, which is defined as the appropriate number of bedrooms for the family under OCHA’s subsidy standards [24 CFR 982.4(b)], or (2) the payment standard for the size of the dwelling unit rented by the family.

OCHA is required to pay a monthly HAP for a family that is the lower of (1) the payment standard for the family minus the family’s TTP or (2) the gross rent for the family’s unit minus the TTP.

**Changes in Payment Standards**

When OCHA revises its payment standards during the term of the HAP contract for a family’s unit, it will apply the new payment standards in accordance with HUD regulations.

**Decreases**

If OCHA changes its payment standard schedule, resulting in a lower payment standard amount, during the term of a HAP contract, OCHA is not required to reduce the payment standard used to calculate subsidy for families under HAP contract as long as the HAP contract remains in effect [FR Notice 11/16/16].

However, if OCHA does choose to reduce the payment standard for families currently under HAP contract, the initial reduction to the payment standard may not be applied any earlier than the effective date of the family’s second regular reexamination following the effective date of the decrease in the payment standard amount. At that point, OCHA may either reduce the payment standard to the current amount in effect on OCHA’s payment standard schedule, or may reduce the payment standard to another amount that is higher than the normally applicable amount on the schedule. OCHA may also establish different policies for designated areas within their jurisdiction (e.g., different zip code areas).

In any case, OCHA must provide the family with at least 12 months’ notice that the payment standard is being reduced before the effective date of the change. OCHA’s policy on decreases in the payment standard during the term of the HAP contract apply to all families under HAP contract at the time of the effective date of the decrease in the payment standard within the designated area.
Decrease resulting from insufficient funding

If OCHA determines that it has insufficient funding with which to continue to assist families served by the program, it may consider immediately decreasing the Payment Standard upon authorization from HUD. The reduced payment standard would apply to Project-Based units as well as tenant-based. OCHA will consider and implement other cost-saving measures wherever feasible before considering lowering the Payment Standard in consideration of the impact lowering the Payment Standard may have on families.

Increases

If the payment standard is increased during the term of the HAP contract, the increased payment standard will be used to calculate the monthly housing assistance payment for the family beginning on the effective date of the family’s first regular reexamination on or after the effective date of the increase in the payment standard.

Families requiring or requesting interim reexaminations will not have their HAP payments calculated using the higher payment standard until their next annual reexamination.

Changes in Family Unit Size

Irrespective of any increase or decrease in the payment standard, if the family unit size increases or decreases during the HAP contract term, the new family unit size must be used to determine the payment standard for the family beginning at the family’s first regular reexamination following the change in family unit size.

Reasonable Accommodation

If a family requires a higher payment standard as a reasonable accommodation for a family member who is a person with disabilities, OCHA is allowed to establish a higher payment standard for the family of not more than 120 percent of the published FMR.

6-III.D. APPLYING UTILITY ALLOWANCES [24 CFR 982.517]

Overview

An OCHA-established utility allowance schedule is used in determining family share and OCHA subsidy. A family’s utility allowance is determined by the size of dwelling unit leased by a family or the voucher unit size for which the family qualifies using OCHA subsidy standards, whichever is the lowest of the two. See Chapter 5 for information on OCHA’s subsidy standards.

For policies on establishing and updating utility allowances, see Chapter 16.

Reasonable Accommodation

The family must request a higher utility allowance and provide OCHA with an explanation of the need for the reasonable accommodation and information about the amount of additional allowance required.

Utility Allowance Revisions

Revised utility allowances will be applied to a family’s rent and subsidy calculations at the first annual reexamination that is effective after the allowance is adopted. [24 CFR 982.517(d)(2)]

6-III.E. PRORATED ASSISTANCE FOR MIXED FAMILIES [24 CFR 5.520]

HUD regulations prohibit assistance to ineligible family members.

• A mixed family is one that includes at least one U.S. citizen or eligible immigrant and any number of ineligible family members.

OCHA must prorate the assistance provided to a mixed family. OCHA will first determine assistance as if all family members were eligible and then prorate the assistance based upon the percentage of family members that actually are eligible.

• For example, if OCHA subsidy for a family is calculated at $500 and two of four family members are ineligible, OCHA subsidy would be reduced to $25.
Chapter 7

VERIFICATION

INTRODUCTION
OCHA will verify all information that is used to establish the family’s eligibility and level of assistance and is required to obtain the family’s consent to collect the information. Applicants and program participants must cooperate with the verification process as a condition of receiving assistance.

This chapter contains four parts:

Part I General Verification Process
Part II Verifying Family Information
Part III Verifying Income and Assets
Part IV Verifying Mandatory Deductions

Verification policies, rules and procedures will be modified as needed to accommodate persons with disabilities. All information obtained through the verification process will be handled in accordance with the records management policies of OCHA.

PART I: GENERAL VERIFICATION REQUIREMENTS

7-I.A. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 982.516 AND 982.551, 24 CFR 5.230]
The family must supply any information that OCHA or HUD determines is necessary to the administration of the program and must consent to OCHA verification of that information [24 CFR 982.551].

Consent Forms
It is required that all adult applicants and participants sign form HUD-9886, Authorization for Release of Information. The purpose of form HUD-9886 is to facilitate automated data collection and computer matching from specific sources and provides the family's consent only for the specific purposes listed on the form. HUD and OCHA may collect information from State Wage Information Collection Agencies (SWICAs) and current and former employers of adult family members. Adult family members must sign other consent forms as needed to collect information relevant to the family’s eligibility and level of assistance.

Penalties for Failing to Consent [24 CFR 5.232]
If any family member who is required to sign a consent form fails to do so, OCHA will deny admission to applicants and terminate assistance of participants. The family may request an informal review (applicants) or informal hearing (participants) in accordance with OCHA procedures.

7-I.B. CRIMINAL HISTORY BACKGROUND CHECKS
As authorized by 24 CFR 5.903; 24 CFR 982.553 and 43 USC 13663 OCHA verifies the criminal history of all adults, live-in aides and adult foster children at the time of program admission; admission to the assisted household; who port into the jurisdiction of OCHA; annual reexamination; interim reexamination and may verify the criminal history of all adults, live-in aides and adult foster children in the household on a regular basis. Criminal history includes any family member subject to a lifetime sex offender registration requirement of a state sex offender registration program.

OCHA will perform a criminal history background check to determine if any household member has engaged in any drug-related criminal activity; any violent criminal activity; or any other criminal activity that would threaten the health, safety, welfare, or right to peaceful enjoyment of other residents, the owner, or OCHA staff.

OCHA may deny admission or terminate assistance to a person who does not provide accurate and complete information or who does not cooperate in the process.
In all cases where criminal records or sex offender registration information would result in termination, OCHA will terminate the family’s assistance in accordance with Chapter 12.

All criminal records will be maintained in accordance with Section 16-VI.C. Criminal records.

7-I.C. OVERVIEW OF VERIFICATION REQUIREMENTS

HUD’s Verification Hierarchy

HUD mandates the use of the EIV system and offers administrative guidance on the use of other methods to verify family information and specifies the circumstances in which each method will be used. In general HUD requires OCHA to use the most reliable form of verification that is available and to document the reasons when OCHA uses a lesser form of verification.

In order of priority, the forms of verification that OCHA will use are:

- Up-front Income Verification (UIV) using HUD’s Enterprise Income Verification (EIV) system;
- Up-front Income Verification (UIV) using a non-HUD system;
- Written Third-Party Verification (may be provided by applicant or participant);
- Written Third-Party Verification Form;
- Oral Third-Party Verification;
- Self-Certification.

Requirements for Acceptable Documents

Any documents used for verification must be the original (not photocopies) and must be dated within thirty (30) days of OCHA’s request. The documents must not be damaged, altered or in any way illegible.

Print-outs from Web pages are considered original documents.

OCHA staff member who views the original document must make a photocopy; annotate the copy with the name of the person who provided the document and date stamp the document.

Any family self-certifications must be made in a format acceptable to OCHA and must be signed in the presence of an OCHA representative.

File Documentation

OCHA will document in the file how the figures used in income and rent calculations were determined. All verification attempts, information obtained, and decisions reached during the verification process will be recorded in the family’s file in sufficient detail to demonstrate that OCHA has followed all of the verification policies set forth in this plan. The record should be sufficient to enable a staff member or HUD reviewer to understand the process followed and conclusions reached.

When OCHA is unable to obtain third party verification, OCHA will document in the family file the reason that third-party verification was not available [24 CFR 960.259(c)(1)].

7-I.D. UP-FRONT INCOME VERIFICATION (UIV)

Up-front income verification (UIV) refers to OCHA’s use of the verification tools available from independent sources that maintain computerized information about earnings and benefits. UIV will be used to the extent that these systems are available to OCHA.

There may be legitimate differences between the information provided by the family and UIV-generated information. If the family disputes the accuracy of UIV data, no adverse action can be taken until OCHA has independently verified the UIV information and the family has been granted an opportunity to contest any adverse findings through the informal review/hearing process of OCHA.

See Chapter 6 for OCHA’s policy on the use of UIV/EIV to project annual income.

Upfront Income Verification Using HUD’s Enterprise Income Verification (EIV) System (Mandatory)

HUD’s EIV system contains data showing earned income, unemployment benefits, social security benefits, and SSI benefits for participant families.
**EIV Income Reports**

The data shown on income reports is updated quarterly. Data may be between 3 and 6 months old at the time reports are generated.

OCHA will obtain income reports for annual reexaminations on a monthly basis. Reports will be generated as part of the regular reexamination process.

Income reports will be compared to family-provided information as part of the annual reexamination process. Income reports may be used in the calculation of annual income, as described in Chapter 6-I.C. Income reports may also be used to meet the regulatory requirement for third-party verification, as described above. Policies for resolving discrepancies between income reports and family-provided information will be resolved as described in Chapter 6-I.C. and in this chapter.

Income reports will be used in interim reexaminations to identify any discrepancies between reported income and income shown in the EIV system, and as necessary to verify earned income, and to verify and calculate unemployment benefits, Social Security and/or SSI benefits. EIV will also be used to verify that families claiming zero income are not receiving income from any of these sources.

Income reports will be retained in participant files with the applicable annual or interim reexamination documents.

When OCHA determines through income reports and third-party verification that a family has concealed or under-reported income, corrective action will be taken pursuant to the policies in Chapter 14, Program Integrity.

**EIV Discrepancy Reports**

The EIV discrepancy report is a tool for identifying families who may have concealed or under-reported income.

OCHA will generate the Income Discrepancy Report at least once every six (6) months.

When it appears that a family may have concealed or under-reported income, OCHA will request written third-party verification of the income in question.

When OCHA determines through file review and third-party verification that a family has concealed or under-reported income, corrective action will be taken pursuant to the policies in Chapter 14, Program Integrity.

**EIV Identity Verification**

The EIV system verifies tenant identities against SSA records. These records are compared to PIC data for a match on social security number, name, and date of birth.

OCHA will identify participants whose identity verification has failed by reviewing EIV’s **Identity Verification Report** on a monthly basis.

OCHA will attempt to resolve PIC/SSA discrepancies by obtaining appropriate documentation from the participant. When OCHA determines that discrepancies exist due to OCHA errors such as spelling errors or incorrect birth dates, the errors will be corrected promptly.

**7-I.E. THIRD-PARTY WRITTEN AND ORAL VERIFICATION**

**Written Third-Party Verification**

Written third-party verification documents must be original and authentic and may be supplied by the family or received from a third-party source.

- Examples of acceptable tenant-provided documents include, but are not limited to: pay stubs, payroll summary reports, employer notice or letters of hire and termination, SSA benefit verification letters, bank statements, child support payment stubs, welfare benefit letters and/or printouts, and unemployment monetary benefit notices.

OCHA may reject documentation provided by the family if the document is not an original, if the document appears to be forged, or if the document is altered, mutilated, or illegible.

Third-party documents provided by the family must be dated within the past thirty (30) days.

As verification of earned income, OCHA will request the last six (6) consecutive pay stubs.
Written Third-Party Verification Form
OCHA will send third-party verification forms directly to the third party.
Third-party verification forms will be sent when third-party verification documents are unavailable or are rejected by OCHA.

Oral Third-Party Verification
Oral third-party verification is mandatory if neither form of written third-party verification is available.
Third-party oral verification may be used when requests for written third-party verification forms have not been returned within (four (4) weeks).
OCHA will document in the file the date and time of the telephone call or visit, the name of the person contacted, the telephone number, as well as the information confirmed.

When Third-Party Verification is Not Required
If the family cannot provide original documents, OCHA will pay the service charge required to obtain third-party verification, unless it is not cost effective in which case a self-certification will be acceptable as the only means of verification. The cost of verification will not be passed on to the family.

Primary Documents
Third-party verification is not required when legal documents are the primary source, such as a birth certificate or other legal documentation of birth.

Imputed Assets
OCHA will accept a self-certification from a family as verification of assets disposed of for less than fair market value.

Value of Assets and Asset Income [24 CFR 982.516(a)]
For families with net assets totaling $5,000 or less, OCHA may accept the family’s declaration of asset value and anticipated asset income. However, OCHA is required to obtain third-party verification of all assets regardless of the amount during the intake process and at least every three years thereafter.

7-I.F. SELF-CERTIFICATION
When HUD requires third-party verification, self-certification, or “tenant declaration,” is used as a last resort when OCHA is unable to obtain third-party verification.
Self-certification, however, is an acceptable form of verification when:
• A source of income is fully excluded.
• Net family assets total $5,000 or less and OCHA has adopted a policy to accept self-certification at annual recertification, when applicable.

When OCHA was required to obtain third-party verification but instead relies on a tenant declaration for verification of income, assets, or expenses, the family’s file must be documented to explain why third-party verification was not available.

When information cannot be verified by a third party or by review of documents, family members will be required to submit self-certifications attesting to the accuracy of the information they have provided to OCHA.

OCHA may require a family to certify that a family member does not receive a particular type of income or benefit.
The self-certification must be made in a format acceptable to OCHA and must be signed by the family member whose information or status is being verified. All self-certifications must be signed in the presence of an OCHA representative.
PART II: VERIFYING FAMILY INFORMATION

7-II.A. VERIFICATION OF LEGAL IDENTITY

OCHA will require families to furnish verification of legal identity for each household member.

<table>
<thead>
<tr>
<th>Verification of Legal Identity for Adults</th>
<th>Verification of Legal Identity for Children</th>
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</thead>
<tbody>
<tr>
<td>Certificate of birth, naturalization papers</td>
<td>Certificate of birth</td>
</tr>
<tr>
<td>Church issued baptismal certificate</td>
<td>Adoption papers</td>
</tr>
<tr>
<td>Current, valid driver's license or Department of Motor Vehicles identification card</td>
<td>Custody agreement</td>
</tr>
<tr>
<td>U.S. military discharge (DD 214)</td>
<td>Health and Human Services ID</td>
</tr>
<tr>
<td>U.S. passport</td>
<td>School records</td>
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<tr>
<td>Employer identification card</td>
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</table>

If a document submitted by a family is illegible or otherwise questionable, more than one of these documents may be required.

7-II.B. SOCIAL SECURITY NUMBERS [24 CFR 5.216 and Notice PIH 2010-3]

The family must provide documentation of a valid social security number (SSN) for each member of the household, with the exception of individuals who do not contend eligible immigration status. Exemptions also include, existing program participants who were at least 62 years of age as of January 31, 2010, and had not previously disclosed a SSN.

OCHA will accept the following documentation as acceptable evidence of the social security number:

- An original SSN card issued by the Social Security Administration (SSA);
- An original SSA-issued document, which contains the name and SSN of the individual; and/or
- An original document issued by a federal, state, or local government agency, which contains the name and SSN of the individual, along with other identifying information of the individual.

OCHA will reject documentation of a SSN provided by an applicant or participant if the document is not an original document, if the original document has been altered, mutilated, or is not legible, or if the document appears to be forged.

OCHA will explain to the applicant or participant the reasons the document is not acceptable and request that the individual obtain and submit acceptable documentation of the SSN to OCHA within ninety (90) days.

In the case of Moderate Rehabilitation Single Room Occupancy (SRO) individuals, the required documentation must be provided within ninety (90) calendar days from the date of admission into the program. OCHA will grant one additional ninety (90) day extension if it determines that the applicant’s failure to comply was due to circumstances that were beyond the applicant’s control and could not have been reasonably foreseen.

If an applicant family includes a child under six (6) years of age who joined the household within the six (6) months prior to the date of voucher issuance, an otherwise eligible family may be admitted to the program and the family must provide documentation of the child’s SSN within ninety (90) days of the effective date of the initial HAP contract. A ninety (90) day extension will be granted if OCHA determines that the participant's failure to comply was due to unforeseen circumstances and was outside of the participant’s control.

When the participant requests to add a new household member who is at least six (6) years of age, or who is under the age of six (6) and has a SSN, the participant must provide the complete and accurate SSN assigned to each new member at the time of reexamination or recertification, in addition to the documentation required to verify it. OCHA will not add the new household member until such documentation is provided.
When a participant requests to add a new household member who is under the age of six (6) and has not been assigned a SSN, the participant must provide the SSN assigned to each new child and the required documentation within ninety (90) calendar days of the child being added to the household. During the period OCHA is awaiting documentation of the SSN, the child will be counted as part of the assisted household.

Social security numbers must be verified only once during continuously-assisted occupancy.

OCHA will verify each disclosed SSN by:

- Obtaining documentation from applicants and participants that is acceptable as evidence of social security numbers; and/or
- Making a copy of the original documentation submitted, returning it to the individual, and retaining a copy in the file folder.

Once an individual’s status is classified as “verified” in HUD’s EIV system, OCHA will remove and destroy copies of documentation accepted as evidence of social security numbers by no later than the next reexamination.

**Extensions**

OCHA will grant one additional ninety (90) day extension if needed for reasons beyond the participant’s control such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family, or other emergency. If the individual fails to comply with SSN disclosure and documentation requirements upon expiration of the provided time period, OCHA will terminate the individual’s assistance.

7-11.C. DOCUMENTATION OF AGE

If an official record of birth cannot be provided, OCHA will require the family to submit other documents that support the reported age of the family member (e.g., school records, driver's license if birth year is recorded) and to provide a self-certification.

Age must be verified only once during continuously-assisted occupancy.

7-11.D. FAMILY RELATIONSHIPS

Applicants and program participants are required to identify the relationship of each household member to the head of household. Family relationships are verified only to the extent necessary to determine a family’s eligibility and level of assistance.

**Marriage**

Certification by the head of household is normally sufficient verification. If OCHA has reasonable doubts about a marital relationship, OCHA will require the family to provide a marriage certificate.

**Separation or Divorce**

A certified copy of a divorce decree, signed by a court officer, is required to document that a couple is divorced.

A copy of a court-ordered maintenance or other court record is required to document a separation.

**Absence of Adult Member**

If an adult member who was formerly a member of the household is reported to be permanently absent, certification by the head of household is normally sufficient verification. If OCHA has reasonable doubts about the absent family member, OCHA will require the family to provide further proof.

**Foster Children and Foster Adults**

Third-party verification from the state or local government agency responsible for the placement of the individual with the family is required.

7-11.E. VERIFICATION OF STUDENT STATUS

**General Requirements**

OCHA requires families to provide information about the student status of all students who are 18 years of age or older. This information will be verified only if:

- The family reports full-time student status for an adult other than the head, spouse, or cohead.
- The family reports child care expenses to enable a family member to further his or her education.
The family includes a student enrolled in an institution of higher education.

Restrictions on Assistance to Students Enrolled in Institutions of Higher Education

This section applies only to students who are seeking assistance on their own, separately from their parents. It does not apply to students residing with parents who are seeking or receiving HCV assistance.

In accordance with the verification hierarchy described in Section 7-I.B., OCHA will determine whether the student is exempt from the restrictions in 24 CFR 5.612 by verifying any one of the following exemption criteria:

- The student is enrolled at an educational institution that does not meet the definition of institution of higher education in the Higher Education Act of 1965 (see Section Exhibit 3-2).
- The student is at least 24 years old.
- The student is a veteran, as defined in Section 3-II.E.
- The student is married.
- The student has at least one dependent child, as defined in Section 3-II.E.
- The student is a person with disabilities, as defined in Section 3-II.E, and was receiving assistance prior to November 30, 2005.

If OCHA cannot verify at least one of these exemption criteria, OCHA will conclude that the student is subject to the restrictions on assistance at 24 CFR 5.612. In addition to verifying the student’s income eligibility, OCHA will then proceed to verify either the student’s parents’ income eligibility (see Section 7-III.J) or the student’s independence from his/her parents (see below).

Independent Student

OCHA will verify a student’s independence from his/her parents to determine that the student’s parents’ income is not relevant for determining the student’s eligibility by doing all of the following:

- Both reviewing and verifying previous address information to determine whether the student has established a household separate from his/her parents for at least one year or reviewing and verifying documentation relevant to determining whether the student meets the U.S. Department of Education’s definition of independent student (see Section 3-II.E);
- Reviewing the student’s prior year income tax returns to verify the student is independent or verifying the student meets the U.S. Department of Education’s definition of independent student (see section 3-II.E); and
- Requesting and obtaining written certification directly from the student’s parents identifying the amount of support they will be providing to the student, even if the amount of support is $0, except in cases in which OCHA determines that the student is a vulnerable youth (see section 3-II.E).

7-II.F. DOCUMENTATION OF DISABILITY

Family Members Receiving SSA Disability Benefits

For family members claiming disability who receive disability benefits from the SSA, OCHA will attempt to obtain information about disability benefits through the HUD Enterprise Income Verification (EIV) system. If documentation from HUD’s EIV System is not available, OCHA will request a current (dated within the last 60 days) SSA benefit verification letter from each family member claiming disability status. If the family is unable to provide the document(s), OCHA will ask the family to request a benefit verification letter by either calling SSA at 1-800-772-1213, or by requesting it from www.ssa.gov. Once the applicant or participant receives the benefit verification letter they will be required to provide it to OCHA.

Family Members Not Receiving SSA Disability Benefits

Receipt of veteran’s disability benefits, worker’s compensation, or other non-SSA benefits based on the individual’s claimed disability are not sufficient verification that the individual meets HUD’s definition of disability in 24 CFR 5.403.

For family members claiming disability who do not receive disability benefits from the SSA, a knowledgeable professional must provide third-party verification that the family member meets the HUD definition of disability. See the Eligibility chapter for the HUD definition of disability.
7-II.G. CITIZENSHIP OR ELIGIBLE IMMIGRATION STATUS [24 CFR 5.508]

Overview

Housing assistance is not available to persons who are not citizens, nationals, or eligible immigrants. Prorated assistance is provided for "mixed families" containing both eligible and ineligible persons. A detailed discussion of eligibility requirements is in the Eligibility chapter.

The family must provide a certification that identifies each family member as a U.S. citizen, a U.S. national, an eligible noncitizen or an ineligible noncitizen and submit the documents discussed below for each family member. Once eligibility to receive assistance has been verified for an individual it need not be collected or verified again during continuously-assisted occupancy. [24 CFR 5.508(g)(5)]

U.S. Citizens and Nationals

HUD requires a declaration for each family member who claims to be a U.S. citizen or national. The declaration must be signed personally by any family member 18 or older and by a guardian for minors.

OCHA may request verification of the declaration by requiring presentation of a birth certificate, United States passport or other appropriate documentation.

Eligible Immigrants

Documents Required

All family members claiming eligible immigration status must declare their status in the same manner as U.S. citizens and nationals. The documentation required for eligible noncitizens varies depending upon factors such as the date the person entered the U.S., the conditions under which eligible immigration status has been granted, age, and the date on which the family began receiving HUD-funded assistance. Exhibit 7-1 at the end of this chapter summarizes documents family members must provide.

OCHA Verification

For family members age 62 or older who claim to be eligible immigrants, no further verification of eligible immigration status is required.

For family members under the age of 62 who claim to be eligible immigrants, OCHA will verify immigration status with the United States Citizenship and Immigration Services (USCIS).

OCHA will follow all USCIS protocols for verification of eligible immigration status.

7-II.H. VERIFICATION OF PREFERENCE STATUS

OCHA will verify any preferences claimed by an applicant.

PART III: VERIFYING INCOME AND ASSETS

Any assets and income reported by the family must be verified. This part provides OCHA policies that supplement the general verification procedures specified in Part I of this chapter.

7-III.A. EARNED INCOME

Tips

Unless tip income is included in a family member’s W-2 by the employer, persons who work in industries where tips are standard will be required to sign a certified estimate of tips received.

7-III.B. BUSINESS AND SELF-EMPLOYMENT INCOME

Business owners and self-employed persons will be required to provide:

- All schedules completed for filing federal and local taxes in the preceding year.
- 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.
• An audited financial statement for the previous fiscal year if an audit was conducted. If an audit was not conducted, a statement of income and expenses must be submitted and the business owner or self-employed person must certify to its accuracy.

At any reexamination OCHA may request documents that support submitted financial statements such as manifests, appointment books, cash books, or bank statements.

If a family member has been self-employed less than three (3) months, OCHA will accept the family member's certified estimate of income and schedule an interim reexamination in three (3) months. If the family member has been self-employed for three (3) to twelve (12) months OCHA will require the family to provide documentation of income and expenses for this period and use that information to project income.

7-III.C. PERIODIC PAYMENTS AND PAYMENTS IN LIEU OF EARNINGS

Social Security/SSI Benefits

To verify the SS/SSI benefits of applicants, OCHA will request a current (dated within the last thirty (30) days) SSA benefit verification letter from each family member that receives social security benefits. If the family is unable to provide the document(s), OCHA will ask the family to request a benefit verification letter by either calling SSA at 1-800-772-1213, or by requesting it from www.ssa.gov. Once the applicant has received the benefit verification letter they will be required to provide it to OCHA.

To verify the SS/SSI benefits of participants, OCHA will obtain information about social security/SSI benefits through the HUD EIV System, and confirm with the participant(s) that the current listed benefit amount is correct. If the participant disputes the EIV-reported benefit amount, or if benefit information is not available in HUD systems, OCHA will request a current SSA benefit verification letter from each family member that receives social security benefits. If the family is unable to provide the document(s) OCHA will ask the family to request a benefit verification letter by either calling SSA at 1-800-772-1213, or by requesting it from www.ssa.gov. Once the participant has received the benefit verification letter they will be required to provide it to OCHA.

7-III.D. ALIMONY OR CHILD SUPPORT

If the family declares that it receives regular payments, verification will be sought in the following order:

• Third-party verification form from the state or local child support enforcement agency;
• Third-party verification form from the person paying the support;
• Copy of the receipts and/or payment stubs for the sixty (60) days prior to OCHA’s request;
• Family's self-certification of amount received and of the likelihood of support payments being received in the future, or that support payments are not being received.

If the family declares that it receives irregular or no payments, the above verification process listed will be followed.

7-III.E. ASSETS AND INCOME FROM ASSETS

Assets Disposed of for Less than Fair Market Value

The family must certify whether any assets have been disposed of for less than fair market value in the preceding two (2) years. OCHA only needs to verify those certifications that warrant documentation.

7-III.F. NET INCOME FROM RENTAL PROPERTY

The family must provide:

• A current executed lease for the property that shows the rental amount or certification from the current tenant;
• A self-certification from the family members engaged in the rental of property providing an estimate of expenses for the coming year and the most recent IRS Form 1040 with Schedule E (Rental Income). If schedule E was not prepared, OCHA will require the family members involved in the rental of property to provide a self-certification of income and expenses for the previous year and may request documentation to support the statement including: tax statements, insurance invoices, bills for reasonable maintenance and utilities, and bank statements or amortization schedules showing monthly interest expense.
7-III.G. RETIREMENT ACCOUNTS

OCHA will accept written third-party documents supplied by the family as evidence of the status of retirement accounts.

7-III.H. INCOME FROM EXCLUDED SOURCES

A detailed discussion of excluded income is provided in Chapter 6, Part I.

OCHA will reconcile differences in amounts reported by the third-party and the family only when the excluded amount is used to calculate the family share (as is the case with the earned income disallowance). In all other cases, OCHA will report the amount to be excluded as indicated on documents provided by the family.

7-III.I. ZERO ANNUAL INCOME STATUS

OCHA will check UIV sources and/or request information from third-party sources to verify that certain forms of income such as unemployment benefits, TANF, SSI, etc., are not being received by families claiming to have zero annual income.

7-III.J. STUDENT FINANCIAL ASSISTANCE

For a student subject to having a portion of his/her student financial assistance included in annual income in accordance with 24 CFR 5.609(b)(9), OCHA will request written third-party verification of both the source and the amount. Family-provided documents from the educational institution attended by the student will be requested, as well as documents generated by any other person or entity providing such assistance, as reported by the student.

In addition, OCHA will request written verification of the student’s tuition amount.

If OCHA is unable to obtain third-party written verification of the requested information, OCHA will pursue other forms of verification following the verification hierarchy in Section 7-I.B.

7-III.K. PARENTAL INCOME OF STUDENTS SUBJECT TO ELIGIBILITY RESTRICTIONS

If a student enrolled at an institution of higher education is under the age of 24, is not a veteran, is not married, does not have a dependent child, and is not a person with disabilities receiving HCV assistance as of November 30, 2005, the income of the student’s parents must be considered when determining income eligibility, unless the student is determined independent from his or her parents or a vulnerable youth in accordance with OCHA policy [24 CFR 5.612 FR Notice 4/10/06, p. 18146, and FR Notice 9/21/16].

This provision does not apply to students residing with parents who are seeking or receiving HCV assistance. It is limited to students who are seeking or receiving assistance on their own, separately from their parents.

If OCHA is required to determine the income eligibility of a student’s parents, OCHA will request an income declaration and certification of income from the appropriate parent(s) (as determined in Section 3-II.E). OCHA will send the request directly to the parents, who will be required to certify to their income under penalty of perjury. The parents will be required to submit the information directly to OCHA. The required information must be submitted within ten (10) business days of the date of OCHA’s request or within any extended timeframe approved by OCHA.

OCHA reserves the right to request and review supporting documentation at any time if it questions the declaration or certification. Supporting documentation may include, but is not limited to, Internal Revenue Service (IRS) tax returns, consecutive and original pay stubs, bank statements, pension benefit statements, benefit award letters, and other official and authentic documents from a federal, state, or local agency.

PART IV: VERIFYING MANDATORY DEDUCTIONS

7-IV.A. DEPENDENT AND ELDERLY/DISABLED HOUSEHOLD DEDUCTIONS

The dependent and elderly/disabled family deductions require only that OCHA verify that the family members identified as dependents or elderly/disabled persons meet the statutory definitions. No further verifications are required.
**Dependent Deduction**

OCHA will verify that:

- Any person under the age of 18 for whom the dependent deduction is claimed is not the head, spouse, or cohead of the family and is not a foster child; and
- Any person age 18 or older for whom the dependent deduction is claimed is not a foster adult or live-in aide, and is a person with a disability or a full-time student.

**Elderly/Disabled Family Deduction**

OCHA will verify that the head, spouse, or cohead is 62 years of age or older or a person with disabilities.

**7-IV.B. MEDICAL EXPENSE DEDUCTION**

Policies related to medical expenses are found in 6-II.D. The amount of the deduction will be verified following the standard verification procedures described in Part I.

**Amount of Expense**

Medical expenses will be verified through:

- Written third-party documents provided by the family, such as pharmacy printouts or receipts.
- OCHA will make a best effort to determine what expenses from the past are likely to continue to occur in the future. OCHA will also accept evidence of monthly payments or total payments that will be due for medical expenses during the upcoming 12 months.
- Written third-party verification forms, if the family is unable to provide acceptable documentation.
- If third-party or document review is not possible, written family certification as to costs anticipated to be incurred during the upcoming 12 months.

In addition, OCHA will verify that:

- The household is eligible for the deduction.
- The costs to be deducted are qualified medical expenses.
- The expenses are not paid for or reimbursed by any other source.
- Costs incurred in past years are counted only once.

**Eligible Household**

The medical expense deduction is permitted only for households in which the head, spouse, or cohead is at least 62, or a person with disabilities.

**Qualified Expenses**

To be eligible for the medical expenses deduction, the costs must qualify as medical expenses. See Chapter 6 (6-II.D.) for OCHA’s policy on what counts as a medical expense.

**Unreimbursed Expenses**

The family will be required to certify that the medical expenses are not paid or reimbursed to the family from any source.

**Expenses Incurred in Past Years**

When anticipated costs are related to ongoing payment of medical bills incurred in past years, OCHA will verify:

- The anticipated repayment schedule;
- The amounts paid in the past; and
- Whether the amounts to be repaid have been deducted from the family’s annual income in past years.
7-IV.C. DISABILITY ASSISTANCE EXPENSES

Amount of Expense

Attendant Care

Expenses for attendant care will be verified through:

- Written third-party documents provided by the family, such as receipts or cancelled checks.
- Third-party verification form signed by the provider, if family-provided documents are not available.
- If third-party verification is not possible, written family certification as to costs anticipated to be incurred for the upcoming twelve (12) months.

Auxiliary Apparatus

Expenses for auxiliary apparatus will be verified through:

- Written third-party documents provided by the family, such as billing statements for purchase of auxiliary apparatus, or other evidence of monthly payments or total payments that will be due for the apparatus during the upcoming twelve (12) months.
- Third-party verification form signed by the provider, if family-provided documents are not available.
- If third-party verification is not possible, written family certification of estimated apparatus costs for the upcoming twelve (12) months.

In addition, OCHA will verify that:

- The family member for whom the expense is incurred is a person with disabilities (as described in 7-II.F above).
- The expense permits a family member, or members, to work (as described in 6-II.E.).
- The expense is not reimbursed from another source (as described in 6-II.E.).

Family Member is a Person with Disabilities

To be eligible for the disability assistance expense deduction, the costs must be incurred for attendant care or auxiliary apparatus expense associated with a person with disabilities. OCHA will verify that the expense is incurred for a person with disabilities (See 7-II.F.).

Family Member(s) Permitted to Work

OCHA will request third-party verification from a rehabilitation agency or knowledgeable medical professional indicating that the person with disabilities requires attendant care or an auxiliary apparatus to be employed, or that the attendant care or auxiliary apparatus enables another family member, or members, to work (See 6-II.E.). This documentation may be provided by the family.

Unreimbursed Expenses

The family will be required to certify that attendant care or auxiliary apparatus expenses are not paid by or reimbursed to the family from any source.

7-IV.D. CHILD CARE EXPENSES

Policies related to child care expenses are found in Chapter 6 (6-II.F). The amount of the deduction will be verified following the standard verification procedures described in Part I of this chapter.

Eligible Child

To be eligible for the child care deduction, the costs must be incurred for the care of a child under the age of thirteen (13).

Unreimbursed Expense

The family will be required to certify that the child care expenses are not paid by or reimbursed to the family from any source.
Pursuing an Eligible Activity
OCHA will verify that the family member(s) that the family has identified as being enabled to seek work, pursue education, or be gainfully employed, are actually pursuing those activities.

Reasonableness of Expenses
The actual costs the family incurs will be compared with OCHA’s established standards of reasonableness for the type of care in the locality to ensure that the costs are reasonable.

If the family presents a justification for costs that exceed typical costs in the area, OCHA will request additional documentation, as required, to support a determination that the higher cost is appropriate.

### EXHIBIT 7-1: SUMMARY OF DOCUMENTATION REQUIREMENTS FOR NONCITIZENS

<table>
<thead>
<tr>
<th>Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td>All noncitizens claiming eligible status must sign a declaration of eligible immigrant status on a form acceptable to the PHA.</td>
</tr>
<tr>
<td>Except for persons 62 or older, all noncitizens must sign a verification consent form.</td>
</tr>
<tr>
<td>Additional documents are required based upon the person's status.</td>
</tr>
<tr>
<td><strong>Elderly Noncitizens</strong></td>
</tr>
<tr>
<td>A person 62 years of age or older who claims eligible immigration status also must provide proof of age such as birth certificate, passport, or documents showing receipt of SS old-age benefits.</td>
</tr>
<tr>
<td><strong>All other Noncitizens</strong></td>
</tr>
<tr>
<td>Noncitizens that claim eligible immigration status also must present the applicable USCIS document. Acceptable USCIS documents are listed below.</td>
</tr>
</tbody>
</table>

- Form I-551 Alien Registration Receipt Card (for permanent resident aliens)
- Form I-94 Arrival-Departure Record annotated with one of the following:
  - “Admitted as a Refugee Pursuant to Section 207”
  - “Section 208” or “Asylum”
  - “Section 243(h)” or “Deportation stayed by Attorney General”
  - “Paroled Pursuant to Section 221 (d)(5) of the USCIS”
- Form I-688 Temporary Resident Card annotated “Section 245A” or “Section 210”.
- A receipt issued by the USCIS indicating that an application for issuance of a replacement document in one of the above listed categories has been made and the applicant’s entitlement to the document has been verified; or
- Other acceptable evidence. If other documents are determined by the USCIS to constitute acceptable evidence of eligible immigration status, they will be announced by notice published in the *Federal Register*. 

- Form I-94 Arrival-Departure Record with no annotation accompanied by:
  - A final court decision granting asylum (but only if no appeal is taken);
  - A letter from a USCIS asylum officer granting asylum (if application is filed on or after 10/1/90) or from a USCIS district director granting asylum (application filed before 10/1/90);
  - A court decision granting withholding of deportation; or
  - A letter from an asylum officer granting withholding or deportation (if application filed on or after 10/1/90).


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INTRODUCTION

HUD requires that all units occupied by families receiving Housing Choice Voucher (HCV) assistance meet HUD's Housing Quality Standards (HQS) and permits OCHA to establish additional requirements. The use of the term "HQS" in this plan refers to the combination of both HUD and OCHA-established requirements.

All units must pass an HQS inspection prior to the approval of a lease and at least once every 24 months during the term of the contract, and at other times as needed, to determine that the unit meets HQS. Effective July 1, 2014, OCHA could establish a policy for performing unit inspections biennially rather than annually. This policy can apply to some or all assisted units. OCHA still has the option to inspect every unit annually.

HUD also requires OCHA to determine that units rented by families assisted under the HCV program have rents that are reasonable when compared to comparable unassisted units in the market area.

This chapter explains HUD and OCHA requirements related to housing quality and rent reasonableness as follows:

Part I. Physical Standards. This part discusses the physical standards required of units occupied by HCV-assisted families and identifies decisions about the acceptability of the unit that may be made by the family based upon the family's preference. It also identifies life-threatening conditions that must be addressed on an expedited basis.

Part II. The Inspection Process. This part describes the types of inspections OCHA will make and the steps that will be taken when units do not meet HQS.

Part III. Rent Reasonableness Determinations. This part discusses the policies OCHA will use to make rent reasonableness determinations.

Special HQS requirements for homeownership, manufactured homes, and other special housing types are discussed in Chapter 15 to the extent that they apply in this jurisdiction.

PART I: PHYSICAL STANDARDS

8-I.A. GENERAL HUD REQUIREMENTS

HUD Performance and Acceptability Standards

HUD's performance and acceptability standards for HCV-assisted housing are provided in 24 CFR 982.401. These standards cover the following areas:

- Sanitary facilities;
- Food preparation and refuse disposal;
- Space and security;
- Thermal environment;
- Illumination and electricity;
- Structure and materials;
- Interior air quality;
- Water supply;
- Access;
- Site and neighborhood;
- Sanitary condition;
• Smoke detectors; and
• Lead-based paint.

Sanitary Facilities
Performance requirements:
The dwelling unit must include sanitary facilities within the unit. The sanitary facilities must be usable in privacy and
must be in proper operating condition and adequate for personal cleanliness and disposal of human waste.

Acceptability criteria:
The bathroom must be located in a separate private room and have a flush toilet in proper operating condition. The
dwelling unit must have a fixed basin in proper operating condition with a sink trap and hot and cold running water. The
dwelling unit must have a shower or a tub in proper operating condition with hot and cold running water. The facilities
must utilize an approvable public or private disposal system (including a locally approvable septic system).

Food Preparation and Refuse Disposal
Performance requirements:
The dwelling unit must have space and equipment suitable for the family to store, prepare, and serve food in a sanitary
manner.

Acceptability criteria:
The dwelling unit must have an oven and stove or range, and a refrigerator of appropriate size for the family. All of the
equipment must be in proper operating condition. The equipment may be supplied by either the owner or the family. A
microwave oven may be substituted for a tenant-supplied oven and stove or range. A microwave oven may be
substituted for an owner-supplied oven and stove or range if the tenant agrees and microwave ovens are furnished instead
of an oven and stove or range to both subsidized and unsubsidized tenants in the building or premises. The dwelling unit
must have a kitchen sink in proper operating condition, with a sink trap and hot and cold running water. The sink must
drain into an approvable public or private system. The dwelling unit must have space for the storage, preparation, and
serving of food. There must be facilities and services for the sanitary disposal of food waste and refuse, including
temporary storage facilities where necessary (e.g., garbage cans).

Space and Security
Performance requirements:
The dwelling unit must provide adequate space and security for the family. This includes having at least one bedroom or
living/sleeping room for each two persons.

Acceptability criteria:
At a minimum, the dwelling unit must have a living room, a kitchen area, and a bathroom. The dwelling unit must have
at least one bedroom or living/sleeping room for each two persons. Children of opposite sex, other than very young
children, may not be required to occupy the same bedroom or living/sleeping room. Dwelling unit windows that are
accessible from the outside, such as basement, first floor, and fire escape windows, must be lockable (such as window
units with sash pins or sash locks, and combination windows with latches). Windows that are nailed and properly sealed
shut are acceptable, only if these windows are not needed for ventilation or as an alternate exit in case of fire. The
exterior doors of the dwelling unit must be lockable. Exterior doors are doors by which someone can enter or exit the
dwelling unit.

Thermal Environment
Performance requirements:
The unit must have a safe system for heating the dwelling unit. Air conditioning is not required but if provided must be
in proper operating condition. The dwelling unit must not contain unvented room heaters that burn gas, oil, or kerosene.
Portable electric room heaters or kitchen stoves with built-in heating units are not acceptable as a primary source of heat.
**Illumination and Electricity**

**Performance requirements:**

Each room must have adequate natural or artificial illumination to permit normal indoor activities and to support the health and safety of occupants. The dwelling unit must have sufficient electrical sources so occupants can use essential electrical appliances. Once the minimum standards are met, the number, type and location of electrical sources are a matter of tenant preference. The electrical fixtures and wiring must ensure safety from fire.

**Acceptability criteria:**

Minimum standards are set for different types of rooms:

- There must be at least one window in the living room and in each sleeping room (must operate properly if designed to open).
- The kitchen area and the bathroom must have a permanent ceiling or wall light fixture in proper operating condition.
- The kitchen area must also have at least one electrical outlet in proper operating condition.
- The living room and each bedroom must have at least two electrical outlets in proper operating condition. Permanent overhead or wall-mounted light fixtures may count as one of the required electrical outlets.
- All other rooms used for living require a means of natural or artificial illumination such as a window, a permanent light fixture or an electrical outlet.

**Electrical outlets:**

- Must be permanently installed in the wall, baseboard or floor.
- Must be properly installed in accordance with current electrical codes, i.e. three prong outlets must be properly grounded.
- Special purpose outlets, i.e. for window air conditioners, dryers, etc., do not count as an outlet.

**Structure and Materials**

**Performance requirements:**

The dwelling unit must be structurally sound. The structure must not present any threat to the health and safety of the occupants and must protect the occupants from the environment. Handrails are required when four or more steps (risers) are present, and protective railings are required when porches, balconies, and stoops are thirty inches or more off the ground. The elevator servicing the unit must be working [if there is one]. Manufactured homes must have proper tie-down devices capable of surviving wind loads common to the area.

**Acceptability criteria:**

- Ceilings, walls, and floors must not have any serious defects such as severe bulging or leaning, large holes, loose surface materials, severe buckling, missing parts, or other serious damage.
- The roof must be structurally sound and weather tight.
- The exterior wall structure and surface must not have any serious defects such as serious leaning, buckling, sagging, large holes, or defects that may result in air infiltration or vermin infestation.
- The condition and equipment of interior and exterior stairs, halls, porches, walkways, etc., must not present a danger of tripping and falling. For example, broken or missing steps or loose boards are unacceptable.

**Interior Air Quality**

**Performance requirements:**

The dwelling unit must be free of air pollutant levels that threaten the occupants’ health. There must be adequate air circulation in the dwelling unit. Bathroom areas must have one (1) openable window or other adequate ventilation. Any sleeping room must have at least one (1) window. If a window was designed to be opened, it must be in proper working order.
**Water Supply**

Performance requirements:

The dwelling unit must be served by an approved public or private water supply that is sanitary and free from contamination. Plumbing fixtures and pipes must be free of leaks and threats to health and safety.

**Access**

Use and maintenance of the unit must be possible without unauthorized use of other private properties. The building must provide an alternate means of exit in case of fire.

**Site and Neighborhood**

Performance requirements:

The site and neighborhood must be reasonably free from disturbing noises and reverberations, excessive trash or vermin, or other dangers to the health, safety, and general welfare of the occupants.

Acceptability criteria:

The site and neighborhood may not be subject to serious adverse environmental conditions, natural or manmade such as dangerous walks or steps; instability; flooding, poor drainage, septic tank backups or sewage hazards; mudslides; abnormal air pollution, smoke or dust; excessive noise, vibration or vehicular traffic; excessive accumulations of trash; vermin or rodent infestation; or fire hazards.

**Sanitary Condition**

The dwelling unit and its equipment must be in sanitary condition and free of vermin and rodent infestation. The unit must have adequate barriers to prevent infestation.

**Smoke Detectors**

Each dwelling unit must have at least one (1) battery-operated or hard-wired smoke detector, in proper operating condition, on each level of the dwelling unit, including basements but excepting crawl spaces and unfinished attics. Smoke detectors must be installed in accordance with and meet the requirements of the National Fire Protection Association Standard (NFPA) 74 (or its successor standards). If the dwelling unit is occupied by any person with a hearing impairment, smoke detectors must have an appropriate alarm system as specified in NFPA 74 (or successor standards).

**Hazards and Health/Safety**

The unit, interior and exterior common areas accessible to the family, the site, and the surrounding neighborhood must be free of hazards to the family's health and safety.

**Lead-Based Paint**

Lead-based paint requirements apply to dwelling units built prior to 1978 that are occupied or can be occupied by families with children less than six (6) years of age, excluding zero bedroom dwellings. Owners must:

- Disclose known lead-based paint hazards to prospective tenants before the lease is signed;
- Provide all prospective families with "Protect Your Family from Lead in Your Home";
- Stabilize deteriorated painted surfaces and conduct hazard reduction activities when identified by OCHA;
- Notify tenants each time such an activity is performed;
- Conduct all work in accordance with HUD safe practices; and
- As part of ongoing maintenance ask each family to report deteriorated paint.

The purpose of this Section is to implement section 302 of the Lead-Based Paint Poisoning Prevention Act, 42 U.S.C. 4822, by establishing procedures to eliminate as far as practicable the hazards of lead-based paint poisoning for units assisted under this part. This Section is issued under 24 CFR 35.24 (b)(4) and supersedes, for all housing to which it applies, the requirements of subpart C of 24 CFR part 35.

The requirements of this Section do not apply to 0-bedroom units, units that are certified by a qualified inspector to be free of lead-based paint, or units designated exclusively for elderly. The requirements of subpart A of 24 CFR part 35 apply to all units constructed prior to 1978 covered by a HAP contract under part 982.
Definitions

- **Chewable surface**: Protruding painted surfaces up to five (5) feet from the floor or ground that are readily accessible to children under six (6) years of age; for example, protruding corners, window sills, and frames, doors and frames, and other protruding woodwork.

- **Component**: An element of a residential structure identified by type and location, such as a bedroom wall, an exterior window sill, a baseboard in a living room, a kitchen floor, an interior window sill in a bathroom, a porch floor, and stair treads in a common stairwell, or an exterior wall.

- **Defective paint surface**: A surface on which the paint is cracking, scaling, chipping, peeling, or loose.

- **Elevated blood lead level (EBL)**: Excessive absorption is a confirmed concentration of lead in whole blood of 20 µg/dl (micrograms of lead per deciliter) for a single test or of 15-19 µg/dl in two consecutive tests 3-4 months apart.

- **HEPA**: Means a high efficiency particle accumulator as used in lead abatement vacuum cleaners.

- **Lead-based paint**: A paint surface, whether or not defective, identified as having a lead content greater than or equal to 1 milligram per centimeter squared (mg/cm²), or 0.5 percent by weight or 5000 parts per million (PPM).

Requirements for pre-1978 units with children under the age of six (6) years

If a dwelling unit constructed before 1978 is occupied by a family that includes a child under the age of six (6) years, the initial and each periodic inspection (as required under this part), must include a visual inspection for defective paint surfaces. If defective paint surfaces are found, such surfaces must be treated in accordance with paragraph j.6 of this Section.

OCHA may exempt from such treatment defective paint surfaces that are found in a report by a qualified lead-based paint inspector not to be lead-based paint, as defined in this Section. For purposes of this section, a qualified lead-based paint inspector is a State or local health or housing agency, a lead-based paint inspector certified or regulated by a State or local health or housing agency, or an organization recognized by HUD.

Treatment of defective paint surfaces required under this section must be completed within thirty (30) calendar days of OCHA notification to the owner. When weather conditions prevent treatment of the defective paint conditions on exterior surfaces within the thirty (30) day period, treatment as required by this Section may be delayed for a period not to exceed ninety (90) days.

The requirements in this Section apply to:

- All painted interior surfaces within the unit (excluding furniture);
- The entrance and hallway providing ingress or egress to a unit in a multi-unit building;
- Exterior surfaces including walls, stairs, decks, porches, railings, windows, doors and including all outbuildings i.e. garages and sheds.

Additional requirements for pre-1978 units with children under six (6) with an EBL

In addition to the requirements of this Section, for a dwelling unit constructed before 1978 that is occupied by a family with a child under the age of six (6) years with an identified EBL condition, the initial and each periodic inspection (as required under this part) must include a test for lead-based paint on chewable surfaces. Testing is not required if previous testing of chewable surfaces is negative for lead-based paint or if the chewable surfaces have already been treated.

Testing must be conducted by a State or local health or housing agency, an inspector certified or regulated by a State or local health or housing agency, or an organization recognized by HUD. Lead content must be tested by using an X-ray fluorescence analyzer (XRF) or by laboratory analysis of paint samples. Where lead-based paint on chewable surfaces is identified, treatment of the paint surface in accordance with this Section is required, and treatment shall be completed within the time limits in this Section.

Treatment of chewable surfaces without testing

In lieu of the procedures set forth in this Section, OCHA may, at its discretion, waive the testing requirement and require the owner to treat all interior and exterior chewable surfaces in accordance with the methods set out in this Section.
Treatment methods and requirements

Treatment of defective paint surfaces and chewable surfaces must consist of covering or removal of the paint in accordance with the following requirements:

A defective paint surface shall be treated if the total area of defective paint on any component is:

- More than twenty (20) square feet on an exterior wall;
- More than two (2) square feet on an interior or exterior component with the large surface area, excluding exterior walls and including, but not limited to, ceilings, floors, doors and interior walls;
- More than ten (10%) percent of the total surface area on an interior or exterior component with a small surface area, including, but not limited to, window sills, baseboards and trim.

Acceptable methods of treatment are: removal by wet scraping, wet sanding, chemical stripping on or off site, replacing painted components, scraping with infrared or coil type heat gun with temperatures below 1100 degrees, HEPA vacuum sanding, HEPA vacuum needle gun, contained hydro blasting or high pressure wash with HEPA vacuum, and abrasive sandblasting with HEPA vacuum. Surfaces must be covered with durable materials with joints and edges sealed and caulked as needed to prevent the escape of lead contaminated dust.

Prohibited methods of removal are: open flame burning or torching; machine sanding or grinding without a HEPA exhaust; uncontained hydro blasting or high pressure wash; and dry scraping except around electrical outlets or except when treating defective paint spots no more than two (2) square feet in any one (1) interior room or space (hallway, pantry, etc.) or totaling no more than twenty (20) square feet on exterior surfaces.

During exterior treatment soil and playground equipment must be protected from contamination.

All treatment procedures must be concluded with a thorough cleaning of all surfaces in the room or area of treatment to remove fine dust particles. Cleanup must be accomplished by wet washing surfaces with a lead solubilizing detergent such as trisodium phosphate or an equivalent solution.

Waste and debris must be disposed of in accordance with all applicable federal, state and local laws.

Tenant protection

The owner must take appropriate action to protect residents and their belongings from hazards associated with treatment procedures. Residents must not enter spaces undergoing treatment until cleanup is completed. Personal belongings that are in work areas must be relocated or otherwise protected from contamination.

Owner information responsibilities

Prior to execution of the HAP contract, the owner must inform OCHA and the family of any knowledge of the presence of lead-based paint on the surfaces of the residential unit.

8-I.B. SPECIAL REQUIREMENTS FOR CHILDREN WITH ELEVATED BLOOD LEAD LEVEL [24 CFR 35.730]

If OCHA is notified by a public health department or other medical health care provider, or verifies information from a source other than a public health department or medical health care provider, that a child of less than six (6) years of age, living in an HCV-assisted unit has been identified as having an elevated blood lead level, OCHA must complete environmental investigation of the dwelling unit within fifteen (15) days. The environmental investigation must be completed in accordance with program requirements, and the result of the environmental investigation must be immediately provided to the owner of the dwelling unit. In cases where the public health department has already completed an evaluation of the unit, this information must be provided to the owner.

Within thirty (30) days after receiving the environmental investigation report from OCHA, or the evaluation from the public health department, the owner is required to complete the reduction of identified lead-based paint hazards in accordance with the lead-based paint regulations [24 CFR 35.1325 and 35.1330]. If the owner does not complete the “hazard reduction” as required, the dwelling unit is in violation of HQS and OCHA will take action in accordance with Section 8-II.G.

OCHA reporting requirements, and data collection and record keeping responsibilities related to children with an elevated blood lead level are discussed in Chapter 16.
Tenant Preference Items

HUD requires OCHA to enforce minimum HQS but also requires that certain judgments about acceptability be left to the family. For example, OCHA will ensure that the unit contains the required sanitary facilities, but the family decides whether the cosmetic condition of the facilities is acceptable.

- **Sanitary Facilities.** The family may determine the adequacy of the cosmetic condition and quality of the sanitary facilities, including the size of the lavatory, tub, or shower; the location of the sanitary facilities within the unit; and the adequacy of the water heater.

- **Food Preparation and Refuse Disposal.** The family selects size and type of equipment it finds acceptable. When the family is responsible for supplying cooking appliances, the family may choose to use a microwave oven in place of a conventional oven, stove, or range. The adequacy of the amount and type of storage space, the cosmetic conditions of all equipment, and the size and location of the kitchen are all determined by the family.

- **Space and Security.** The family may determine the adequacy of room sizes and room locations.

- **Energy conservation items.** The family may determine whether the amount of insulation, presence of absence of storm doors and windows and other energy conservation items are acceptable.

- **Illumination and Electricity.** The family may determine whether the location and the number of outlets and fixtures (over and above those required to meet HQS standards) are acceptable or if the amount of electrical service is adequate for the use of appliances, computers, or stereo equipment.

- **Structure and Materials.** Families may determine whether minor defects, such as lack of paint, or worn flooring or carpeting will affect the livability of the unit.

- **Indoor Air.** Families may determine whether window and door screens, filters, fans, or other devices for proper ventilation are adequate to meet the family’s needs.

- **Sanitary Conditions.** The family determines whether the sanitary conditions in the unit, including minor infestations, are acceptable.

- **Neighborhood conditions.** Families may determine whether neighborhood conditions such as the presence of drug activity, commercial enterprises, and convenience to shopping will affect the livability of the unit.

*Families have no discretion with respect to lead-based paint standards and smoke detectors.*

**Modifications to Provide Accessibility**

Under the Fair Housing Act of 1988 an owner must not refuse the request of a family that contains a person with a disability to make necessary and reasonable modifications to the unit. Such modifications are at the family's expense. The owner may require restoration of the unit to its original condition if the modification would interfere with the owner or next occupant's full enjoyment of the premises. The owner may not increase a customarily required security deposit. However, the landlord may negotiate a restoration agreement that requires the family to restore the unit and, if necessary to ensure the likelihood of restoration, may require the tenant to pay a reasonable amount into an interest bearing escrow account over a reasonable period of time. The interest in any such account accrues to the benefit of the tenant. The owner may also require reasonable assurances that the quality of the work will be acceptable and that any required building permits will be obtained. [24 CFR 100.203]

Modifications to units to provide access for a person with a disability must meet all applicable HQS requirements and conform to the design, construction, or alteration of facilities contained in the UFAS and the ADA Accessibility Guidelines (ADAAG). [28 CFR 35.151(c)]

Any owner that intends to negotiate a restoration agreement or require an escrow account must submit the agreement(s) to OCHA for review.
8-I.C. ADDITIONAL OCHA REQUIREMENTS

OCHA’s additional quality standards approved by HUD:

- All rooms designed for sleeping must have a closeable door for privacy and a closet suitable for storage of family belongings; and
- All hot water heaters must be enclosed; must be equipped with a temperature/pressure relief valve with a three quarter (¾”) inch rigid pipe or approved PEX (permanently fixed to prevent whipping) drain line extending to within six (6”) inches of the floor or approved permanent drain.

HUD approval is not required if OCHA additions are clarifications of HUD's acceptability criteria or performance standards [24 CFR 982.401(a)(4)].

Thermal Environment

The heating system must be capable of maintaining an interior temperature of 65 degrees Fahrenheit between October 1 and May 1.

Clarifications of HUD Requirements

As permitted by HUD, OCHA has adopted the following specific requirements that elaborate on HUD standards.

Walls/Ceilings

In areas where plaster or drywall is sagging, severely cracked, or otherwise damaged, it must be repaired or replaced.

Windows

Window sashes must be in good condition, solid and intact, and properly fitted to the window frame. Damaged or deteriorated sashes must be replaced.

Windows must be weather-stripped as needed to ensure a weather-tight seal.

Window screens must be in good condition.

Doors

All exterior doors must be weather-tight to avoid any air or water infiltration, be lockable, have no holes, have all trim intact, and have a threshold.

All interior doors must have no holes, have all trim intact, and be openable without the use of a key.

Floors

All wood floors must be sanded to a smooth surface and sealed. Any loose or warped boards must be secured and made level. If they cannot be leveled, they must be replaced.

All floors must be in a finished state. Raw wood or unsealed concrete is not permitted.

All floors should have some type of base shoe, trim, or sealing for a "finished look." Vinyl base shoe is permitted.

Sinks

All sinks and commode water lines must have shut off valves, unless faucets are wall mounted.

All sinks must have functioning stoppers.

Toilets

All worn or cracked toilet seats and tank lids must be replaced and toilet tank lid must fit properly.

Security

If window security bars or security screens are present on emergency exit windows, they must be equipped with a quick release system. The owner is responsible for ensuring that the family is instructed on the use of the quick release system. If not equipped with a quick release system they must be removed to allow emergency exit.
8-I.D. LIFE THREATENING CONDITIONS [24 CFR 982.404(a)]

The following are considered life threatening conditions that must be corrected within twenty-four (24) hours of notification by OCHA:

- Any condition that jeopardizes the security of the unit;
- Major plumbing leaks or flooding, waterlogged ceiling or floor in imminent danger of falling;
- Natural or LP gas leaks;
- Any electrical problem or condition that could result in shock or fire;
- Absence of a working heating system when outside temperature does not exceed forty (40) degrees Fahrenheit for a period of 48 hours;
- Inoperable air conditioning system (when present) when outside temperature is one hundred (100) degrees Fahrenheit or above;
- Water utilities not in service, including no running hot water;
- Conditions that present the imminent possibility of injury;
- Conditions that present imminent health hazards;
- Obstacles that prevent safe entrance or exit from the unit;
- Absence of a functioning toilet in the unit;

If an owner fails to correct life threatening conditions as required by OCHA, the housing assistance payment will be abated and the HAP contract will be terminated. See 8-II.G.

If a family fails to correct a family caused life threatening condition as required by OCHA, OCHA may terminate the family’s assistance. See 8-II.H.

8-I.E. OWNER AND FAMILY RESPONSIBILITIES [24 CFR 982.404]

Family Responsibilities

The family is responsible for correcting the following HQS deficiencies:

- Tenant-paid utilities not in service;
- Failure to provide or maintain family-supplied appliances;
- Damage to the unit or premises caused by a household member or guest beyond normal wear and tear. "Normal wear and tear" is defined as items which could not be charged against the tenant's security deposit under state law or court practice.

Owner Responsibilities

The owner is responsible for all HQS violations not listed as a family responsibility above, even if the violation is caused by the family's living habits (e.g., vermin infestation). However, if the family's actions constitute a serious or repeated lease violation the owner may take legal action to evict the family.

The owner will be required to repair an inoperable smoke detector unless OCHA determines that the family has intentionally disconnected it (by removing batteries or other means). In this case, the family will be required to repair the smoke detector.


A dwelling unit must:

- Provide adequate space and security for the family
- Have at least one bedroom or living/sleeping room for each two persons

A unit that does not meet these HQS space standards is defined as overcrowded.
A living room may be used as sleeping (bedroom) space, but no more than two persons may occupy the space. A bedroom or living/sleeping room must have at least:

- One window
- Two electrical outlets in proper operating condition (permanent overhead or wall-mounted light fixtures may count as one of the required electrical outlets)

If OCHA determines that a unit is overcrowded because of an increase in family size or a change in family composition, OCHA will issue the family a new voucher, and the family and OCHA will try to find an acceptable unit as soon as possible. If an acceptable unit is available for rental by the family, OCHA will terminate the HAP contract in accordance with its terms.

PART II: THE INSPECTION PROCESS

8-II.A. OVERVIEW [24 CFR 982.405]

Types of Inspections

OCHA conducts the following types of inspections as needed. Each type of inspection is discussed in the paragraphs that follow.

- **Initial Inspections.** OCHA conducts initial inspections in response to a request from the family to approve a unit for participation in the HCV program. The unit must pass the HQS inspection before the effective date of the HAP Contract.

- **Annual/Biennial Inspections.** HUD requires OCHA to inspect each unit under lease at least annually or biennially or biennially, depending on OCHA policy, to confirm that the unit still meets HQS. The inspection may be conducted in conjunction with the family's annual reexamination but also may be conducted separately.

- **Special Inspections.** A special inspection may be requested by the owner, the family, or a third party as a result of problems identified with a unit between biennial inspections.

- **Quality Control Inspections.** HUD requires that a sample of units be re-inspected by a supervisor or other qualified individual to ensure that HQS are being enforced correctly and uniformly by all Inspectors.

Inspection of OCHA-owned Units [24 CFR 982.352(b)]

OCHA must obtain the services of an independent entity to perform all HQS inspections in cases where an HCV family is receiving assistance in an OCHA-owned unit. An OCHA-owned unit is defined as a unit that is owned by OCHA that administers the assistance under the consolidated ACC (including a unit owned by an entity substantially controlled by OCHA). The independent agency must communicate the results of each inspection to the family and OCHA. The independent agency must be approved by HUD, and may be the unit of general local government for OCHA jurisdiction (unless OCHA is itself the unit of general local government or an agency of such government).

Inspection Costs [Notice PIH 2016-05]

OCHA may not charge the family for unit inspections [24 CFR 982.405(e)]. In the case of inspections of OCHA-owned units, OCHA may compensate the independent agency from ongoing administrative fee for inspections performed. OCHA and the independent agency may not charge the family any fee or charge for the inspection [24 CFR 982.352(b)].

OCHA may not charge the owner for the inspection of the unit prior to the initial term of the lease or for a first inspection during assisted occupancy of the unit. However, OCHA may charge a reasonable fee to owners for reinspections in two situations: when the owner notifies OCHA that a repair has been made but the deficiency has not been corrected, and when the time for repairs has elapsed and the deficiency has not been corrected. Fees may not be imposed for tenant-caused damages, for cases in which the inspector could not gain access to the unit, or for new deficiencies discovered during a reinspection.

The owner may not pass the cost of a reinspection fee to the family. Reinspection fees must be added to OCHA’s administrative fee reserves and may only be used for activities related to the provision of tenant-based assistance.
Notice and Scheduling

The family must allow OCHA to inspect the unit at reasonable times with reasonable notice [24 CFR 982.551(d)].

Both the family and the owner will be given reasonable notice of all inspections. Except in the case of a life threatening emergency, reasonable notice is considered to be not less than twenty-four (24) hours. Inspections may be scheduled between 8:00 a.m. and 5:00 p.m. Generally inspections will be conducted on business days only. In the case of a life threatening emergency, OCHA will give as much notice as possible, given the nature of the emergency.

Owner and Family Inspection Attendance

When a family occupies the unit at the time of inspection, all adult family members must be present for the inspection. The presence of the owner or the owner's representative is encouraged but is not required.

At initial inspection of a vacant unit, OCHA will inspect the unit in the presence of the owner or owner's representative. The tenant’s presence is required.

8-II.B. INITIAL HQS INSPECTION [24 CFR 982.401(a)]

Timing of Initial Inspections

HUD requires the unit to pass HQS before the effective date of the lease and HAP contract.

OCHA will complete the initial inspection, determine whether the unit satisfies HQS, and notify the owner and the family of the determination within fifteen (15) days of submission of the Request for Tenancy Approval (RFTA). The fifteen (15) day period is suspended for any period during which the unit is not available for inspection [982.305(b)(2)].

Inspection Results and Reinspections

If any HQS violations are identified, the owner will be notified of the deficiencies by letter. The owner will have thirty (30) days to correct any deficiencies if the tenant’s voucher is expired and sixty (60) days to correct any deficiencies if the tenant’s voucher is valid. If requested by the owner, the time frame for correcting the deficiencies may be extended by OCHA for good cause. The owner must request a reinspection upon completion of the noted deficiencies.

If the time period for correcting the deficiencies (or any OCHA-approved extension) has elapsed, or the unit fails HQS at the time of the reinspection, OCHA will notify the owner and the family that the unit has been rejected and that the family must search for another unit. OCHA may agree to conduct a second reinspection, for good cause, at the request of the family and owner.

Utilities

At initial lease-up the owner is responsible for demonstrating that all utilities are in working order including those utilities that the family will be responsible for paying.

Appliances

If the family is responsible for supplying the stove and/or refrigerator, OCHA will allow the stove and refrigerator to be placed in the unit after the unit has met all other HQS requirements. The required appliances must be in place before the HAP contract is executed by OCHA.

8-II.C. ANNUAL/BIENNIAL HQS INSPECTIONS [24 CFR 982.405; 982.406, Notice PIH 2016-05]

Scheduling the Inspection

Each unit under HAP contract must have a biennial inspection no more than twenty-four (24) months after the most recent inspection with the exception of Community Enhancement Corporation (CEC) units which will be inspected annually.

If the family cannot be present on the scheduled date, the family may request that OCHA reschedule the inspection. Any request to reschedule the inspection must be for good cause.

If the family misses the first scheduled appointment without OCHA approval, the family may request to have the inspection rescheduled. The family must provide a written request to reschedule, with the reason for missing the scheduled inspection. If the family misses two (2) scheduled inspections without OCHA approval, OCHA will consider the family to have violated its obligation to make the unit available for inspection. This may result in termination of the family’s assistance in accordance with Chapter 12.
8-II.D. SPECIAL INSPECTIONS [24 CFR 982.405(g)]

OCHA will conduct a special inspection if the owner, family, government official or another source reports HQS violations in the unit.

If the HQS violation is life threatening, (see 8-I.D. Life Threatening Conditions) which the owner would be required to repair within twenty-four (24) hours, then OCHA will inspect the unit within twenty-four (24) hours of when OCHA received the reported violation.

If the HQS violation is not life threatening then OCHA will inspect the unit within fifteen (15) days of when OCHA received the reported violation.

In the event of extraordinary circumstances, such as if a unit is within a Presidentially declared disaster area, HUD may waive the twenty-four (24) hour or the fifteen (15) day inspection requirement until such time as an inspection is feasible.

During a special inspection, OCHA generally will inspect only those deficiencies that were reported. However, the inspector will record any additional HQS deficiencies that are observed and will require the responsible party to make the necessary repairs.

If the biennial inspection has been scheduled or is due within thirty (30) days of the date the special inspection is scheduled OCHA may elect to conduct a full biennial inspection.

8-II.E. QUALITY CONTROL INSPECTIONS [24 CFR 982.405(b)]

HUD requires an OCHA supervisor or other qualified person to conduct quality control inspections of a sample of units to ensure that each inspector is conducting accurate and complete inspections and that there is consistency in the application of the HQS.

The unit sample must include only units that have been inspected within the preceding three (3) months. The selected sample will include (1) each type of inspection (initial, biennial, and special), (2) inspections completed by each inspector, and (3) units from a cross-section of neighborhoods.

8-II.F. INSPECTION RESULTS AND REINSPECTIONS FOR UNITS UNDER HAP CONTRACT

Notification of Corrective Actions

When an inspection identifies HQS failures, OCHA will determine (1) whether or not the failure is a life threatening condition and (2) whether the family or owner is responsible.

When life threatening conditions are identified, OCHA will immediately notify both parties by mail. The notice will specify who is responsible for correcting the violation. The corrective actions must be taken within 24-hours of OCHA’s notice.

When failures that are not life threatening are identified, OCHA will send the owner and the family a written notification of the inspection results within five (5) business days of the inspection. The written notice will specify who is responsible for correcting the violation, and the time frame within which the failure must be corrected. Generally not more than thirty (30) days will be allowed for the correction.

The notice of inspection results will inform the owner that if life threatening conditions are not corrected within 24 hours, and non-life threatening conditions are not corrected within the specified time frame (or any OCHA-approved extension), the owner’s HAP will be abated in accordance with OCHA policy (see 8-II.G.). Likewise, in the case of family caused deficiencies, the notice will inform the family that if corrections are not made within the specified time frame (or any OCHA-approved extension, if applicable) the family’s assistance will be terminated in accordance with OCHA policy (see Chapter 12).

Self-Certification of Repairs by Owner and Tenant

OCHA reserves the right to allow owners and tenants to provide a self-certification of completion of repairs except for the following:

- Life threatening conditions identified in 8-I.D.;
- Non-operational refrigerator and/or range;
- Non-operational or missing smoke detector;
- Any repair related to the hot water tank;
• Any repair involving the presence of a mold like substance;
• Any type of water leak; and
• Lead based paint greater than de minimis.

OCHA may allow owners and tenants to self-certify that repair work has been competed in lieu of OCHA completing a reinspection. OCHA will provide landlords a “Housing Quality Standards (HQS) Repair Self-Certification” form to be submitted as verification that all HQS deficiencies have been corrected. The self-certification is allowed only for annual, biennial and quality control inspections, not for initial or other types of inspections. Self-certification requires the owner to complete all required repairs; inspect the unit to verify the tenant repairs (if any) are complete; sign the self-certification form and collect the tenant’s signature verifying that all repairs are complete. The form must be signed by the landlord and tenant and returned on or before the scheduled completion date to avoid HAP abatement and/or tenant termination for tenant caused deficiencies.

OCHA reserves the right to require a reinspection on any and all units with fail items, regardless of whether landlords submit self-certification forms. OCHA reserves the right to deny the option of self-certification and require a reinspection if:

• the family or landlord forwards a written notice that the repairs where not completed as required by OCHA;
• there is any question regarding the integrity of the documentation provided; and
• the landlord/property has a repeated history of regular/repeat fails in the past.

If OCHA determines at a later date that the certified repairs were not made, therefore making the unit ineligible, OCHA reserves the right to collect back HAP payments for the total amount of time that the unit was ineligible; terminate the HAP contract; and any other rights and remedies for owner breach of the HAP contract.

Reinspections

OCHA will conduct a reinspection immediately following the end of the corrective period, or any OCHA-approved extension.

The family and owner will be given reasonable notice of the reinspection appointment. If the deficiencies have not been corrected by the time of the reinspection, OCHA will send a notice of abatement to the owner, or in the case of family caused violations, a notice of termination to the family, in accordance with OCHA policies. If OCHA is unable to gain entry to the unit in order to conduct the scheduled reinspection, OCHA will consider the family to have violated its obligation to make the unit available for inspection. This may result in termination of the family’s assistance in accordance with Chapter 12.

Extensions

For conditions that are life-threatening, OCHA cannot grant an extension to the 24-hour corrective action period.

For conditions that are not life-threatening, OCHA may grant an exception to the required time frames for correcting the violation, if OCHA determines that an extension is appropriate [24 CFR 982.404].

Extensions will be granted in cases where OCHA has determined that the owner has made a good faith effort to correct the deficiencies and is unable to for reasons beyond the owner’s control. Reasons may include, but are not limited to:

• A repair cannot be completed because required parts or services are not available.
• A repair cannot be completed because of weather conditions.
• A reasonable accommodation is needed because the family includes a person with disabilities.

The length of the extension will be determined on a case by case basis, but will not exceed sixty (60) days, except in the case of delays caused by weather conditions. In the case of weather conditions, extensions may be continued until the weather has improved sufficiently to make repairs possible. The necessary repairs must be made within fifteen (15) calendar days, once the weather conditions have subsided.
Exterior Paint Waiver

OCHA may grant a waiver for exterior paint in accordance with 24 CFR 35.1215 (d). Paint waivers will only be granted for adverse weather conditions that affect outdoor painting only. (Interior paint waivers will not be granted) Exterior paint waivers will be for forty-five (45) days from notification to the owner of the deficiency. Any extensions for exterior paint cannot exceed ninety (90) days total from notification to the owner.

8-II.G. ENFORCING OWNER COMPLIANCE

If the owner fails to maintain the dwelling unit in accordance with HQS, OCHA will take prompt and vigorous action to enforce the owner obligations.

HAP Abatement

If an owner fails to correct HQS deficiencies by the time specified by OCHA, HUD requires OCHA to abate housing assistance payments no later than the first of the month following the specified correction period (including any approved extension) [24 CFR 985.3(f)]. No retroactive payments will be made to the owner for the period of time the rent was abated.

Owner rents are not abated as a result of HQS failures that are the family's responsibility.

OCHA will make all HAP abatements effective the first of the month following the expiration of OCHA specified correction period (including any extension).

OCHA will inspect abated units within five (5) business days of the owner's notification that the work has been completed. Payment will resume effective on the day the unit passes inspection.

During any abatement period the family continues to be responsible for their share of the rent. The owner must not seek payment from the family for abated amounts and may not use the abatement as cause for eviction.

HAP Contract Termination

The maximum length of time that HAP may be abated is thirty (30) days. However, if the owner completes corrections and notifies OCHA before the termination date of the HAP contract, OCHA may rescind the termination notice if (1) the family still resides in the unit and wishes to remain in the unit and (2) the unit passes inspection.

OCHA will issue a voucher to permit the family to move to another unit, provided the family is eligible (not in violation of the terms of the assistance, including HQS responsibilities), as described in Chapter 10.

8-II.H. ENFORCING FAMILY COMPLIANCE WITH HQS [24 CFR 982.404(b)]

Families are responsible for correcting any HQS violations listed in paragraph 8.II.F. The family is required to make any repairs or corrections within a time period consistent with the owner requirement for completing deficiencies, including any extensions. If the repairs or corrections are not made in this time period OCHA will terminate the family’s assistance at the end of the abatement period, according to the policies described in Chapter 12.

If the owner carries out a repair for which the family is responsible under the lease, the owner may bill the family for the cost of the repair.

PART III: RENT REASONABLENESS [24 CFR 982.507]

8-III.A. OVERVIEW

Except in the case of certain LIHTC- and HOME-assisted units, no HAP contract can be approved until OCHA has determined that the rent for the unit is reasonable. The purpose of the rent reasonableness test is to ensure that a fair rent is paid for each unit rented under the HCV program.

HUD regulations define a reasonable rent as one that does not exceed the rent charged for comparable, unassisted units in the same market area. HUD also requires that owners not charge more for assisted units than for comparable units on the premises. This part explains the method used to determine whether a unit’s rent is reasonable.

8-III.B. WHEN RENT REASONABLENESS DETERMINATIONS ARE REQUIRED

Owner-initiated Rent Determinations

OCHA will make a rent reasonableness determination at initial occupancy and whenever the owner requests a rent adjustment.
The owner and family first negotiate the rent for a unit. OCHA will assist the family with the negotiations upon request. At initial occupancy OCHA will determine whether the proposed rent is reasonable before HAP contract is signed. Subsequent requests for rent adjustments must be consistent with the lease between the owner and the family.

**Contract Rent Increases [24.CFR 982.519]**

The owner is required to notify the tenant and OCHA, in writing, at least sixty days before any change in the amount of proposed contract rent. Any requested change in rent to owner will be subject to rent reasonableness requirements and available funding.

Requests for rent increases will not be approved:

- If the unit is in an initial lease term.
- If the tenant and OCHA have not received proper notice.
- If the unit is in a failed condition.

For rent increase requests after initial lease-up, OCHA may request owners to provide information about the rents charged for other units on the premises, if the premises include more than four (4) units.

OCHA will determine whether the requested increase is reasonable within ten (10) business days of receiving the request from the owner. The owner will be notified of the determination in writing.

If approved, any increase will be effective the first of the month following sixty (60) days after OCHA’s receipt of the owner’s request or on the date specified by the owner, whichever is later. Upon approval of a rental increase, the new contract rent amount will remain effective for a period of 12 months. Owners may request rent increases no more than once every 12 months.

If OCHA determines in the course of processing the rent increase request that the rent increase is not supported by the rent comparable analysis, based on fair market rents, and that the current rent amount is greater than the fair market rents, OCHA may proceed with a contract rent decrease to match the fair market rents. This applies to Project-Based units as well as non-Project-Based units.

Should OCHA determine it does not have sufficient funding to allow rent increases, OCHA may defer considering requests for rent increases immediately. OCHA will inform owners who have submitted rent increases that there is insufficient funding with which to pay rent increases. Once OCHA determines it has sufficient funds with which to consider rent increase requests, owners will need to re-submit a new rent increase request.

**OCHA and HUD-Initiated Rent Reasonableness Determinations**

HUD requires OCHA to make a determination of rent reasonableness (even if the owner has not requested a change) if there is a five (5%) percent decrease in the Fair Market Rent that goes into effect at least sixty (60) days before the contract anniversary date. HUD also may direct OCHA to make a determination at any other time.

In addition to the instances described above, OCHA will make a determination of rent reasonableness at any time after the initial occupancy period if: (1) OCHA determines that the initial rent reasonableness determination was in error or (2) OCHA determines that the information provided by the owner about the unit or other units on the same premises was incorrect.

**LIHTC- and HOME-Assisted Units [24 CFR 982.507(c)]**

For units receiving low-income housing tax credits (LIHTCs) or units assisted under HUD’s HOME Investment Partnerships (HOME) Program, a rent comparison with unassisted units is not required if the voucher rent does not exceed the rent for other LIHTC- or HOME-assisted units in the project that are not occupied by families with tenant-based assistance.

For LIHTCs, if the rent requested by the owner does exceed the LIHTC rents for non-voucher families, the PHA must perform a rent comparability study in accordance with program regulations. In such cases, the rent shall not exceed the lesser of: (1) the reasonable rent as determined from the rent comparability study; or (2) the payment standard established by the PHA for the unit size involved.
8-III.C. HOW COMPARABILITY IS ESTABLISHED

Factors to Consider

HUD requires OCHA to take into consideration the factors listed below when determining rent comparability. OCHA may use these factors to make upward or downward adjustments to the rents of comparison units when the units are not identical to the HCV-assisted unit.

- Location and age;
- Unit size including the number of rooms and square footage of rooms;
- The type of unit including construction type (e.g., single family, duplex, garden, low-rise, high-rise);
- The quality of the units including the quality of the original construction, maintenance and improvements made;
- Amenities, services, and utilities included in the rent.

Units that Must Not be Used as Comparables

Comparable units must represent unrestricted market rents. Therefore, units that receive some form of federal, state, or local assistance that imposes rent restrictions cannot be considered comparable units. These include units assisted by HUD through any of the following programs: Section 8 project-based assistance, Section 236 and Section 221(d)(3) Below Market Interest Rate (BMIR) projects, HOME or Community Development Block Grant (CDBG) program-assisted units in which the rents are subsidized; units subsidized through federal, state, or local tax credits; units subsidized by the Department of Agriculture rural housing programs; and units that are rent-controlled by local ordinance.

Rents Charged for Other Units on the Premises

The Request for Tenancy Approval requires owners to provide information, on the form itself, about the rent charged for other unassisted comparable units on the premises if the premises include more than four (4) units. By accepting OCHA’s payment each month the owner certifies that the rent is not more than the rent charged for comparable unassisted units on the premises. If asked to do so, the owner must give OCHA information regarding rents charged for other units on the premises.

8-III.D. OCHA RENT REASONABLENESS METHODOLOGY

How Market Data is Collected

OCHA will collect and maintain data on market rents in OCHA's jurisdiction. Information sources include newspapers, realtors, market surveys, inquiries of owners and other available sources. The data will be maintained by bedroom size and market areas. Market areas may be defined by zip codes, census tract, neighborhood, and identifiable natural or man-made boundaries. The data will be updated on an ongoing basis.

How Rents are Determined

The rent for a unit proposed for HCV assistance will be compared to the rent charged for comparable units in the same market area. OCHA will develop a range of comparable units by bedroom size within defined market areas. Units proposed for HCV assistance will be compared to the units within the market area. Because units may be similar, but not exactly like the unit proposed for HCV assistance, OCHA may make adjustments to the range of prices to account for these differences.

The adjustment must reflect the local market. Not all differences in units require adjustments (e.g., the presence or absence of a garbage disposal may not affect the rent in some market areas).

Adjustments may vary by unit type (e.g., a second bathroom may be more valuable in a three-bedroom unit than in a two-bedroom).

When a comparable project offers rent concessions (e.g., first month rent-free, or reduced rent) reported monthly rents will be adjusted accordingly. For example, if a comparable project reports rents of $500/month but new tenants receive the first month's rent free, the actual rent for the unit would be calculated as follows: $500 x 11 months = 5500/12 months = actual monthly rent of $488.
OCHA will notify the owner of the rent OCHA can approve based upon its analysis of rents for comparable units. The owner may submit information about other comparable units in the market area. OCHA will confirm the accuracy of the information provided and consider this additional information when making rent determinations. The owner must submit any additional information within five (5) business days of OCHA’s request for information or the owner’s request to submit information.

PART IV: METHAMPHETAMINE DRUG LAB DISCLOSURE POLICY

8-IV.A. OVERVIEW

The purpose of this policy is to ensure that landlords/owners disclose, if known or has reason to know that the dwelling unit or any part of the premises was used in, or was used to aid in, the manufacture of methamphetamine at any point in the past, to the Oklahoma City Housing Authority (OCHA). Dwelling units where a methamphetamine drug lab has been operated increases the risk of exposure to chemicals used in the manufacturing or the waste from manufacturing methamphetamine which can lead to serious health concerns, up to and including death. OCHA’s mission is to make safe, decent and sanitary housing available to low-income families.

8-IV.B. POLICY

Prior to the commencement of the Housing Assistance Payments (HAP) contract and the Lease Agreement the landlord/owner/agent must complete the “Disclosure of Information on Methamphetamine Drug Lab Hazards” OCHA Form.

If the dwelling unit is identified, by admission or discovery, as having been used to manufacture methamphetamine the landlord/owner must:

- Have the level of contamination assessed. If, upon completion of the assessment, it is determined that the level of contamination within the property:
  - Does not exceed the standard established by the Oklahoma Department of Environmental Quality. The landlord will provide an official document with the results to OCHA.
  - Does exceed the standard established by the Oklahoma Department of Environmental Quality. The landlord/owner shall retain the services of a clandestine drug laboratory remediation contractor to remediate the contaminated property. Once the remediation is complete the landlord/owner will provide documentation verifying the remediation was completed and the level of contamination does not exceed the standard established by the Oklahoma Department of Environmental Quality.

The presence of methamphetamine in excess of one-tenth of one microgram (0.1 mcg) per one hundred square centimeters (100 cm²) of surface materials within the dwelling unit shall constitute contamination requiring remediation.

If the landlord/owner fails to comply with the “Methamphetamine Drug Lab Disclosure Policy” OCHA will not execute a HAP contract.
Chapter 9

GENERAL LEASING POLICIES

INTRODUCTION

Chapter 9 covers the lease-up process from the family's submission of a Request for Tenancy Approval to execution of the Housing Assistance Payments (HAP) contract.

In order for OCHA to assist a family in a particular dwelling unit, or execute a HAP contract with the owner of a dwelling unit, OCHA will determine that all the following program requirements are met:

- The unit itself must qualify as an eligible unit [24 CFR 982.305(a)];
- The unit must be inspected by OCHA and meet the Housing Quality Standards (HQS) [24 CFR 982.305(a)];
- The lease offered by the owner must be approvable and must include the required Tenancy Addendum [24 CFR 982.305(a)];
- The rent to be charged by the owner for the unit must be reasonable [24 CFR 982.305(a)];
- The owner must be an eligible owner, approvable by OCHA, with no conflicts of interest [24 CFR 982.306];
- For families initially leasing a unit only, where the gross rent of the unit exceeds the applicable payment standard for the family, the share of rent to be paid by the family cannot exceed 40 percent of the family’s monthly adjusted income [24 CFR 982.305(a)].

9-I.A. TENANT SCREENING

OCHA has no liability or responsibility to the owner or other persons for the family’s behavior or suitability for tenancy [24 CFR 982.307(a)(1)].

The owner is responsible for screening and selection of the family to occupy the owner's unit. Screening and selection for tenancy is the responsibility of the owner [24 CFR 982.307(a)(2)]. OCHA will also inform the owner or manager of their rights and obligations under the Violence Against Woman Act of 2013 (VAWA) [24 CFR 5.2005(a)(2)].

OCHA will provide the owner with the family's current and prior address (as shown in OCHA records); and the name and address (if known to OCHA) of the landlord at the family's current and prior address [24 CFR 982.307(b)(1)].

OCHA will not provide additional screening information to the owner.

OCHA’s policy on providing information to the owner will be included in the family’s briefing packet [24 CFR 982.307(b)(3)].

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

9-I.B. REQUESTING TENANCY APPROVAL

After the family is issued a voucher, the family must locate an eligible unit, with an owner or landlord willing to participate in the HCV program. Once a family finds a suitable unit and the owner is willing to lease the unit under the program, the owner and the family must request OCHA to approve the assisted tenancy in the selected unit.

The owner and the family must submit two (2) documents to OCHA:

- Completed Request for Tenancy Approval (RFTA) – Form HUD-52517; and
- Copy of the proposed lease, including the HUD-prescribed Tenancy Addendum – Form HUD-52641-A.

The RFTA contains important information about the rental unit selected by the family, including the unit address, number of bedrooms, structure type, year constructed, utilities included in the rent, and the requested beginning date of the lease, necessary for OCHA to determine whether to approve the assisted tenancy in this unit.
Owners must certify to the most recent amount of rent charged for the unit and provide an explanation for any difference between the prior rent and the proposed rent.

Owners must certify that they are not the parent, child, grandparent, grandchild, sister or brother of any member of the family, unless OCHA has granted a request for reasonable accommodation for a person with disabilities who is a member of the tenant household.

Both the RFTA and the proposed lease must be submitted no later than the expiration date stated on the voucher.

The RFTA must be signed by both the family and the owner.

The owner may submit the RFTA on behalf of the family.

Completed RFTA (including the proposed dwelling lease) must be submitted as hard copies, in person, by mail, or by fax.

The family may not submit, and OCHA will not process, more than one (1) RFTA at a time.

When the family submits the RFTA OCHA will review the RFTA for completeness.

If the RFTA is incomplete (including lack of signature by family, owner, or both), or if the dwelling lease is not submitted with the RFTA, OCHA will notify the family and the owner of the deficiencies.

Because of the time sensitive nature of the tenancy approval process, OCHA will attempt to communicate with the owner and family by phone, fax, or email. OCHA will use mail when the parties can’t be reached by phone, fax, or email.

9-I.C. OWNER PARTICIPATION

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

See Chapter 13 for a full discussion of owner qualification to participate in the HCV program.

9-I.D. ELIGIBLE UNITS

There are a number of criteria that a dwelling unit must meet in order to be eligible for assistance under the HCV program. Generally, a voucher-holder family may choose any available rental dwelling unit on the market in OCHA’s jurisdiction. This includes the dwelling unit they are currently occupying.

Ineligible Units [24 CFR 982.352(a)]

OCHA will not assist a unit under the voucher program if the unit is a public housing or Indian housing unit; a unit receiving project-based assistance under section 8 of the 1937 Act (42 U.S.C. 1437f); nursing homes, board and care homes, or facilities providing continual psychiatric, medical, or nursing services; college or other school dormitories; units on the grounds of penal, reformatory, medical, mental, and similar public or private institutions; a unit occupied by its owner or by a person with any interest in the unit.

OCHA-Owned Units [24 CFR 982.352(b)]

Otherwise eligible units that are owned or substantially controlled by OCHA may also be leased in the HCV program. In order for a OCHA-owned unit to be leased under the HCV program, the unit must not be ineligible housing and OCHA will inform the family, both orally and in writing, that the family has the right to select any eligible unit available for lease and that the family is free to select an OCHA-owned unit without any pressure or steering by OCHA.

Special Housing Types [24 CFR 982 Subpart M]

HUD regulations permit, but do not generally require, OCHA to permit families to use voucher assistance in a number of special housing types in accordance with the specific requirements applicable to those programs. These special housing types include single room occupancy (SRO) housing, congregate housing, group home, shared housing, cooperative housing and homeownership option. See Chapter 15 for specific information and policies on any of these housing types that OCHA has chosen to allow.

The regulations do require OCHA to permit use of any special housing type if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.
Duplicative Assistance [24 CFR 982.352(c)]

A family may not receive the benefit of HCV tenant-based assistance while receiving the benefit of any of the following forms of other housing subsidy, for the same unit or for a different unit:

- Public or Indian housing assistance;
- Other Section 8 assistance (including other tenant-based assistance);
- Assistance under former Section 23 of the United States Housing Act of 1937 (before amendment by the Housing and Community Development Act of 1974);
- Section 101 rent supplements;
- Section 236 rental assistance payments;
- Tenant-based assistance under the HOME Program;
- Rental assistance payments under Section 521 of the Housing Act of 1949 (a program of the Rural Development Administration);
- Any local or state rent subsidy;
- Section 202 supportive housing for the elderly;
- Section 811 supportive housing for persons with disabilities; (11) Section 202 projects for non-elderly persons with disabilities (Section 162 assistance); or
- Any other duplicative federal, state, or local housing subsidy, as determined by HUD. For this purpose, 'housing subsidy' does not include the housing component of a welfare payment, a social security payment received by the family, or a rent reduction because of a tax credit.

Unit Size

In order to be eligible, the dwelling unit must be appropriate for the number of persons in the household. A family will be allowed to lease an otherwise acceptable dwelling unit with fewer bedrooms than the number of bedrooms stated on the voucher issued to the family, provided the unit meets the applicable HQS space requirements [24 CFR 982.402(d)]. The family will be allowed to lease an otherwise acceptable dwelling unit with more bedrooms than the number of bedrooms stated on the voucher issued to the family. See Chapter 5 for a full discussion of subsidy standards.

Rent Reasonableness [24 CFR 982.305 and 24 CFR 982.507]

In order to be eligible, the dwelling unit must have a reasonable rent. The rent must be reasonable in relation to comparable unassisted units in the area and must not be in excess of rents charged by the owner for comparable, unassisted units on the premises. See Chapter 8 for a full discussion of rent reasonableness and the rent reasonableness determination process.

Rent Burden [24 CFR 982.508]

Where a family is initially leasing a unit and the gross rent of the unit exceeds the applicable payment standard for the family, the dwelling unit rent must be at a level where the family’s share of rent does not exceed forty (40%) percent of the family’s monthly adjusted income. See Chapter 6 for a discussion of calculation of gross rent, the use of payment standards, and calculation of family income, family share of rent and HAP.

9-I.E. LEASE AND TENANCY ADDENDUM

The family and the owner must execute and enter into a written dwelling lease for the assisted unit. This written lease is a contract between the tenant family and the owner; OCHA is not a party to this contract.

The tenant must have legal capacity to enter a lease under state and local law. 'Legal capacity' means that the tenant is bound by the terms of the lease and may enforce the terms of the lease against the owner [24 CFR 982.308(a)].

Lease Form and Tenancy Addendum [24 CFR 982.308]

If the owner uses a standard lease form for rental to unassisted tenants in the locality or the premises, the lease must be in such standard form. If the owner does not use a standard lease form for rental to unassisted tenants, the owner may use another form of lease. The HAP contract prescribed by HUD contains the owner's certification that if the owner uses a standard lease form for rental to unassisted tenants, the lease is in such standard form.
All provisions in the HUD-required Tenancy Addendum must also be added word-for-word to the owner's standard lease form, for use with the assisted family. The Tenancy Addendum includes the tenancy requirements for the program and the composition of the household as approved by OCHA. As a part of the lease, the tenant shall have the right to enforce the Tenancy Addendum against the owner and the terms of the Tenancy Addendum shall prevail over any other provisions of the lease.

OCHA does not provide a model or standard dwelling lease for owners to use in the HCV program.

**Lease Information [24 CFR 982.308(d)]**

The assisted dwelling lease must contain all of the required information as listed below:

- The names of the owner and the tenant;
- The unit rented (address, apartment number, and any other information needed to identify the contract unit);
- The term of the lease (initial term and any provisions for renewal);
- The amount of the monthly rent to owner; and
- A specification of what utilities and appliances are to be supplied by the owner, and what utilities and appliances are to be supplied by the family.

**Term of Assisted Tenancy**

The initial term of the assisted dwelling lease must be for at least one (1) year [24 CFR 982.309]. The initial lease term is also stated in the HAP contract.

During the initial term of the lease, the owner may not raise the rent to owner [24 CFR 982.309].

Any provisions for renewal of the dwelling lease will be stated in the dwelling lease.

**Security Deposit [24 CFR 982.313 (a) and (b)]**

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

**Separate Non-Lease Agreements between Owner and Tenant**

Owners may not demand or accept any rent payment from the family in excess of the rent to the owner minus OCHA’s housing assistance payments to the owner [24 CFR 982.451(b)(4)].

The owner may not charge the tenant extra amounts for items customarily included in rent in the locality, or provided at no additional cost to unsubsidized tenants in the premises [24 CFR 982.510(c)].

OCHA permits owners and families to execute separate, non-lease agreements for services, appliances (other than range and refrigerator) and other items that are not included in the lease.

Any items, appliances, or other services that are customarily provided to unassisted families as part of the dwelling lease with those families, or are permanently installed in the dwelling unit must be included in the dwelling lease for the assisted family. These items, appliances or services cannot be placed under a separate non-lease agreement between the owner and family. Side payments for additional rent, or for items, appliances or services customarily provided to unassisted families as part of the dwelling lease for those families, are prohibited.

Any items, appliances, or other services that are not customarily provided to unassisted families as part of the dwelling lease with those families, are not permanently installed in the dwelling unit and where the family has the sole option of not utilizing the item, appliance or service, may be included in a separate non-lease agreement between the owner and the family.

The family is not liable and cannot be held responsible under the terms of the assisted dwelling lease for any charges pursuant to a separate non-lease agreement between the owner and the family. Non-payment of any charges pursuant to a separate non-lease agreement between the owner and the family cannot be a cause for eviction or termination of tenancy under the terms of the assisted dwelling lease.

**OCHA Review of Lease**

OCHA will review the dwelling lease for compliance with all applicable requirements.

If the dwelling lease is incomplete or incorrect, OCHA will notify the family and the owner of the deficiencies. Missing and corrected lease information will only be accepted as hard copies, in person, by mail, or by fax. OCHA will not accept missing and corrected information over the phone.
Because the initial leasing process is time sensitive, OCHA will attempt to communicate with the owner and family by phone, fax, or email. OCHA will use mail when the parties can’t be reached by phone, fax, or email.

OCHA is permitted, but is not required, to review the lease to determine if the lease complies with state and local law and is permitted to decline to approve the tenancy if OCHA determines that the lease does not comply with State or local law [24 CFR 982.308(c)].

9-I.F. TENANCY APPROVAL [24 CFR 982.305]

Prior to approving the assisted tenancy and execution of a HAP contract, OCHA will ensure that all required actions and determinations, discussed in Part I of this chapter have been completed.

These actions include ensuring that the unit is eligible; the unit has been inspected by OCHA and meets the Housing Quality Standards (HQS); the lease offered by the owner is approvable and includes the required Tenancy Addendum; the rent to be charged by the owner for the unit must be reasonable; where the family is initially leasing a unit and the gross rent of the unit exceeds the applicable payment standard for the family, the share of rent to be paid by the family does not exceed forty (40%) percent of the family’s monthly adjusted income [24 CFR 982.305(a)]; the owner is an eligible owner, not disapproved by OCHA, with no conflicts of interest [24 CFR 982.306]; the family and the owner have executed the lease, including the Tenancy Addendum, and the lead-based paint disclosure information [24 CFR 982.305(b)].

OCHA will complete its determination within ten (10) business days of receiving all required information.

If the terms of the RFTA/proposed lease are changed for any reason, including but not limited to negotiation with OCHA, OCHA will obtain corrected copies of the RFTA and proposed lease, signed by the family and the owner.

If OCHA determines that the tenancy cannot be approved for any reason, the owner and the family will be notified in writing and given the opportunity to address any reasons for disapproval. OCHA will instruct the owner and family of the steps that are necessary to approve the tenancy.

Where the tenancy is not approvable because the unit is not approvable, the family must continue to search for eligible housing within the timeframe of the issued voucher.

If the tenancy is not approvable due to rent affordability (including rent burden and rent reasonableness), OCHA will attempt to negotiate the rent with the owner. If a new, approvable rent is negotiated, the tenancy will be approved. If the owner is not willing to negotiate an approvable rent, the family must continue to search for eligible housing within the timeframe of the issued voucher.

9-I.G. HAP CONTRACT EXECUTION [24 CFR 982.305]

The HAP contract is a written agreement between OCHA and the owner of the dwelling unit occupied by a housing choice voucher assisted family. Under the HAP contract, OCHA agrees to make housing assistance payments to the owner on behalf of a specific family occupying a specific unit and obliges the owner to comply with all program requirements.

The HAP contract format is prescribed by HUD.

The term of the HAP contract must be the same as the term of the lease [24 CFR 982.451(a)(2)].

OCHA will make a best effort to ensure that the HAP contract is executed before the beginning of the lease term. Regardless, the HAP contract will be executed no later than sixty (60) calendar days from the beginning of the lease term.

OCHA may not pay any housing assistance payment to the owner until the HAP contract has been executed. If the HAP contract is executed during the period of sixty (60) calendar days from the beginning of the lease term, OCHA will pay housing assistance payments after execution of the HAP contract (in accordance with the terms of the HAP contract), to cover the portion of the lease term before execution of the HAP contract (a maximum of sixty (60) days). Any HAP contract executed after the sixty (60) day period is void, and OCHA may not pay any housing assistance payment to the owner.

The owner and the assisted family will execute the dwelling lease and the owner must provide a copy to OCHA. OCHA will ensure that both the owner and the assisted family receive copies of the dwelling lease.

The owner and OCHA will execute the HAP contract. OCHA will ensure that the owner receives a copy of the executed HAP contract.

See Chapter 13 for a discussion of the HAP contract and contract provisions.
9-I.H. CHANGES IN LEASE OR RENT [24 CFR 982.308]

If the tenant and the owner agree to any changes in the lease, such changes must be in writing, and the owner must immediately give OCHA a copy of such changes. The lease, including any changes, must remain in accordance with the requirements of this chapter.

An execution of a new HAP contract is not required for changes in the lease. However, under certain circumstances, voucher assistance in the unit shall not be continued unless OCHA has approved a new tenancy in accordance with program requirements and has executed a new HAP contract with the owner. These circumstances include:

- Changes in lease requirements governing tenant or owner responsibilities for utilities or appliances;
- Changes in lease provisions governing the term of the lease; and/or
- The family moves to a new unit, even if the unit is in the same building or complex.

In these cases, if the HCV assistance is to continue, the family must submit a new Request for Tenancy Approval (RFTA) along with a new dwelling lease containing the altered terms. A new tenancy must then be approved in accordance with this chapter.

Where the owner is changing the amount of rent, the owner must notify OCHA of any changes in the amount of the rent to owner at least sixty (60) days before any such changes go into effect [24 CFR 982.308(g)(4)].

No rent increase is permitted during the initial term of the lease [24 CFR 982.309(a)(3)].

Where the owner is requesting a rent increase, OCHA will determine whether the requested increase is reasonable within ten (10) business days of receiving the request from the owner. If the requested rent is not found to be reasonable, the owner must either reduce the requested rent increase, or give the family notice in accordance with the terms of the lease. The owner will be notified of the determination in writing.

Rent increases will go into effect on the first of the month following the sixty (60) day period after the owner notifies OCHA of the rent change or on the date specified by the owner, whichever is later.
Chapter 10

MOVING WITH CONTINUED ASSISTANCE AND PORTABILITY

INTRODUCTION

Freedom of choice is a hallmark of the housing choice voucher (HCV) program. In general, therefore, HUD regulations impose few restrictions on where families may live or move with HCV assistance. This chapter sets forth HUD regulations and OCHA policies governing moves within or outside OCHA’s jurisdiction in two parts:

Part I: Moving with Continued Assistance. This part covers the general rules that apply to all moves by a family assisted under OCHA’s HCV program, whether the family moves to another unit within OCHA’s jurisdiction or to a unit outside OCHA’s jurisdiction under portability.

Part II: Portability. This part covers the special rules that apply to moves by a family under portability, whether the family moves out of or into OCHA’s jurisdiction. This part also covers the special responsibilities that OCHA has under portability regulations and procedures.

PART I: MOVING WITH CONTINUED ASSISTANCE

10-I.A. ALLOWABLE MOVES

HUD lists five regulatory conditions and the statutory condition under VAWA in which an assisted family is allowed to move to a new unit with continued assistance. Permission to move is subject to the restrictions set forth in section 10-I.B.

- The family has a right to terminate the lease on notice to the owner and has given a notice of termination to the owner in accordance with the lease [24 CFR 982.314(b)(3)]. If the family terminates the lease on notice to the owner, the family must give OCHA a copy of the notice at the same time [24 CFR 982.314(d)(1)].

- The family or a member of the family is or has been the victim of domestic violence, dating violence, sexual assault or stalking and the move is needed to protect the health or safety of the family or family member [24 CFR 982.314(b)(4)]. This condition applies even when the family has moved out of its unit in violation of the lease, with or without prior notification to OCHA, if the family or family member who is the victim reasonably believed that he or she was imminently threatened by harm from further violence if he or she remained in the unit [24 CFR 982.314(b)(4), 24 CFR 982.353(b)]. OCHA has adopted an emergency transfer plan as required by regulations at 24 CFR 5.2007(e).

- The lease for the family’s unit has been terminated by mutual agreement of the owner and the family [24 CFR 982.314(b)(1)(ii)]. If the family and the owner mutually agree to terminate the lease for the family’s unit, the family must give OCHA a copy of the termination agreement.

- The owner has given the family a notice to vacate, has commenced an action to evict the family, or has obtained a court judgment or other process allowing the owner to evict the family [24 CFR 982.314(b)(2)]. The family must give OCHA a copy of any owner eviction notice [24 CFR 982.551(g)].

- OCHA has terminated the HAP contract for the family’s unit for the owner’s breach [24 CFR 982.314(b)(1)(i)].

- OCHA determines that the family’s current unit does not meet the HQS space standards because of an increase in family size or a change in family composition. If an acceptable unit is available for the family, OCHA will terminate the HAP contract for the family’s old unit in accordance with the HAP contract terms and must notify both the family and the owner of the termination. The HAP contract terminates at the end of the calendar month that follows the calendar month in which OCHA gives notice to the owner [24 CFR 982.403(a) and (c)].

10-I.B. RESTRICTIONS ON MOVES

A family’s right to move is generally contingent upon the family’s compliance with program requirements [24 CFR 982.1(b)(2)].

Denial of Moves

HUD regulations permit OCHA to deny a family permission to move under the following conditions:
Insufficient Funding

OCHA may deny a family permission to move if OCHA does not have sufficient funding for continued assistance [24 CFR 982.314(e)(1)].

OCHA will deny a family permission to move on grounds that OCHA does not have sufficient funding for continued assistance if:

- the move is initiated by the family, not the owner or OCHA;
- OCHA can demonstrate that the move will, in fact, result in higher subsidy costs resulting in the termination of housing choice voucher assistance for current participants during the calendar year in order to remain within its budgetary allocation (including any available HAP reserves for housing assistance payments);
- OCHA can demonstrate, in accordance with the policies in Part VIII of Chapter 16, that it does not have sufficient funding in its annual budget to accommodate the higher subsidy costs; and
- for portability moves, the receiving PHA is not absorbing the voucher;
- If OCHA does not have sufficient funding for continued assistance, but the family must move from their unit (e.g., the unit failed HQS), the family may move to a higher cost unit if the move is within OCHA’s jurisdiction. OCHA, however, will not allow the family to move under portability in this situation if the family wishes to move to a higher cost area.
- For both moves within OCHA’s jurisdiction and outside under portability, OCHA will not deny a move due to insufficient funding if OCHA previously approved the move and subsequently experienced a funding shortfall if the family cannot remain in their current unit. OCHA will rescind the voucher in this situation if the family will be allowed to remain in their current unit.

OCHA will create a list of families whose moves have been denied due to insufficient funding. OCHA will keep the family’s request open indefinitely, and when funds become available, the families on this list will take precedence over families on the waiting list. OCHA will use the same procedures for notifying families with open requests to move when funds become available as it uses for notifying families on the waiting list.

OCHA will inform the family of its policy regarding moves denied due to insufficient funding in a letter to the family at the time the move is denied.

Grounds for Denial or Termination of Assistance

OCHA has grounds for denying or terminating the family’s assistance [24 CFR 982.314(e)(2)]. VAWA allows exceptions to these grounds for denial or termination of assistance for families who are otherwise in compliance with program obligations, but have moved to protect the health or safety of an individual who is or has been a victim of domestic violence, dating violence, sexual assault or stalking, and who reasonably believed he or she was imminently threatened by harm from further violence if they remained in the unit [24 CFR 982.353(b)].

If OCHA has grounds for denying or terminating a family’s assistance, OCHA will act on those grounds in accordance with the regulations and policies set forth in Chapters 3 and 12, respectively.

Restrictions on Elective Moves [24 CFR 982.314(c)]

OCHA will deny a family permission to make an elective move during the family’s initial lease term. This policy applies to moves within OCHA’s jurisdiction or outside it under portability.

OCHA will also deny a family permission to make more than one elective move during any 12-month period. This policy applies to all assisted families residing in OCHA’s jurisdiction.

OCHA will deny a family permission to make an elective move because of the family’s action or failure to act as described in 24 CFR 982.552 or 982.553.

OCHA will consider exceptions to these policies for the following reasons: to protect the health or safety of a family member (e.g., lead-based paint hazards, domestic violence, and witness protection programs), to accommodate a change in family circumstances (e.g., new employment, school attendance in a distant area), or to address an emergency situation over which a family has no control.

In addition, OCHA will allow exceptions to these policies for purposes of reasonable accommodation of a family member who is a person with disabilities (see Chapter 2).
10-I.C. MOVING PROCESS

Notification

If a family wishes to move to a new unit, the family must notify OCHA and the owner before moving out of the old unit or terminating the lease on notice to the owner [24 CFR 982.314(d)(2)]. If the family wishes to move to a unit outside OCHA’s jurisdiction under portability, the notice to OCHA must specify the area where the family wishes to move [24 CFR 982.314(d)(2)]. The notices must be in writing [24 CFR 982.5].

Approval

Upon receipt of a family’s notification that it wishes to move, OCHA will determine whether the move is approvable in accordance with the regulations and policies set forth in Sections 10-I.A. and 10-I.B.

Reexamination of Family Income and Composition

For families approved to move to a new unit within OCHA’s jurisdiction, OCHA will perform a new annual reexamination in accordance with the policies set forth in Chapter 11 of this plan.

For families moving into or families approved to move out of OCHA’s jurisdiction under portability, OCHA will follow the policies set forth in Part II of this chapter.

Voucher Issuance and Briefing

For families approved to move to a new unit within OCHA’s jurisdiction, OCHA will issue a new voucher. Families will be required to attend a relocation briefing. OCHA will follow the policies set forth in Chapter 5 on voucher term, extension, and expiration. If a family does not locate a new unit within the term of the voucher and any extensions, the family may remain in its current unit with continued voucher assistance if the owner agrees and OCHA approves. Otherwise, the family will lose its assistance.

Housing Assistance Payments [24 CFR 982.311(d)]

When a family moves out of an assisted unit, OCHA will not make any housing assistance payment to the owner for any month after the month the family moves out. The owner may keep the housing assistance payment for the month when the family moves out of the unit.

If a participant family moves from an assisted unit with continued tenant-based assistance, the term of the assisted lease for the new assisted unit may begin during the month the family moves out of the first assisted unit. Overlap of the last housing assistance payment (for the month when the family moves out of the old unit) and the first assistance payment for the new unit, is not considered to constitute a duplicative housing subsidy.

PART II: PORTABILITY

10-II.A. OVERVIEW

Within the limitations of the regulations and this plan, a participant family or an applicant family that has been issued a voucher has the right to use tenant-based voucher assistance to lease a unit anywhere in the United States providing that the unit is located within the jurisdiction of a Public Housing Authority (PHA) administering a tenant-based voucher program [24 CFR 982.353(b)]. The process by which a family obtains a voucher from one PHA and uses it to lease a unit in the jurisdiction of another PHA is known as portability. The first PHA is called the initial PHA. The second is called the receiving PHA.

The receiving PHA has the option of administering the family’s voucher for the initial PHA or absorbing the family into its own program. Under the first option, the receiving PHA bills the initial PHA for the family’s housing assistance payments and the fees for administering the family’s voucher. Under the second option, the receiving PHA pays for the family’s assistance out of its own program funds, and the initial PHA has no further relationship with the family. The initial PHA must contact the receiving PHA via email or other confirmed delivery method to determine whether the receiving PHA will administer or absorb the initial PHA’s voucher. Based on the receiving PHA’s response, the initial PHA must determine whether they will approve or deny the portability request [Notice PIH 2016-09].

The same PHA commonly acts as the initial PHA for some families and as the receiving PHA for others. Each role involves different responsibilities. OCHA will follow the rules and policies in section 10-II.B when it is acting as the initial PHA for a family. It will follow the rules and policies in section 10-II.C. when it is acting as the receiving PHA for a family.
In administering portability, the initial PHA and the receiving PHA must comply with financial procedures required by HUD, including the use of HUD-required forms [24 CFR 982.355(e)(5)].

OCHA must comply with billing and payment deadlines. HUD may reduce an administrative fee to an initial or receiving PHA if the PHA does not comply with HUD portability requirements [24 CFR 982.355(e)(7)].

10-II.B. OCHA AS THE INITIAL PHA (ROLE)

Allowable Moves under Portability

A family may move with voucher assistance only to an area where there is at least one (1) PHA administering a voucher program [24 CFR 982.353(b)]. If there is more than one PHA in the area, OCHA will provide the family with the contact information for the receiving PHAs that serve the area, and the family selects the receiving PHA. The family must inform OCHA which PHA it has selected. If the family prefers not to select the receiving PHA, OCHA will select the receiving PHA on behalf of the family [24 CFR 982.255(b)].

Applicant families that have been issued vouchers as well as participant families may qualify to lease a unit outside OCHA’s jurisdiction under portability. OCHA, in accordance with HUD regulations and OCHA policy, determines whether a family qualifies.

Applicant Families

In determining whether or not to deny an applicant family permission to move under portability because OCHA lacks sufficient funding or has grounds for denying assistance to the family, OCHA will follow the policies established in section 10-I.B. of this chapter. If OCHA intends to deny a family permission to move under portability due to insufficient funding, OCHA will notify HUD within 10 business days of the determination to deny the move [24 CFR 982.355(e)].

In addition, OCHA has established a policy denying the right to portability to nonresident applicants during the first twelve (12) months after they are admitted to the program [24 CFR 982.353(c)].

If the applicant family did not have a domicile (legal residence) in OCHA’s jurisdiction at the time the family’s application for assistance was submitted, the family must live in OCHA’s jurisdiction with voucher assistance for at least twelve (12) months before requesting portability.

If the applicant family did list a domicile (legal residence) in OCHA’s jurisdiction at the time the family’s application for assistance was submitted, the family must have lived at that address or in OCHA’s jurisdiction for at least twelve (12) months.

OCHA will consider exceptions to this policy for purposes of reasonable accommodation (see Chapter 2) or reasons related to domestic violence, dating violence, sexual assault or stalking.

Participant Families

OCHA will not provide portable assistance for a participant if a family has moved out of its assisted unit in violation of the lease [24 CFR 982.353(b)]. VAWA creates an exception to this prohibition for families who are otherwise in compliance with program obligations but have moved to protect the health or safety of an individual who is or has been a victim of domestic violence, dating violence, sexual assault or stalking and who reasonably believed he or she was imminently threatened by harm from further violence if they remained in the unit [24 CFR 982.353(b)].

OCHA will determine whether a participant family may move out of OCHA’s jurisdiction with continued assistance in accordance with the regulations and policies set forth here and in sections 10-I.A. and 10-I.B. of this chapter. OCHA will notify the family of its determination in accordance with the approval policy set forth in section 10-I.C. of this chapter.

Determining Income Eligibility

Applicant Families

An applicant family may lease a unit in a particular area under portability only if the family is income eligible for admission to the voucher program in that area [24 CFR 982.353(d) (1)]. The family must specify the area to which the family wishes to move [24 CFR 982.355(c)(1)].

OCHA is responsible for determining whether the family is income eligible in the area to which the family wishes to move [24 CFR 982.353 (d)(1), 24 CFR 982.355(9)]. If the applicant family is not income eligible in that area, OCHA will inform the family that it may not move there and receive voucher assistance.
**Participant Families**

The income eligibility of a participant family is not redetermined if the family moves to a new jurisdiction under portability [24 CFR 982.353(d)(2)].

**Reexamination of Family Income and Composition**

No new reexamination of family income and composition is required for an applicant family.

For a participant family approved to move out of its jurisdiction under portability, OCHA will conduct a reexamination of family income and composition if the family’s last reexamination is one hundred twenty (120) days or older.

OCHA will make any exceptions to this policy necessary to remain in compliance with HUD regulations.

**Briefing**

The regulations and policies on briefings set forth in Chapter 5 of this plan require OCHA to provide information on portability to all applicant families that qualify to lease a unit outside OCHA’s jurisdiction under the portability procedures. Therefore, no special briefing is required for these families.

No formal briefing will be required for a participant family wishing to move outside OCHA’s jurisdiction under portability. However, OCHA will provide the family with the same oral and written explanation of portability that it provides to applicant families selected for admission to the program (see Chapter 5).

OCHA will provide the name, address, and phone of the contact for the PHA’s in the jurisdiction to which they wish to move. If there is more than one PHA with jurisdiction over the area to which the family wishes to move, OCHA will advise the family that the family selects the receiving PHA and notify OCHA of which receiving PHA was selected. OCHA will provide the family with contact information for all of the receiving PHA’s that serve the area. OCHA will not provide any additional information about receiving PHA’s in the area. OCHA will further inform the family that if the family prefers not to select the receiving PHA, OCHA will select the receiving PHA on behalf of the family. In this case, OCHA will not provide the family with information for all receiving PHA’s in the area.

OCHA will advise the family that they will be under the Receiving Housing Authorities’ (RHA) policies and procedures, including screening, subsidy standards, payment standards and voucher extension policies.

**Voucher Issuance and Term**

An applicant family has no right to portability until after the family has been issued a voucher [24 CFR 982.353(b)]. In issuing vouchers to applicant families, OCHA will follow the regulations and procedures set forth in Chapter 5. A new voucher is not required for portability purposes.

For participant families approved to move under portability, OCHA will issue a new voucher within ten (10) business days of OCHA’s written approval to move.

The initial term of the voucher will be sixty (60) days.

**Voucher Extensions and Expiration**

OCHA will approve no extensions to a voucher issued to an applicant or participant family porting out of OCHA’s jurisdiction except under the following circumstances: (a) the initial term of the voucher will expire before the portable family will be issued a voucher by the receiving PHA, (b) the family decides to return to OCHA’s jurisdiction and search for a unit there, or (c) the family decides to search for a unit in a third PHA’s jurisdiction. In such cases, the policies on voucher extensions set forth in Chapter 5, section 5-II.E, of this plan will apply, including the requirement that the family apply for an extension in writing prior to the expiration of the initial voucher term. If OCHA extends the term of the voucher, the receiving PHA’s voucher will expire thirty (30) calendar days from the new expiration date of OCHA’s voucher.

To receive or continue receiving assistance under OCHA’s HCV program, a family that moves to another PHA’s jurisdiction under portability must be under HAP contract in the receiving PHA’s jurisdiction within sixty (60) days following the expiration date of OCHA’s voucher term (including any extensions). (See below under “Initial Billing Deadline” for one exception to this policy.)

**Preapproval Contact with the Receiving PHA**

Prior to approving a family’s request to move under portability, OCHA will contact the receiving PHA via e-mail or other confirmed delivery method to determine whether the receiving PHA will administer or absorb the family’s voucher. Based on the receiving PHA’s response, OCHA will determine whether it will approve or deny the move.
Initial Contact with the Receiving PHA

Because the portability process is time sensitive, OCHA will notify the receiving PHA by phone, fax, or e-mail to expect the family. OCHA will also ask the receiving PHA to provide any information the family may need upon arrival, including the name, fax, email and telephone number of the staff person responsible for business with incoming portable families and procedures related to appointments for voucher issuance. OCHA will pass this information along to the family. OCHA will also ask for the name, address, telephone number, fax and email of the person responsible for processing the billing information.

Sending Documentation to the Receiving PHA

OCHA is required to send the receiving PHA the following documents:

- Form HUD-52665, Family Portability Information, with Part I filled out;
- A copy of the family’s voucher;
- A copy of the family’s most recent form HUD-50058, Family Report, or, if necessary in the case of an applicant family, family and income information in a format similar to that of form HUD-50058 [24 CFR 982.355(c)(7)];
- Copies of the income verifications backing up the form HUD-50058, including a copy of the family’s current EIV data [24 CFR 982.355(c)(7)]; and
- Any other documents required.

Initial Billing Deadline [Notice PIH 2016-09]

The deadline for submission of initial billing is ninety (90) days following the expiration date of the voucher issued to the family by OCHA. In cases where suspension of the voucher delays the initial billing submission, the receiving PHA must notify OCHA of delayed billing before the billing deadline and document the delay is due to the suspension. In this case, OCHA must extend the billing deadline by 30 days.

If OCHA has not received an initial billing notice by the deadline and intends not to accept a late billing, OCHA will notify the receiving PHA in writing. If OCHA informs the receiving PHA that it will not honor a late billing, OCHA is not required to honor any billing notice received after the billing deadline. If OCHA subsequently receives a late billing notice on behalf of the family, it simply returns the late billing notice and the receiving PHA must absorb the family. OCHA will send the receiving PHA a written confirmation of its decision by mail.

OCHA will allow an exception to this policy if the family includes a person with disabilities and the late billing is a result of a reasonable accommodation granted to the family by the receiving PHA.

Monthly Billing Payments [24 CFR 982.355(e)]

If the receiving PHA is administering the family’s voucher, OCHA bills the initial PHA for housing assistance payments and administrative fees. When reimbursing for administrative fees, OCHA must promptly reimburse the receiving PHA for the lesser of 80 percent of OCHA’s ongoing administrative fee or 100 percent of the receiving PHA’s ongoing administrative fee for each program unit under contract on the first day of the month for which OCHA is billing the initial PHA under portability. If the administrative fees are prorated for the HCV program, the proration will apply to the amount of the administrative fee for which OCHA may bill [24 CFR 982.355(e)(2)].

OCHA is responsible for making billing payments in a timely manner. The first billing amount is due within thirty (30) calendar days after OCHA receives Part II of form HUD-52665 from the receiving PHA. Subsequent payments must be received by the receiving PHA no later than the fifth (5th) business day of each month. The payments must be provided in a form and manner that the receiving PHA is able and willing to accept.

OCHA may not terminate or delay making payments under existing portability billing arrangements as a result of over leasing or funding shortfalls. OCHA must manage its tenant-based program in a manner that ensures that it has the financial ability to provide assistance for families that move out of its jurisdiction under portability and are not absorbed by receiving PHAs as well as for families that remain within its jurisdiction.

OCHA will utilize direct deposit to ensure that the payment is received by the deadline unless the receiving PHA notifies OCHA that direct deposit is not acceptable to them.
Annual Updates of Form HUD-50058

If OCHA is being billed on behalf of a portable family, it should receive an updated form HUD-50058 each year from the receiving PHA. If OCHA fails to receive an updated 50058 by the family’s annual reexamination date, OCHA will contact the receiving PHA to verify the status of the family. OCHA must continue paying the receiving PHA based on the last form HUD-50058 received, unless instructed otherwise by HUD. OCHA may seek absorption of the vouchers by following steps outlined in Notice PIH 2016-09.

Denial or Termination of Assistance [24 CFR 982.355(c)(9)]

At any time, either OCHA or the receiving PHA may make a determination to deny or terminate assistance with the family in accordance with 24 CFR 982.552 and 24 CFR 982.553. (For OCHA policies on denial and termination, see Chapters 3 and 12, respectively.)

10-II.C. OCHA AS THE RECEIVING PHA (ROLE)

If a family has a right to lease a unit in OCHA’s jurisdiction under portability, OCHA must provide assistance for the family [24 CFR 982.355(10)]. HUD may determine in certain instances that OCHA is not required to accept incoming portable families, such as OCHA being in a declared disaster area. However, OCHA must have approval in writing from HUD before refusing any incoming portable families [24 CFR 982.355(b)].

Administration of the voucher must be in accordance with OCHA’s policies. This requirement also applies to policies of Moving to Work agencies. OCHA procedures and preferences for selection among eligible applicants do not apply to the family, and OCHA’s waiting list is not used [24 CFR 982.355(c)(10)]. The family’s unit, or voucher, size is determined in accordance with the subsidy standards of OCHA [24 CFR 982.355(c)(12)], and OCHA’s policies on extensions of the voucher term apply [24 CFR 982.355(c)(14)].

Responding to Initial PHA’s Request [24 CFR 982.355(c)]

OCHA will respond via e-mail or other confirmed delivery method to the initial PHA’s inquiry to determine whether the family’s voucher will be billed or absorbed. If OCHA informs the initial PHA that it will be absorbing the voucher, OCHA cannot reverse its decision at a later date without consent of the initial PHA (24 CFR 982.355(c)(4)).

Initial Contact with Family

When a family moves into OCHA’s jurisdiction under portability, the family is responsible for promptly contacting OCHA and complying with OCHA’s procedures for incoming portable families. The family’s failure to comply may result in denial or termination of the receiving PHA’s voucher [24 CFR 982.355(c)(8)].

If the voucher issued to the family by the initial PHA has expired, OCHA must contact the initial PHA to determine if it will extend the voucher [24 CFR 982.355(c)(13)]. An informal hearing is not required when a voucher has expired without the family leasing a unit.

If for any reason OCHA refuses to process or provide assistance to a family under the portability procedures, the family must be given the opportunity for an informal review or hearing. (For more on this topic, see later under “Denial or Termination of Assistance.”)

Briefing

OCHA will require the family to attend a briefing as described in Chapter 5.

Income Eligibility and Reexamination

For any family moving into its jurisdiction under portability, OCHA will conduct a new reexamination of family income and composition. However, OCHA will not delay issuing the family a voucher for this reason. Nor will OCHA delay approving a unit for the family until the reexamination process is complete unless the family is an applicant and OCHA cannot otherwise confirm that the family is income eligible for admission to the program in the area where the unit is located.

In conducting its own reexamination, OCHA will rely upon any verification provided by the initial PHA to the extent that they (a) accurately reflect the family’s current circumstances and (b) were obtained within the last one hundred twenty (120) days. Any new information may be verified by documents provided by the family and adjusted, if necessary, when third-party verification is received.
Voucher Issuance

When a family moves into OCHA’s jurisdiction under portability, OCHA is required to issue the family a voucher [24 CFR 982.355(c)(13)]. The family must submit a request for tenancy approval to OCHA during the term of OCHA’s voucher [24 CFR 982.355(c)(15)].

Timing of Voucher Issuance

OCHA will issue the voucher within two (2) weeks after receiving the family’s paperwork from the initial PHA if the information is in order, the family has contacted OCHA, and the family complies with OCHA’s procedures.

When a family ports into OCHA’s jurisdiction, OCHA will issue the family a voucher based on the paperwork provided by the initial PHA unless the family’s paperwork from the initial PHA is incomplete, the family’s voucher from the initial PHA has expired or the family does not comply with OCHA’s procedures. OCHA will update the family’s information when verification has been completed.

Voucher Term

The term of OCHA’s voucher will not expire before thirty (30) calendar days from the expiration of the initial PHA’s voucher [24 CFR 982.355(c)(13)]. If the initial PHA extends the term of the voucher, OCHA’s voucher may not expire before thirty (30) days from the new expiration date of the initial PHA’s voucher [Notice PIH 2016-09].

Voucher Extensions [24 CFR 982.355(c)(14)]

OCHA generally will not extend the term of the voucher that it issues to an incoming portable family unless OCHA plans to absorb the family into its own program, in which case it will follow the policies on voucher extension set forth in section 5-II.E.

OCHA will consider an exception to this policy as a reasonable accommodation to a person with disabilities (see Chapter 2).

Voucher Suspensions [24 CFR 982.303, 24 CFR 982.355(c)(15)]

If the family submits a request for tenancy approval during the term of the receiving PHA’s voucher, the PHA must suspend the term of that voucher. The term of the voucher stops from the date that the family submits a request for PHA approval of the tenancy until the date the PHA notifies the family in writing whether the request has been approved or denied [24 CFR 982.4(b)] (see Section 5-II.E).

Notifying the Initial PHA

OCHA will notify the initial PHA if the family has leased an eligible unit under the program or if the family fails to submit a request for tenancy approval for an eligible unit within the term of OCHA’s voucher [24 CFR 982.355(c)(16)]. OCHA will use Part II of form HUD-52665, Family Portability Information, for this purpose. (For more on this topic and the deadline for notification, see below under “Administering a Portable Family’s Voucher.”)

If an incoming portable family ultimately decides not to lease in the jurisdiction of OCHA but instead wishes to return to the initial PHA’s jurisdiction or to search in another jurisdiction, OCHA will refer the family back to the initial PHA. In such a case the voucher of record for the family is once again the voucher originally issued by the initial PHA. Any extension of search time provided by OCHA’s voucher is only valid for the family’s search in OCHA’s jurisdiction.

Administering a Portable Family’s Voucher

Portability Billing [24 CFR 982.355(e)]

To cover assistance for a portable family that was not absorbed, OCHA bills the initial PHA for housing assistance payments and administrative fees. The amount of the housing assistance payment for a portable family in OCHA’s program is determined in the same manner as for other families in OCHA’s program.

OCHA may bill the initial PHA for the lesser of 80 percent of the initial PHA’s ongoing administrative fee or 100 percent of OCHA’s ongoing administrative fee for each program unit under contract on the first day of the month for which OCHA is billing the initial PHA under portability. If the administrative fees are prorated for the HCV program, the proration will apply to the amount of the administrative fee for which OCHA may bill (i.e., OCHA may bill for the lesser of 80 percent of the initial PHA’s prorated ongoing administrative fee or 100 percent of the OCHA’s ongoing administrative fee).

If both PHAs agree, the PHAs may negotiate a different amount of reimbursement.
**Initial Billing Deadline**

If a portable family’s search for a unit is successful and OCHA intends to administer the family’s voucher, OCHA must submit its initial billing notice (Part II of form HUD-52665) in time that the notice will be received no later than ninety (90) days following the expiration date of the family’s voucher issued by the initial PHA. This deadline may be extended for thirty (30) additional days if the delay is due to suspension of the voucher’s term. A copy of the family’s form HUD-50058, Family Report, completed by OCHA must be attached to the initial billing notice. OCHA will send these documents by mail, fax, or e-mail.

If OCHA fails to send the initial billing by the deadline, it is required to absorb the family into its own program unless (a) the initial PHA is willing to accept the late submission or (b) HUD requires the initial PHA to honor the late submission.

**Ongoing Notification Responsibilities [Notice PIH 2016-09, HUD-52665]**

**Annual Reexamination**

OCHA will send the initial PHA a copy of a portable family’s updated form HUD-50058 after each annual reexamination for the duration of time OCHA is billing the initial PHA on behalf of the family, regardless of whether there is a change in the billing amount.

**Change in Billing Amount**

OCHA is required to notify the initial PHA, using form HUD-52665, of any change in the billing amount for the family as a result of:

- A change in the HAP amount (because of a reexamination, a change in payment standard, etc.);
- An abatement or subsequent resumption of the HAP payments;
- Termination of the HAP contract;
- Payment of a damage/vacancy loss claim for the family;
- Termination of the family from the program.

The timing of the notice of the change in the billing amount should correspond with the notification to the owner and the family in order to provide the initial PHA with advance notice of the change. Under no circumstances should the notification be later than ten (10) business days following the effective date of the change in the billing amount. If OCHA fails to send Form HUD-52665 within ten (10) days of effective date of billing changes, the initial PHA is not responsible for any increase prior to notification. If the change resulted in a decrease in the monthly billing amount, the initial PHA will offset future monthly payments until the difference is reconciled.

**Late Payments**

If the initial PHA fails to make a monthly payment for a portable family by the fifth (5th) business day of the month, OCHA will promptly notify the initial PHA in writing of the deficiency. The notice must identify the family, the amount of the billing payment, the date the billing payment was due, and the date the billing payment was received (if it arrived late). OCHA will send a copy of the notification to the Office of Public Housing (OPH) in the HUD area office with jurisdiction over OCHA. If the initial PHA fails to correct the problem by the second (2nd) month following the notification, OCHA may request by memorandum to the director of the OPH with jurisdiction over OCHA that HUD transfer the unit in question. A copy of the initial notification and any subsequent correspondence between the PHAs on the matter must be attached. OCHA will send a copy of the memorandum to the initial PHA. If the OPH decides to grant the transfer, the billing arrangement on behalf of the family ceases with the transfer, but the initial PHA is still responsible for any outstanding payments due to OCHA.

**Overpayments**

In all cases where OCHA has received billing payments for billing arrangements no longer in effect, OCHA is responsible for returning the full amount of the overpayment (including the portion provided for administrative fees) to the initial PHA.
In the event that HUD determines billing payments have continued for at least three (3) months because OCHA failed to notify the initial PHA that the billing arrangement was terminated, OCHA must take the following steps:

- Return the full amount of the overpayment, including the portion provided for administrative fees, to the initial PHA.
- Once full payment has been returned, notify the Office of Public Housing in the HUD area office with jurisdiction over OCHA of the date and the amount of reimbursement to the initial PHA.

**Denial or Termination of Assistance**

At any time, OCHA may make a determination to deny or terminate assistance to a portable family for family action or inaction [24 CFR 982.355(c)(9), 24 CFR 982.355(c)(10)].

If OCHA elects to deny or terminate assistance for a portable family, OCHA will notify the initial PHA within ten (10) business days after the informal review or hearing if the denial or termination is upheld. OCHA will base its denial or termination decision on the policies set forth in Chapter 3 or Chapter 12, respectively. The informal review or hearing will be held in accordance with the policies in Chapter 16. OCHA will furnish the initial PHA with a copy of the review or hearing decision.

**Absorbing a Portable Family**

OCHA may absorb an incoming portable family into its own program when OCHA executes a HAP contract on behalf of the family or at any time thereafter providing that OCHA has funding available under its annual contributions contract (ACC) [24 CFR 982.355(d)(1)].

If OCHA decides to absorb a portable family upon the execution of a HAP contract on behalf of the family, OCHA will notify the initial PHA by the initial billing deadline specified on form HUD-52665. The effective date of the HAP contract will be the effective date of the absorption.

If OCHA decides to absorb a family after that, it will provide the initial PHA with thirty (30) days advance notice, but no later than ten (10) business days following the effective date of the termination of the billing arrangement.

Following the absorption of an incoming portable family, the family is assisted with funds available under the consolidated ACC for OCHA’s HCV program [24 CFR 982.355(d)], and OCHA becomes the initial PHA in any subsequent moves by the family under portability [24 CFR 982.355(e)(4)].

**Move Under Portability to a Third Jurisdiction**

In the case where a family currently under a billing arrangement subsequently decides it wants to move under portability to yet another jurisdiction, the receiving PHA does not issue the family a voucher in order to do so. Instead, the receiving PHA notifies the initial PHA of the family request to port to another jurisdiction. The initial PHA is responsible for issuing the family's voucher and sending the Form HUD-52665 and supporting documentation to the new receiving PHA.
Chapter 11

REEXAMINATIONS

INTRODUCTION

OCHA is required to reexamine each family’s income and composition at least annually, and to adjust the family’s level of assistance accordingly. Interim reexaminations are also needed in certain situations. This chapter discusses both annual and interim reexaminations, and the recalculation of family share and subsidy that occurs as a result. HUD regulations and OCHA policies concerning reexaminations are presented in three parts:

Part I: Annual Reexaminations. This part discusses the process for conducting annual reexaminations.
Part II: Interim Reexaminations. This part details the requirements for families to report changes in family income and composition between annual reexaminations.
Part III: Recalculating Family Share and Subsidy Amount. This part discusses the recalculation of family share and subsidy amounts based on the results of annual and interim reexaminations.

Policies governing reasonable accommodation, family privacy, required family cooperation, and program abuse, as described elsewhere in this plan, apply to both annual and interim reexaminations.

PART I: ANNUAL REEXAMINATIONS [24 CFR 982.516]

11-I.A. OVERVIEW

OCHA will conduct a reexamination of family income and composition at least annually. This includes gathering and verifying current information about family composition, income, and expenses. Based on this updated information, the family’s income and rent must be recalculated. This part discusses the schedule for annual reexaminations, the information to be collected and verified, and annual reexamination effective dates.

11-I.B STREAMLINED ANNUAL REEXAMINATIONS [24 CFR 982.516(b)]

HUD permits OCHA to streamline the income determination process for family members with fixed sources of income. While third-party verification of all income sources must be obtained during the intake process and every three years thereafter, in the intervening years OCHA may determine income from fixed sources by applying a verified cost of living adjustment (COLA) or rate of interest. OCHA may, however, obtain third-party verification of all income, regardless of the source. Further, upon request of the family, OCHA must perform third-party verification of all income sources.

Fixed sources of income include Social Security and SSI benefits, pensions, annuities, disability or death benefits, and other sources of income subject to a COLA or rate of interest. The determination of fixed income may be streamlined even if the family also receives income from other non-fixed sources.

11-I.C. SCHEDULING ANNUAL REEXAMINATIONS

OCHA will begin the annual reexamination process one hundred twenty (120) days in advance of its scheduled effective date.

If the family moves to a new unit, OCHA will perform a new annual reexamination.

OCHA also may schedule an annual reexamination for completion prior to the anniversary date for administrative purposes.

Notification of and Participation in the Annual Reexamination Process

Families generally are required to participate in an annual reexamination interview, which must be attended by the head of household, spouse, or cohead. If participation in an in-person interview poses a hardship because of a family member’s disability, the family should contact OCHA to request a reasonable accommodation (see Chapter 2).

Notification of annual reexamination interviews will be sent by first-class mail and will contain the date, time, and location of the interview. In addition, it will inform the family of the information and documentation that must be brought to the interview.
If the family is unable to attend a scheduled interview, the family should contact OCHA in advance of the interview to schedule a new appointment. If a family does not attend the scheduled interview, OCHA will send a second notification with a new interview appointment time.

If a family fails to attend two (2) scheduled interviews without OCHA approval, or if the notice is returned by the post office with no forwarding address, a notice of termination (see Chapter 12) will be sent to the family’s address of record.

An advocate, interpreter, or other assistant may assist the family in the interview process.

11-I.D. CONDUCTING ANNUAL REEXAMINATIONS

As part of the annual reexamination process, families are required to provide updated information to OCHA regarding the family’s income, expenses, and composition [24 CFR 982.551(b)].

Families will be asked to bring all required information (as described in the reexamination notice) to the reexamination appointment. The required information will include an OCHA-designated reexamination form, an Authorization for the Release of Information/Privacy Act Notice, as well as supporting documentation related to the family’s income, expenses, and family composition.

Any required documents or information that the family is unable to provide at the time of the interview must be provided within ten (10) business days of the interview. If the family is unable to obtain the information or materials within the required time frame, the family may request an extension.

If the family does not provide the required documents or information within the required time frame (plus any extensions), the family will be sent a notice of termination (see Chapter 12).

The information provided by the family must be verified in accordance with the policies in Chapter 7. Unless the family reports a change, or the agency has reason to believe a change has occurred in information previously reported by the family, certain types of information that are verified at admission typically do not need to be verified on an annual basis. These include:

- Legal identity;
- Age;
- Social security numbers;
- A person’s disability status; and/or
- Citizenship or immigration status.

If adding a new family member to the unit causes overcrowding according to the Housing Quality Standards (HQS) (see Chapter 8), OCHA will issue the family a new voucher, and the family and OCHA will try to find an acceptable unit as soon as possible. If an acceptable unit is available for rental by the family, OCHA will terminate the HAP contract in accordance with its terms [24 CFR 982.403].

At the annual reexamination, OCHA will conduct a criminal background and a lifetime sex offender registration check for all family members.

If OCHA proposes to terminate assistance based on an arrest or lifetime sex offender registration information, OCHA will notify the household of the proposed action and must provide the subject of the record and the tenant a copy of the record and an opportunity to dispute the accuracy and relevance of the information prior to termination.

11-I.E. DETERMINING ONGOING ELIGIBILITY OF CERTAIN STUDENTS [24 CFR 982.552(b)(5)]

During the annual reexamination process, OCHA will determine the ongoing eligibility of each student who is subject to the eligibility restrictions in 24 CFR 5.612 by reviewing the student’s individual income as well as the income of the student’s parents. If the student has been determined “independent” from his/her parents or is considered a vulnerable youth based on the policies in Sections 3-II.E. and 7-II.E., the parents’ income will not be reviewed.

If the student is no longer income eligible based on his/her own income or the income of his/her parents, the student’s assistance will be terminated in accordance with the policies in Section 12-I.D.

If the student continues to be income eligible based on his/her own income and the income of his/her parents (if applicable), OCHA will process a reexamination in accordance with the policies in this chapter.
11-I.F. EFFECTIVE DATES

In general, an increase in the family share of the rent that results from an annual reexamination will take effect on the family’s anniversary date, and the family will be notified at least thirty (30) days in advance.

- If less than thirty (30) days remain before the scheduled effective date, the increase will take effect on the first of the month following the end of the thirty (30) day notice period.
- If a family moves to a new unit, the increase will take effect on the effective date of the new lease and HAP contract, and no thirty (30) day notice is required.
- If OCHA chooses to schedule an annual reexamination for completion prior to the family’s anniversary date for administrative purposes, the effective date will be determined by OCHA, but will always allow for the thirty (30) day notice period.
- If the family causes a delay in processing the annual reexamination, increases in the family share of the rent will be applied retroactively, to the scheduled effective date of the annual reexamination. The family will be responsible for any overpaid subsidy and may be offered a repayment agreement in accordance with the policies in Chapter 16.

In general, a decrease in the family share of the rent that results from an annual reexamination will take effect on the family’s anniversary date.

- If a family moves to a new unit, the decrease will take effect on the effective date of the new lease and HAP contract.
- If OCHA chooses to schedule an annual reexamination for completion prior to the family’s anniversary date for administrative purposes, the effective date will be determined by OCHA.
- If the family causes a delay in processing the annual reexamination, decreases in the family share of the rent will be applied prospectively, from the first day of the month following completion of the reexamination processing.

Delays in reexamination processing are considered to be caused by the family if the family fails to provide information requested by OCHA by the date specified, and this delay prevents OCHA from completing the reexamination as scheduled.

PART II: INTERIM REEXAMINATIONS [24 CFR 982.516]

11-II.A. OVERVIEW

Family circumstances may change throughout the period between annual reexaminations. HUD and OCHA policies dictate what kinds of information about changes in family circumstances must be reported, and under what circumstances OCHA will process interim reexaminations to reflect those changes. HUD regulations also permit OCHA to conduct interim reexaminations of income or family composition at any time. When an interim reexamination is conducted, only those factors that have changed are verified and adjusted.

In addition to specifying what information the family must report, HUD regulations permit the family to request an interim determination if other aspects of the family’s income or composition changes. OCHA will complete the interim reexamination within a reasonable time after the family’s request.

At the interim reexamination, OCHA will conduct a criminal background and a lifetime sex offender registration check for all family members.

If OCHA proposes to terminate assistance based on an arrest or lifetime sex offender registration information, OCHA will notify the household of the proposed action and must provide the subject of the record and the tenant a copy of the record and an opportunity to dispute the accuracy and relevance of the information prior to termination.

This part includes HUD and OCHA policies describing what changes families are required to report, what changes families may choose to report, and how OCHA will process both OCHA and family-initiated interim reexaminations.
11-II.B. CHANGES IN FAMILY AND HOUSEHOLD COMPOSITION

OCHA will conduct interim reexaminations to account for any changes in household composition that occur between annual reexaminations.

New Family Members Not Requiring Approval

The addition of a family member as a result of birth, adoption, or court-awarded custody does not require OCHA approval. However, the family is required to promptly notify OCHA of the addition [24 CFR 982.551(h)(2)]. The family must inform OCHA of the birth, adoption, or court-awarded custody of a child within thirty (30) days.

New Family and Household Members Requiring Approval

With the exception of children who join the family as a result of birth, adoption, or court-awarded custody, a family must request OCHA approval to add a new family member [24 CFR 982.551(h)(2)] or other household member (live-in aide or foster child) [24 CFR 982.551(h)(4)].

OCHA will only consider one (1) request to add a family member to the household composition on an annual basis and may not consider a request to approve the return of a household member that was removed from the household composition within the last twelve (12) months. Exceptions may be granted as a reasonable accommodation.

OCHA may deny request for increased voucher size to move to larger unit for additional members added to household unless the increased number of persons in the unit violates the HQS space standards.

Families must request OCHA approval to add a new family member, live-in aide, foster child, or foster adult. Requests must be made in writing and approved by OCHA prior to the individual moving into the unit.

OCHA will not approve the addition of a new family or household member unless the individual meets OCHA’s eligibility criteria (see Chapter 3) and documentation requirements (see Chapter 7, Part II).

OCHA will not approve the addition of a foster child or foster adult if it will cause a violation of HQS space standards.

If OCHA determines an individual meets OCHA’s eligibility criteria and documentation requirements, OCHA will provide written approval to the family. If the approval of a new family member or live-in aide will cause overcrowding according to HQS standards, the approval letter will explain that the family will be issued a voucher and will be required to move.

If OCHA determines that an individual does not meet OCHA’s eligibility criteria or documentation requirements, OCHA will notify the family in writing of its decision to deny approval of the new family or household member and the reasons for the denial.

When any new family member is added, OCHA will make appropriate adjustments in the family share of the rent and the HAP payment at the effective date of either the annual or interim reexamination [24 CFR 982.516(e)(2)].

Departure of a Family or Household Member

Families must promptly notify OCHA if any family member no longer lives in the unit [24 CFR 982.551(h)(3)]. Because household members are considered when determining the family unit (voucher) size [24 CFR 982.402], OCHA also needs to know when any live-in aide, foster child, or foster adult ceases to reside in the unit.

11-II.C. CHANGES AFFECTING INCOME OR EXPENSES

Interim reexaminations can be scheduled either because OCHA has reason to believe that changes in income or expenses may have occurred, or because the family reports a change. When a family reports a change, OCHA may take different actions depending on whether the family reported the change voluntarily, or because it was required to do so.

OCHA-Initiated Interim Reexaminations

OCHA-initiated interim reexaminations are those that are scheduled based on circumstances or criteria defined by OCHA. They are not scheduled because of changes reported by the family.

OCHA will conduct interim reexaminations in each of the following instances:

- For families receiving the Earned Income Disallowance (EID), OCHA will conduct an interim reexamination at the start and conclusion of the of the 24-month eligibility period.
- OCHA may conduct an interim reexamination at any time in order to correct an error in a previous reexamination, or to investigate a tenant fraud complaint.
OCHA may conduct an interim reexamination every three (3) months as long as the family reports $0 - $3,000 annual income.

**Family-Initiated Interim Reexaminations**

**Required Reporting**

Families are required to report all increases in income of two hundred fifty ($250) dollars per month or more, including new employment, within thirty (30) days of the date the change takes effect.

OCHA will only conduct interim reexaminations for families that qualify for the EID, and only when the EID family’s share of rent will change as a result of the increase. In all other cases, OCHA will note the information in the tenant file, but will not conduct an interim reexamination.

Families are not required to report any other changes in income or expenses.

**Optional Reporting**

The family may request an interim reexamination any time the family has experienced a change in circumstances since the last determination [24 CFR 982.516(b)(2)].

If a family reports a change that it was not required to report and that would result in a decrease in the family share of rent, OCHA will conduct an interim reexamination. See Section 11-II.D. for effective dates.

If a family reports a decrease in income from the loss of welfare benefits due to fraud or non-compliance with a welfare agency requirement to participate in an economic self-sufficiency program, the family’s share of the rent will not be reduced [24 CFR 5.615]. For more information regarding the requirement to impute welfare income see Chapter 6.

Families may report changes in income or expenses at any time.

**11-II.D. PROCESSING THE INTERIM REEXAMINATION**

**Method of Reporting**

The family may notify OCHA of changes either orally or in writing. If the family provides oral notice, OCHA may also require the family to submit the changes in writing.

Based on the type of change reported, OCHA will determine the documentation the family will be required to submit. The family must submit any required information or documents within ten (10) business days of receiving a request from OCHA. This time frame may be extended for good cause with OCHA approval. OCHA will accept required documentation by mail, by fax, or in person.

**Effective Dates**

The changes may be applied either retroactively or prospectively, depending on whether there is to be an increase or a decrease in the family share of the rent, and whether the family reported any required information within the required time frames.

If the family share of the rent is to increase:

- The increase generally will be effective on the first of the month following thirty (30) days notice to the family.
- If a family fails to report a change within the required time frames, or fails to provide all required information within the required time frames, the increase will be applied retroactively, to the first day of the first month following that in which the change occurred. The family will be responsible for any overpaid subsidy and may be offered a repayment agreement in accordance with the policies in Chapter 16.

If the family share of the rent is to decrease:

- The decrease will be effective on the first day of the month following the month in which the change was reported and all required documentation was submitted.
PART III: RECALCULATING FAMILY SHARE AND SUBSIDY AMOUNT

11-III.A. OVERVIEW
After gathering and verifying required information for an annual or interim reexamination, OCHA will recalculate the family share of the rent and the subsidy amount, and notify the family and owner of the changes [24 CFR 982.516(d)(2)]. While the basic policies that govern these calculations are provided in Chapter 6, this part lays out policies that affect these calculations during a reexamination.

11-III.B. CHANGES IN PAYMENT STANDARDS AND UTILITY ALLOWANCES
In order to calculate the family share of the rent and HAP amount correctly, changes in payment standards, subsidy standards, or utility allowances may need to be updated and included in OCHA’s calculations.

Specific policies governing how subsidy standards, payment standards, and utility allowances are applied are discussed below.

Payment Standards [24 CFR 982.505]
The family share of the rent and HAP calculations must use the correct payment standard for the family, taking into consideration the family unit size, the size of unit, and the area in which the unit is located.

When OCHA changes its payment standards or the family’s situation changes, new payment standards are applied at the following times:

- If OCHA’s payment standard amount changes during the term of the HAP contract, the date on which the new standard is applied depends on whether the standard has increased or decreased:
  - If the payment standard amount has increased, the increased payment standard will be applied at the first annual reexamination following the effective date of the increase in the payment standard.
  - If the payment standard amount has decreased, during the term of a HAP contract, OCHA is not required to reduce the payment standard as the HAP contract remains in effect. At the family’s second annual reexamination, OCHA may, but is not required to, apply the decreased payment standard or may gradually implement the reduced payment standard (See Chapter 6 for OCHA’s policy on decreases in the payment standard).

- If the family moves to a new unit, or a new HAP contract is executed due to changes in the lease (even if the family remains in place) the current payment standard applicable to the family will be used when the new HAP contract is processed.

Subsidy Standards [24 CFR 982.505(c)(4)]
If there is a change in the family unit size that would apply to a family during the HAP contract term, either due to a change in family composition, or a change in OCHA’s subsidy standards (see Chapter 5), the new family unit size must be used to determine the payment standard amount for the family at the family’s first annual reexamination following the change in family unit size.

Utility Allowances [24 CFR 982.517(d)]
The family share of the rent and HAP calculations must reflect any changes in the family’s utility arrangement with the owner, or in OCHA’s utility allowance schedule. Chapter 16 discusses how utility allowance schedules are established.

When there are changes in the utility arrangement with the owner, OCHA will use the utility allowances in effect at the time the new lease and HAP contract are executed.

Revised utility allowances will be applied to a family’s rent and subsidy calculations at the first annual reexamination after the allowance is adopted.

11-III.C. NOTIFICATION OF NEW FAMILY SHARE AND HAP AMOUNT
OCHA will notify the owner and family of any changes in the amount of the HAP payment [HUD-52641, HAP Contract]. The notice must include the following information:

- The amount and effective date of the new HAP payment;
- The amount and effective date of the new family share of the rent; and
- The amount and effective date of the new tenant rent to owner.
The family will be given an opportunity for an informal hearing regarding OCHA’s determination of their annual or adjusted income, and the use of such income to compute the housing assistance payment [24 CFR 982.555(a)(1)(i)] (see Chapter 16).

11-III.D. DISCREPANCIES

During an annual or interim reexamination, OCHA may discover that information previously reported by the family was in error, or that the family intentionally misrepresented information. In addition, OCHA may discover errors made by OCHA. When errors resulting in the overpayment or underpayment of subsidy are discovered, corrections will be made in accordance with the policies in Chapter 13.
Chapter 12

TERMINATION OF ASSISTANCE AND TENANCY

HUD regulations specify the reasons for which OCHA can terminate a family’s assistance, and the ways in which such terminations must take place. They also dictate the circumstances under which an owner may terminate the tenancy of an assisted family. This chapter presents the policies that govern voluntary and involuntary terminations of assistance, and termination of tenancy by the owner. It is presented in three parts:

Part I: Grounds for Termination of Assistance. This part discusses various reasons that a family’s assistance may be terminated, including voluntary termination by the family, termination because the family no longer qualifies to receive subsidy, and termination by OCHA based on the family’s behavior.

Part II: Approach to Termination of Assistance. This part describes the policies that govern how an involuntary termination takes place. It specifies the alternatives that OCHA may consider in lieu of termination, the criteria OCHA will use when deciding what action to take and the steps OCHA will take when terminating a family’s assistance.

Part III: Termination of Tenancy by the Owner. This part presents the policies that govern the owner’s right to terminate an assisted tenancy.

PART I: GROUNDS FOR TERMINATION OF ASSISTANCE

12-I.A. OVERVIEW

HUD requires OCHA to terminate assistance for certain offenses and when the family no longer requires assistance. HUD permits OCHA to terminate assistance for certain other actions family members take or fail to take. In addition, a family may decide to stop receiving HCV assistance at any time by notifying OCHA.

12-I.B. FAMILY NO LONGER REQUIRES ASSISTANCE [24 CFR 982.455]

As a family’s income increases, the amount of OCHA’s subsidy goes down. If the amount of HCV assistance provided by OCHA drops to zero and remains at zero for one hundred eighty (180) consecutive calendar days the family's assistance terminates automatically.

If a participating family receiving zero assistance experiences a change in circumstances that would cause the HAP payment to rise above zero, the family must notify OCHA of the changed circumstances and request an interim reexamination before the expiration of the one hundred eighty (180) day period.

12-I.C. FAMILY CHOOSES TO TERMINATE ASSISTANCE

The family may request that OCHA terminate the family's assistance at any time.

The request to terminate assistance should be made in writing and signed by the head of household. Before terminating the family's assistance, OCHA will follow the notice requirements in Section 12-II.F.

12-I.D. MANDATORY TERMINATION OF ASSISTANCE

HUD requires OCHA to terminate assistance in the following circumstances.

Eviction [24 CFR 982.552(b)(2)]

OCHA will terminate assistance whenever a family is evicted from a unit assisted under the HCV program for a serious or repeated violation of the lease. Incidents of actual or threatened violence, dating violence, sexual assault or stalking may not be construed as serious or repeated violations of the lease by the victim or threatened victim of such violence or stalking.

A family will be considered evicted if the family moves after a legal eviction order has been issued, whether or not physical enforcement of the order was necessary.

If a family moves after the owner has given the family an eviction notice for serious or repeated lease violations but before a legal eviction order has been issued, termination of assistance is not mandatory. However, OCHA will determine whether the family has committed serious or repeated violations of the lease based on available evidence and may terminate assistance or take any of the alternative measures described in Section 12-II.C. and other factors as described in Sections 12-II.E. Upon consideration of such alternatives and factors, OCHA may, on a case-by-case basis, choose not to terminate assistance.
Serious and repeated lease violations will include, but not be limited to, nonpayment of rent, disturbance of neighbors, destruction of property, or living or housekeeping habits that cause damage to the unit or premises and criminal activity. Generally, the criteria to be used are whether the reason for the eviction was through no fault of the tenant or guests.

**Failure to Provide Consent [24 CFR 982.552(b)(3)]**

OCHA will terminate assistance if any family member fails to sign and submit any consent form they are required to sign for a reexamination. See Chapter 7 for a complete discussion of consent requirements.

**Failure to Document Citizenship [24 CFR 982.552(b)(4) and 24 CFR 5.514(c)]**

OCHA will terminate assistance if:

- A family fails to submit required documentation within the required timeframe concerning any family member’s citizenship or immigration status;
- A family submits evidence of citizenship and eligible immigration status in a timely manner, but United States Citizenship and Immigration Services (USCIS) primary and secondary verification does not verify eligible immigration status of the family; or
- A family member, as determined by OCHA, has knowingly permitted another individual who is not eligible for assistance to reside (on a permanent basis) in the unit.

**Failure to Disclose and Document Social Security Numbers [24 CFR 5.218(c)]**

OCHA will terminate assistance if a participant family fails to disclose the complete and accurate social security numbers of each household member and the documentation necessary to verify each social security number.

OCHA will defer the family’s termination and provide the family with the opportunity to comply with the requirement for a period of ninety (90) calendar days for circumstances beyond the participant’s control such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family, or other emergency, if there is a reasonable likelihood that the participant will be able to disclose a SSN by the deadline.

**Methamphetamine Manufacture or Production [24 CFR 982.553(b)(1)(ii)]**

OCHA will terminate assistance if any household member has ever been convicted of the manufacture or production of methamphetamine on the premises of federally-assisted housing.

**Failure of Students to Meet Ongoing Eligibility Requirements [24 CFR 982.552(b)(5)]**

If a student enrolled at an institution of higher education is under the age of twenty-four (24), is not a veteran, is not married, does not have dependent children, is not residing with his/her parents in a HCV-assisted household, and is not a person with disabilities receiving HCV assistance as of November 30, 2005, OCHA will terminate the student’s assistance if, at the time of reexamination, either the student’s income or the income of the student’s parents (if applicable) exceeds the applicable income limit.

If a participant household consists of both eligible and ineligible students, the eligible students shall not be terminated, but will be issued a voucher to move with continued assistance in accordance with program regulations and OCHA policies, or must be given the opportunity to lease in place if the terminated ineligible student members elect to move out of the assisted unit.

**Death of the Sole Family Member [24 CFR 982.311(d)]**

OCHA will immediately terminate program assistance for deceased single member households.

**12-I.E. MANDATORY POLICIES AND OTHER AUTHORIZED TERMINATIONS**

**Mandatory Policies [24 CFR 982.553(b) and 982.551(l)]**

**Use of Illegal Drugs and Alcohol Abuse**

OCHA will terminate a family’s assistance if any household member is currently engaged in any illegal use of a drug, or has a pattern of illegal drug use that interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents.

OCHA will terminate assistance if any household member’s abuse or pattern of abuse of alcohol threatens the health, safety, or right to peaceful enjoyment of the premises by other residents.

- *Currently engaged in* is defined as any use of illegal drugs during the previous six (6) months.
OCHA will consider all credible evidence, including but not limited to, any record of arrests, convictions, or eviction of household members related to the use of illegal drugs or abuse of alcohol.

A record of arrest(s) will not be used as the basis for the termination or proof that the participant engaged in disqualifying criminal activity.

In making its decision to terminate assistance, OCHA will consider alternatives as described in Section 12-II.C. and other factors described in Sections 12-II.D. and 12-II.E. Upon consideration of such alternatives and factors, OCHA may, on a case-by-case basis, choose not to terminate assistance.

Drug-Related and Violent Criminal Activity [24 CFR 5.100]

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 defined by HUD as the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute or use the drug.

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

OCHA will terminate a family’s assistance if any household member has violated the family’s obligation not to engage in any drug-related or violent criminal activity during participation in the HCV program.

OCHA will consider all credible evidence, including but not limited to, any record of arrests and/or convictions of household members related to drug-related or violent criminal activity, and any eviction or notice to evict based on drug-related or violent criminal activity.

A record of arrest(s) will not be used as the basis for the termination or proof that the participant engaged in disqualifying criminal activity.

In making its decision to terminate assistance, OCHA will consider alternatives as described in Section 12-II.C. and other factors described in Sections 12-II.D. and 12-II.E. Upon consideration of such alternatives and factors, OCHA may, on a case-by-case basis, choose not to terminate assistance.

Sex Offender Registration Mandatory Prohibition [24 CFR 982.553(a)(2)(i)]

OCHA must terminate a family’s assistance if any household member becomes subject to a lifetime registration requirement under a state sex offender registration program.

Family Absence from the Unit [24 CFR 982.312]

If the family is absent from the unit for more than thirty (30) consecutive calendar days, the family’s assistance will be terminated. Notice of termination will be sent in accordance with Section 12-II.F.

Insufficient Funding [24 CFR 982.454]

The regulation at 24 CFR 982.454 provides that OCHA may terminate HAP contracts, in accordance with HUD requirements, if OCHA determines that funding under the Annual Contributions Contract is insufficient to support continued assistance for families in the program. Before terminating HAP contracts on the basis of insufficient funding, OCHA will ensure that it has carefully considered all cost-savings measures and the impact such terminations will likely have on program participants.

Should OCHA determine it does not have sufficient funding to support continued assistance for families in the program, families will be terminated in the following order:

- Recall of vouchers from families that are searching for units;
- Port out families; and
- Families that have most recently been admitted into the HCV program.

Project-Based HCV tenants are not subject to termination resulting from insufficient funding, only tenant-based HCV tenants.

HUD Veterans Affairs Supportive Housing (VASH) families, Family Unification Program (FUP) families, Single Room Occupancy (SRO), 5-year Mainstream families, Non-Elderly Disabled (NED) families, 100,000 Homes (100K), Elderly and Disabled families are not subject to termination resulting from insufficient funding and/or to the extent that these programs have separate funding sources that are sufficient.
OCHA will issue such families and owners written 30-day notice of termination. Families that are within their first year of their HAP contract are not excluded from termination and such families and owners may receive 30-day notices.

Families that are terminated from the program due to insufficient funding will receive priority to reenter the program before new applicants are selected from the HCV wait list and before Project-Based families may move with tenant-based assistance. Families terminated as a result of insufficient funding will be added to the HCV wait list. Families terminated as a result of insufficient funding may be added to the HCV wait list at any time, even if the wait list is closed. When funding is available, these families will be selected from the wait list first. Terminated families must comply with Section 4-II.E. Reporting Changes in Family Circumstances.

OCHA will terminate the minimum number needed in order to reduce HAP costs to a level within OCHA’s annual budget authority.

**Other Authorized Reasons for Termination of Assistance [24 CFR 982.552(c)]**

HUD permits OCHA to terminate assistance under a number of other circumstances. The Violence Against Women Act of 2013 explicitly prohibits OCHA from considering incidents of, or criminal activity directly related to domestic violence, dating violence, sexual assault or stalking as reasons for terminating the assistance of a victim of such violence.

OCHA will terminate a family’s assistance for any of the following:

- The family has failed to comply with any family obligations under the program.
- The family must supply any information that OCHA or HUD determines to be necessary, including evidence of citizenship or eligible immigration status, and information for use in a regularly scheduled reexamination or interim reexamination of family income and composition.
- The family must disclose and verify social security numbers and sign and submit consent forms for obtaining information.
- Any information supplied by the family must be true and complete.
- The family must allow OCHA to inspect the unit at reasonable times and after reasonable notice.
- The family must not commit any serious or repeated violation of the lease. The family must notify OCHA and the owner before moving out of the unit or terminating the lease.
- The family must promptly give OCHA a copy of any owner eviction notice.
- The assisted unit must be the family’s only residence.
- The composition of the assisted family residing in the unit must be approved by OCHA. The family must promptly notify OCHA in writing of the birth, adoption, or court-awarded custody of a child. The family must request OCHA approval to add any other family member as an occupant of the unit.
- The family must promptly notify OCHA in writing if any family member no longer lives in the unit.
- The family must not sublease the unit, assign the lease, or transfer the unit.
- The family must promptly notify OCHA when the family is absent from the unit.
- The family must pay utility bills and provide and maintain any appliances that the owner is not required to provide under the lease.
- The family must not own or have any interest in the unit (other than in a cooperative).
- Family members must not commit fraud, bribery, or any other corrupt or criminal act in connection with the program.
- Family members must not engage in drug-related criminal activity or violent criminal activity or other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises.
- Members of the household must not engage in abuse of alcohol in a way that threatens the health, safety or right to peaceful enjoyment of the other residents and persons residing in the immediate vicinity of the premises.
- An assisted family or member of the family must not receive HCV program assistance while receiving another housing subsidy, for the same unit or a different unit under any other federal, state or local housing assistance program.
• A family must not receive HCV program assistance while residing in a unit owned by a parent, child, grandparent, grandchild, sister or brother of any member of the family, unless OCHA has determined (and has notified the owner and the family of such determination) that approving rental of the unit, notwithstanding such relationship, would provide reasonable accommodation for a family member who is a person with disabilities.

• Any family member has been evicted from federally-assisted housing in the last five (5) years.

• Any PHA has ever terminated assistance under the program for any member of the family.

• Any family member has committed 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 any PHA in connection with Section 8 or public housing assistance under the 1937 Act.

• The family has not reimbursed any PHA for amounts the PHA 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 is responsible for any Housing Quality Standards (HQS) breach by the family caused by failure to pay tenant-provided utilities or appliances, or damages to the dwelling unit or premises beyond normal wear and tear caused by any member of the household or guest.

• The family has breached the terms of a repayment agreement entered into with OCHA, to pay amounts owed to OCHA, or amounts paid to an owner by OCHA.

• If a Welfare-to-Work (WTW) family fails to fulfill its obligations under the WTW voucher program.

• A family member has engaged in or threatened violent or abusive behavior toward OCHA personnel.
  
  o *Abusive or violent behavior towards OCHA personnel* includes verbal as well as physical abuse or violence. Use of racial epithets, or other language, written or oral, that is customarily used to intimidate may be considered abusive or violent behavior.

  o *Threatening* refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.

In making its decision to terminate assistance, OCHA will consider alternatives as described in Section 12-II.C. and other factors described in Sections 12-II.D. and 12-II.E. Upon consideration of such alternatives and factors, OCHA may, on a case-by-case basis, choose not to terminate assistance.

**PART II: APPROACH TO TERMINATION OF ASSISTANCE**

12-II.A. OVERVIEW

OCHA is required by regulation to terminate a family’s assistance if certain program rules are violated. For other types of offenses, the regulations give OCHA the discretion to either terminate the family’s assistance or to take another action. This part discusses the various actions OCHA may choose to take when it has discretion, and outlines the criteria OCHA will use to make its decision about whether or not to terminate assistance. It also specifies the requirements for the notice that must be provided before terminating assistance.

12-II.B. METHOD OF TERMINATION [24 CFR 982.552(a)(3)]

The way in which OCHA terminates assistance depends upon individual circumstances. HUD permits OCHA to terminate assistance by:

• Terminating housing assistance payments under a current HAP contract,

• Refusing to approve a request for tenancy or to enter into a new HAP contract, or

• Refusing to process a request for or to provide assistance under portability procedures.

12-II.C. ALTERNATIVES TO TERMINATION OF ASSISTANCE

Change in Household Composition

As a condition of continued assistance, OCHA may require that any household member who participated in or was responsible for an offense no longer resides in the unit [24 CFR 982.552(c)(2)(ii)].
As a condition of continued assistance, the head of household must certify that the culpable family member has vacated the unit and will not be permitted to visit or to stay as a guest in the assisted unit. The family must present evidence of the former family member’s current address upon OCHA request.

**Repayment of Family Debts**

If a family owes amounts to OCHA, as a condition of continued assistance, OCHA will require the family to repay the full amount or to enter into a repayment agreement, within ten (10) days of receiving notice from OCHA of the amount owed. See Chapter 16 for policies on repayment agreements.

**12-II.D. CRITERIA FOR DECIDING TO TERMINATE ASSISTANCE**

**Evidence**

For criminal activity, HUD permits OCHA to terminate assistance if a *preponderance of the evidence* indicates that a household member has engaged in the activity, regardless of whether the household member has been arrested or convicted [24 CFR 982.553(c)].

OCHA will use the concept of the preponderance of the evidence as the standard for making all termination decisions.

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

**Consideration of Circumstances [24 CFR 982.552(c)(2)(i)]**

OCHA is permitted, but not required, to consider all relevant circumstances when determining whether a family’s assistance should be terminated.

OCHA will consider the following facts and circumstances when making its decision to terminate assistance:

- The seriousness of the case, especially with respect to how it would affect other residents’ safety or property;
- The effects that termination of assistance may have on other members of the family who were not involved in the action or failure;
- The extent of participation or culpability of individual family members, including whether the culpable family member is a minor or a person with disabilities or (as discussed further in section 12-II.E.) a victim of domestic violence, dating violence, sexual assault or stalking;
- The length of time since the violation occurred, including the age of the individual at the time of the conduct, as well as the family’s recent history and the likelihood of favorable conduct in the future;
- While a record of arrest(s) will not be used as the basis for termination, an arrest may, however, trigger an investigation to determine whether the participant actually engaged in disqualifying criminal activity. As part of its investigation, OCHA may obtain the police report associated with the arrest and consider the reported circumstances of the arrest. OCHA may also consider:
  - Any statements made by witnesses or the participant not included in the police report
  - Whether criminal charges were filed
  - Whether, if filed, criminal charges were abandoned, dismissed, not prosecuted, or ultimately resulted in an acquittal
  - Any other evidence relevant to determining whether or not the participant engaged in disqualifying activity
  - Evidence of criminal conduct will be considered if it indicates a demonstrable risk to safety and/or property
  - In the case of drug or alcohol abuse, whether the culpable household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program or has otherwise been rehabilitated successfully;
  - OCHA will require the participant to submit evidence of the household member’s current participation in or successful completion of a supervised drug or alcohol rehabilitation program, or evidence of otherwise having been rehabilitated successfully;
  - In the case of program abuse, the dollar amount of the overpaid assistance and whether or not a false certification was signed by the family.
Reasonable Accommodation [24 CFR 982.552(c)(2)(iv)]

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

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

12-II.E. TERMINATIONS RELATED TO DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT OR STALKING

This section addresses the protections against termination of assistance that the Violence against Women Act of 2013 (VAWA) provides for victims of domestic violence, dating violence, and stalking.

VAWA Protections against Termination

VAWA provides four (4) specific protections against termination of HCV assistance for victims of domestic violence, dating violence, sexual assault or stalking. (Note: The second, third, and fourth protections also apply to terminations of tenancy or occupancy by owners participating in the HCV program. So do the limitations discussed under the next heading.) First, VAWA provides that OCHA may not terminate assistance to a family that moves out of an assisted unit in violation of the lease, with or without prior notification to OCHA, if the move occurred to protect the health or safety of a family member who is or has been the victim of domestic violence, dating violence, sexual assault or stalking and who reasonably believed he or she was imminently threatened by harm from further violence if he or she remained in the unit [24 CFR 982.354(b)(4)].

Second, it provides that an incident or incidents of actual or threatened domestic violence, dating violence, sexual assault or stalking may not be construed either as a serious or repeated lease violation by the victim or as good cause to terminate the assistance of the victim [24 CFR 5.2005(c)(1)].

Third, it provides that criminal activity directly related to domestic violence, dating violence, sexual assault or stalking may not be construed as cause for terminating the assistance of a tenant if a member of the tenant’s household, a guest, or another person under the tenant’s control is the one engaging in the criminal activity and the tenant or affiliated individual or other individual is the actual or threatened victim of the domestic violence, dating violence, sexual assault or stalking [24 CFR 5.2005(c)(2)].

Fourth, it gives OCHA the authority to terminate assistance to any tenant or lawful occupant who engages in criminal acts of physical violence against family members or others without terminating assistance to, or otherwise penalizing, the victim of the violence [24 CFR 5.2005(a)].

Limitations on VAWA Protections [24 CFR 5.2005(d) and (e)]

VAWA does not limit the authority of OCHA to terminate the assistance of a victim of abuse for reasons unrelated to domestic violence, dating violence, sexual assault or stalking so long as OCHA does not subject the victim to a more demanding standard than it applies to other program participants [24 CFR 5.2005(d)(1)].

Likewise, VAWA does not limit the authority of OCHA to terminate the assistance of a victim of domestic violence, dating violence, sexual assault or stalking if OCHA can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the assisted property if the victim is not terminated from assistance [24 CFR 5.2005(d)(2)].

HUD regulations define actual and imminent threat to mean words, gestures, actions, or other indicators of a physical threat that (a) is real, (b) would occur within an immediate time frame, and (c) could result in death or serious bodily harm [24 CFR 5.2005(d)(2) and (e)]. In determining whether an individual would pose an actual and imminent threat, the factors to be considered include:

- The duration of the risk;
- The nature and severity of the potential harm;
- The likelihood that the potential harm will occur;
- The length of time before the potential harm would occur [24 CFR 5.2005(e)].
In order to demonstrate an actual and imminent threat, OCHA must have objective evidence of words, gestures, actions, or other indicators. Even when a victim poses an actual and imminent threat, however, HUD regulations authorize OCHA to terminate the victim’s assistance “only when there are no other actions that could be taken to reduce or eliminate the threat” [24 CFR 5.2005(d)(3)].

If the tenant wishes to contest OCHA’s determination that he or she is an actual and imminent threat to other tenants or employees, the tenant may do so as part of an informal hearing.

Victim Documentation

When a participant family is facing assistance termination because of the actions of a participant, household member, guest, or other person under the participant’s control and a participant or immediate family member of the participant’s family claims that she or he is the victim of such actions and that the actions are related to domestic violence, dating violence, sexual assault or stalking, OCHA will request in writing that the individual submit documentation affirming that claim.

The documentation will consist of a completed and signed form HUD-50066, Certification of Domestic Violence, Dating Violence, Sexual Assault or Stalking. In lieu of the certification form, OCHA will accept either of the following forms of documentation:

- A police or court record documenting the actual or threatened abuse; and
- Documentation signed by a person who has assisted the victim in addressing domestic violence, dating violence, sexual assault or stalking, or the effects of such abuse. This person may be an employee, agent, or volunteer of a victim service provider; an attorney; or a medical or other knowledgeable professional. The person signing the documentation must attest under penalty of perjury to the person’s belief that the incidents in question are bona fide incidents of abuse. The victim must also sign the documentation.

OCHA reserves the right to waive the documentation requirement if it determines that a statement or other corroborating evidence from the individual will suffice.

The individual claiming victim status must submit the requested documentation within fourteen (14) business days after receipt of the OCHA’s request or must request an extension within that time frame. OCHA may, at its discretion, extend the deadline for ten (10) business days.

If the individual provides the requested documentation within fourteen (14) business days, or any OCHA-approved extension, OCHA will reconsider its termination decision in light of the documentation.

If the individual does not provide the requested documentation within fourteen (14) business days, or any OCHA-approved extension, OCHA will proceed with termination of the family’s assistance in accordance with applicable law, program regulations, and the policies in this plan.

Terminating the Assistance of a Domestic Violence Perpetrator [24 CFR 5.2009(a)]

Although VAWA provides assistance termination protection for victims of domestic violence, it does not provide protection for perpetrators. VAWA gives OCHA the explicit authority to “terminate assistance to any individual who is a tenant or lawful occupant and who engages in criminal acts of physical violence against family members or others, without terminating assistance to, or otherwise penalizing the victim of such violence who is also a tenant or lawful occupant.” This authority is not dependent on a bifurcated lease or other eviction action by an owner against an individual family member. Further, this authority supersedes any local, state, or other federal law to the contrary. However, if OCHA chooses to exercise this authority, it must follow any procedures prescribed by HUD or by applicable local, state, or federal law regarding termination of assistance.

If the perpetrator remains in the unit, OCHA continues to pay the owner until OCHA terminates the perpetrator from the program. OCHA must not stop paying HAP until thirty (30) days after the owner bifurcates the lease to evict the perpetrator. OCHA may pay HAP for the full month if the thirty (30) day period will end mid-month [Notice PIH 2017-08].

If the perpetrator is the only participant eligible to receive assistance, OCHA will provide any remaining participant a chance to establish eligibility for the program. If the remaining participant cannot do so, OCHA will provide them with thirty (30) days to establish eligibility for another housing program prior to termination of the HAP contract.

This means that OCHA must follow the same rules when terminating assistance to an individual as it would when terminating the assistance of an entire family.

OCHA will terminate assistance to a family member if OCHA determines that the family member has committed criminal acts of physical violence against other family members or others. This action will not affect the assistance of the remaining, non-culpable family members.
In making its decision, OCHA will consider all credible evidence, including, but not limited to, a signed certification (form HUD-5382) or other documentation of abuse submitted to OCHA by the victim in accordance with this section. OCHA will also consider the factors in section 12-II.D. Upon such consideration, OCHA may, on a case-by-case basis, choose not to terminate the assistance of the culpable family member.

If OCHA does terminate the assistance of the culpable family member, it will do so in accordance with applicable law, HUD regulations, and the policies in this plan.

OCHA Confidentiality Requirements [24 CFR 5.2007(a)(1)(v)]

All information provided to OCHA regarding domestic violence, dating violence, sexual assault or stalking, including the fact that an individual is a victim of such violence, assault or stalking, must be retained in confidence and may neither be entered into any shared database nor provided to any related entity, except to the extent that the disclosure (a) is requested or consented to by the individual in writing, (b) is required for use in an eviction proceeding, or (c) is otherwise required by applicable law.

If disclosure is required for use in an eviction proceeding or is otherwise required by applicable law, OCHA will inform the victim before disclosure occurs so that safety risks can be identified and addressed.

12-II.F. TERMINATION NOTICE

If a family’s assistance is to be terminated, whether voluntarily or involuntarily, OCHA will give the family and the owner written notice that specifies:

- The reasons for which assistance has been terminated;
- The effective date of the termination; and
- The family’s right to an informal hearing as described in Chapter 16.

If a criminal record is the basis of the termination, a copy of the record must accompany the notice. A copy of the criminal record also must be provided to the subject of the record [24 CFR 582.553(d)].

OCHA will include in its termination notice the VAWA information described in section 16-IX.A of this plan and a form HUD-5382 and form HUD-5380. OCHA will request that a family member wishing to claim protection under VAWA notify OCHA within fourteen (14) business days.

When a family requests to be terminated from the program they must do so in writing to OCHA (see section 12-I.C.). OCHA will then send a notice to the family and the owner no later than the termination effective date (as requested by the family).

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

OCHA will terminate assistance if (1) a family fails to submit required documentation within the required timeframe concerning any family member’s citizenship or eligible immigration status; (2) evidence of citizenship and eligible immigration status is submitted timely, but USCIS primary and secondary verification does not verify eligible immigration status of a family; or (3) OCHA determines that a family member has knowingly permitted another individual who is not eligible for assistance to reside (on a permanent basis) in the unit.

The notice of termination must advise the family of the reasons their assistance is being terminated, that they may be eligible for proration of assistance, the criteria and procedures for obtaining relief under the provisions for preservation of families, that they have the right to request an appeal to the USCIS of the results of secondary verification of immigration status and to submit additional documentation or a written explanation in support of the appeal, and that they have the right to request an informal hearing with OCHA either upon completion of the USCIS appeal or in lieu of the USCIS appeal. Informal hearing procedures are contained in Chapter 16.

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

When the family’s assistance is terminated, the lease and HAP contract terminate automatically.

The owner may offer the family a separate unassisted lease.
PART III: TERMINATION OF TENANCY BY THE OWNER

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

12-III.B. GROUNDS FOR OWNER TERMINATION OF TENANCY [24 CFR 982.310]
During the term of the lease, the owner is not permitted to terminate the tenancy except for serious or repeated violations of the lease, certain violations of state or local law, or other good cause.

**Serious or Repeated Lease Violations**
The owner is permitted to terminate the family’s tenancy for serious or repeated violations of the terms and conditions of the lease, including failure to pay rent or other amounts due under the lease, except when the violations are related to incidents of actual or threatened domestic violence, dating violence, sexual assault or stalking and the victim is protected from eviction by the Violence Against Women Act of 2013. This includes failure to pay rent or other amounts due under the lease. However, OCHA’s failure to make a HAP payment to the owner is not a violation of the lease between the family and the owner.

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

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

- Any criminal activity that threatens the health or safety of, or the right to peaceful enjoyment of the premises by, other residents (including property management staff residing on the premises);
- Any criminal activity that threatens the health or safety of, or the right to peaceful enjoyment of their residences by, persons residing in the immediate vicinity of the premises;
- Any violent criminal activity on or near the premises; or
- Any drug-related criminal activity on or near the premises.

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

- Fleeing to avoid prosecution, custody, or confinement after conviction for a crime or an attempt to commit a crime that is a felony under the laws of the place from which the individual flees, or that, in the case of the State of New Jersey, is a high misdemeanor; or
- Violating a condition of probation or parole imposed under federal or state law.

The owner may terminate tenancy for criminal activity by a household member in accordance with this section if the owner determines that the household member has committed the criminal activity, regardless of whether the household member has been arrested or convicted for such activity.

The owner may terminate tenancy during the term of the lease if any member of the household has engaged in abuse of alcohol that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents.

**Evidence of Criminal Activity**
The owner may terminate tenancy and evict by judicial action a family for criminal activity by a covered person if the owner determines they have engaged in the criminal activity, regardless of arrest or conviction and without satisfying the standard of proof used for a criminal conviction.

However, in the case of criminal activity directly related to domestic violence, dating violence, sexual assault or stalking, if the tenant or an affiliated individual is the victim, the criminal activity may not be construed as cause for terminating the victim’s tenancy (see section 12-II.E.).
Other Good Cause

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

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

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

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

12-III.C. EVICTION [24 CFR 982.310(e) and (f)]

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

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

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

If the eviction action is finalized in court, the owner must provide OCHA with documentation related to the eviction, including notice of the eviction date, as soon as possible, but no later than five (5) business days following the court-ordered eviction.

12-III.D. DECIDING WHETHER TO TERMINATE TENANCY [24 CFR 982.310(h) and (h)(4)]

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

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

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

In determining whether to terminate tenancy for illegal use of drugs or alcohol abuse by a household member who is no longer engaged in such behavior, the owner may consider whether such household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program, or has otherwise been rehabilitated successfully (42 U.S.C. 13661). For this purpose, the owner may require the tenant to submit evidence of the household member's current participation in, or successful completion of, a supervised drug or alcohol rehabilitation program or evidence of otherwise having been rehabilitated successfully.
The owner's termination of tenancy actions must be consistent with the fair housing and equal opportunity provisions in 24 CFR 5.105.

An owner’s decision to terminate tenancy for incidents related to domestic violence, dating violence, sexual assault or stalking is limited by the Violence Against Women Act of 2013 (VAWA) and the conforming regulations in 24 CFR Part 5, Subpart L. (See section 12-II.E.)

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

If a termination is not due to a serious or repeated violation of the lease, and if OCHA has no other grounds for termination of assistance, OCHA may issue a new voucher so that the family can move with continued assistance (see Chapter 10).
Chapter 13
OWNERS

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

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

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

The chapter is organized in two parts:

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

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

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

PART I. OWNERS IN THE HCV PROGRAM

13-I.A. OWNER RECRUITMENT AND RETENTION

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

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

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

- Maintaining personal contacts with the Oklahoma City Board of Realtors, the Oklahoma City Apartment Association and other similar organizations.
- OCHA prepares informational packets directed to owner participation by listing advantages of the programs to prospective landlords.
- Periodic speaking engagements to civic and community groups.
- Quadrant distribution of information to assure contacts with both large apartment management entities as well as single property owners in areas outside of low-income and minority concentration.
- Maintaining a housing list of property owners who wish to participate in the Section 8 HCV programs and distributing these lists to all families at the time of voucher issuance.

Retention
All OCHA activities that may affect an owner’s ability to lease a unit will be processed as rapidly as possible, in order to minimize vacancy losses for owners.

OCHA provides owners with a handbook that explains the program, including HUD and OCHA policies and procedures, in easy-to-understand language.
OCHA will give special attention to helping new owners succeed through activities such as:

- Coordinating inspection and leasing activities between OCHA, the owner and the family.
- Initiating telephone contact with the owner to explain the inspection process and providing an inspection booklet and other resource materials about HUD housing quality standards.
- Providing other written information about how the program operates, including answers to frequently asked questions.

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

13-I.B. BASIC HCV PROGRAM REQUIREMENTS

HUD requires OCHA to aid families in their housing search by providing the family with a list of landlords or other parties known to OCHA who may be willing to lease a unit to the family, or to help the family find a unit. Although OCHA cannot maintain a list of owners that are pre-qualified to participate in the program, owners may indicate to OCHA their willingness to lease a unit to an eligible HCV family, or to help the HCV family find a unit [24 CFR 982.301(b)(11)].

Owners that wish to indicate their willingness to lease a unit to an eligible HCV family or to help the HCV family find a unit must notify OCHA. OCHA will maintain a listing of such owners and provide this listing to the HCV family as part of the informational briefing packet.

When a family approaches an owner to apply for tenancy, the owner is responsible for screening the family and deciding whether to lease to the family, just as the owner would with any potential tenant. OCHA has no liability or responsibility to the owner or other persons for the family’s behavior or suitability for tenancy. See Chapters 3 and 9 for more detail on tenant family screening policies and process.

If the owner is willing, the family and the owner must jointly complete a Request for Tenancy Approval (RFTA), which constitutes the family's request for assistance in the specified unit, and which documents the owner's willingness to lease to the family and to follow the program’s requirements. When submitted to OCHA, this document is the first step in the process of obtaining approval for the family to receive the financial assistance it will need in order to occupy the unit. Also submitted with the RFTA is a copy of the owner’s proposed dwelling lease, including the HUD-required Tenancy Addendum (Form HUD-52641-A). See Chapter 9 for more detail on request for tenancy approval policies and process.

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

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

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

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

OCHA will determine that the rent of the unit is reasonable [24 CFR 982.305(a)]. The rent must be reasonable in relation to comparable unassisted units in the area and must not be in excess of rents charged by the owner for comparable, unassisted units on the premises. See Chapter 8 for a discussion of requirements and policies on rent reasonableness, rent comparability and the rent reasonableness determination process.

At initial lease-up of a unit, OCHA will determine that the share of rent to be paid by the family does not exceed forty (40%) percent of the family’s monthly adjusted income [24 CFR 982.305(a)]. See Chapter 6 for a discussion of the calculation of family income, family share of rent and HAP.
The dwelling lease must comply with all program requirements [24 CFR 982.308]. Owners are encouraged to use their standard leases when renting to an assisted family. However, the HCV program requires that the Tenancy Addendum, which helps standardize the tenancy requirements for all assisted families, be added word-for-word to that lease. See Chapter 9 for a discussion of the dwelling lease and tenancy addendum, including lease terms and provisions.

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

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

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

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

13-I.D. OWNER QUALIFICATIONS

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

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

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

Leasing to Relatives [24 CFR 982.306(d)]

OCHA will not approve an RFTA if the owner is the parent, child, grandparent, grandchild, sister, or brother of any member of the family. OCHA may make an exception as a reasonable accommodation for a family member with a disability. The owner is required to certify that no such relationship exists. This restriction applies at the time that the family receives assistance under the HCV program for occupancy of a particular unit. Current contracts on behalf of owners and families that are related may continue, but any new leases or contracts for these families may not be approved.
Conflict of Interest [24 CFR 982.161]

OCHA will not approve a tenancy in which any of the following classes of persons has any interest, direct or indirect, during tenure or for one (1) year thereafter:

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

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

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

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

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

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

If OCHA disapproves a request for tenancy because an owner is not qualified, it may not terminate the HAP contract for any assisted families that are already living in the owner’s properties unless the owner has violated the HAP contract for those units.

OCHA will refuse to approve a request for tenancy if OCHA becomes aware that any of the following are true:

- The owner has violated obligations under a HAP contract under Section 8 of the 1937 Act (42 U.S.C. 1437f);
- The owner has committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;
- The owner has engaged in any drug-related criminal activity or any violent criminal activity;
- The owner has a history or practice of non-compliance with the HQS for units leased under the tenant-based programs, or with applicable housing standards for units leased with project-based Section 8 assistance or leased under any other federal housing program;
- The owner has a history or practice of failing to terminate tenancy of tenants of units assisted under Section 8 or any other federally assisted housing program for activity engaged in by the tenant, any member of the household, a guest or another person under the control of any member of the household that: (i) Threatens the right to peaceful enjoyment of the premises by other residents; (ii) Threatens the health or safety of other residents, of employees of OCHA, or of owner employees or other persons engaged in management of the housing; (iii) Threatens the health or safety of, or the right to peaceful enjoyment of their residences, by persons residing in the immediate vicinity of the premises; or (iv) Is drug-related criminal activity or violent criminal activity;
- The owner has a history or practice of renting units that fail to meet state or local housing codes; or
- The owner has not paid state or local real estate taxes, fines, or assessment.

In considering whether to disapprove owners for any of the discretionary reasons listed above, OCHA will consider any mitigating factors. Such factors may include, but are not limited to, the seriousness of the violation in relation to program requirements, the impact on the ability of families to lease units under the program, health and safety of participating families, among others. Upon consideration of such circumstances, OCHA may, on a case-by-case basis, choose to approve an owner.
Legal Ownership of Unit

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

13-I.E. NON-DISCRIMINATION

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

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

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

PART II. HAP CONTRACTS

13-II.A. OVERVIEW

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

The HAP contract is used for all HCV program tenancies except for assistance under the Section 8 homeownership program.

If OCHA has given approval for the family of the assisted tenancy, the owner and OCHA execute the HAP contract. See Chapter 9 for a discussion of the leasing process, including provisions for execution of the HAP contract.

13-II.B. HAP CONTRACT CONTENTS

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

The HAP contract contains three (3) parts:

Part A of the contract includes basic contract information about the name of the tenant family, address of the contract unit, names of all household members, first and last dates of initial lease term, amount of initial monthly rent to owner, amount of initial housing assistance payment, utilities and appliances to be supplied by owner and tenant, signatures of OCHA and owner. In general, the HAP contract cannot be modified.

Part B is the body of the contract. It describes in detail program requirements affecting the owner and owner roles and responsibilities under the HCV program. Most of the requirements contained in Part B of the HAP contract are outlined elsewhere in this plan. Topics addressed in Part B include:

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

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

13-II.C. HAP CONTRACT PAYMENTS

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

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

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

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

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

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

If the owner receives any excess HAP from OCHA, the excess amount must be returned immediately. If OCHA determines that the owner is not entitled to all or a portion of the HAP, OCHA may deduct the amount of overpayment from any amounts due to the owner, including amounts due under any other Section 8 HCV contract. See Chapter 16 for additional detail on owner reimbursement of HAP overpayments.

Owner Certification of Compliance
Unless the owner complies with all provisions of the HAP contract, the owner is not entitled to receive housing assistance payments under the HAP contract.

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

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

OCHA is responsible for making HAP payments promptly when due to the owner, in accordance with the terms of the HAP contract. After the first two (2) calendar months of the HAP contract term, the HAP contract provides for penalties if OCHA fails to make the HAP payment on time.

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

OCHA is not required to pay a late payment penalty if HUD determines that the payment is late for reasons beyond OCHA’s control. In addition, late payment penalties are not required if OCHA intentionally delays or denies payment as a remedy to an owner breach of the HAP contract.
**Termination of HAP Payments [24 CFR 982.311(b)]**

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

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

If the owner has initiated eviction proceedings against the family and the family continues to reside in the unit, OCHA 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.

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

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

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

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

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

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

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

OCHA’s rights and remedies against the owner under the HAP contract include recovery of any HAP overpayment, suspension of housing assistance payments, abatement or reduction of the housing assistance payment, termination of the payment or termination the HAP contract. OCHA may also obtain additional relief by judicial order or action.

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

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

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

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

**13-II.E. HAP CONTRACT TERM AND TERMINATIONS**

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

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

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

- Available program funding is not sufficient to support continued assistance for families in the program [24 CFR 982.454];
- The unit does not meet HQS size requirements due to change in family composition [24 CFR 982.403];
- The unit does not meet HQS [24 CFR 982.404];
- The family breaks up;
- The owner breaches the HAP contract [24 CFR 982.453(b)].

If OCHA terminates the HAP contract, OCHA will give the owner and the family written notice. The notice must specify the reasons for the termination and the effective date of the termination. Once a HAP contract is terminated, no further HAP payments may be made under that contract.

If the family moves from the assisted unit into a new unit, even if the new unit is in the same building or complex as the assisted unit, the HAP contract for the assisted unit terminates. A new HAP contract will be required.

When the family moves from an assisted unit into a new unit, the term of the HAP contract for the new unit may begin in the same month in which the family moves out of its old unit. This is not considered a duplicative subsidy except where the old unit and new unit have the same owner.

NO SUBSIDY

A program participant who is not receiving any subsidy may request a voucher to move to a different unit. The HAP contract terminates automatically one hundred eighty (180) calendar days since OCHA has made the last housing assistance payment to the owner. As long as the HAP contract remains in force, the participant has a right to move with continued assistance. OCHA will issue a voucher to move unless it has grounds to deny issuance of the voucher under the regulations.

When the participant locates a new unit and OCHA determines that no subsidy would be paid at the new unit, OCHA will refuse to enter a HAP contract on behalf of the family. Where the family chooses to lease a unit that the family can afford without subsidy, there is no requirement that OCHA enter a HAP contract on behalf of the family. OCHA will notify the family and the owner in writing of the decision not to enter a HAP contract. The family will be terminated effective on the lease in date.

13-II.F. CHANGE IN OWNERSHIP / ASSIGNMENT OF THE HAP CONTRACT

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

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

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

Assignment of the HAP contract will be approved only if the new owner is qualified to become an owner under the HCV program according to the policies in Section 13-I.D. of this chapter.
OCHA must receive a signed, written request from the existing owner stating the name and address of the new HAP payee and the effective date of the assignment in order to change the HAP payee under an outstanding HAP contract.

Within ten (10) business days of receiving the owner’s request, OCHA will inform the current owner in writing whether the assignment may take place.

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

- A copy of the escrow statement or other document showing the transfer of title and recorded deed;
- A copy of the owner’s IRS Form W-9, Request for Taxpayer Identification Number and Certification, or the social security number of the new owner;
- The effective date of the HAP contract assignment;
- A written agreement to comply with the terms of the HAP contract; and
- Confirmation that the new owner is not a prohibited relative.

If the new owner does not agree to an assignment of the HAP contract, or fails to provide the necessary documents, OCHA will terminate the HAP contract with the old owner. If the new owner wants to offer the family a new lease, and the family elects to stay with continued assistance, OCHA will process the leasing in accordance with the policies in Chapter 9.
Chapter 14

PROGRAM INTEGRITY

INTRODUCTION

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

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

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

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

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

14-I.A. PREVENTING ERRORS AND PROGRAM ABUSE

HUD created the Enterprise Income Verification (EIV) system to provide PHAs with a powerful tool for preventing errors and program abuse. OCHA is required to use the EIV system in its entirety in accordance with HUD administrative guidance [24 CFR 5.233]. OCHA is further required to:

- Provide applicants and participants with form HUD-52675, “Debts Owed to PHAs and Terminations”
- Require all adult members of an applicant or participant family to acknowledge receipt of form HUD-52675 by signing a copy of the form for retention in the family file

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

To ensure that OCHA’s HCV program is administered effectively and according to the highest ethical and legal standards, OCHA employs a variety of techniques to ensure that both errors and intentional program abuse are rare. OCHA will discuss program compliance and integrity issues during the voucher briefing sessions described in Chapter 5.

OCHA will provide each applicant and participant with a copy of “What You Should Know about EIV,” a guide to the Enterprise Income Verification (EIV) system published by HUD as an attachment to Notice PIH 2010-19. In addition, OCHA will require the head of each household to acknowledge receipt of the guide by signing a copy for retention in the family file.

OCHA staff will be required to review and explain the contents of all HUD- and OCHA-required forms prior to requesting family member signatures.

OCHA will provide each OCHA employee with the necessary training on program rules and the organization’s standards of conduct and ethics.

For purposes of this chapter the term error refers to an unintentional error or omission. Program abuse or fraud refers to a single act or pattern of actions that constitute a false statement, omission, or concealment of a substantial fact, made with the intent to deceive or mislead.

14-I.B. DETECTING ERRORS AND PROGRAM ABUSE

In addition to taking steps to prevent errors and program abuse, OCHA uses a variety of activities to detect errors and program abuse.
Quality Control and Analysis of Data

Under the Section 8 Management Assessment Program (SEMAP), HUD requires OCHA to review a random sample of tenant records annually to determine if the records conform to program requirements and to conduct quality control inspections of a sample of units to ensure HQS compliance [24 CFR, Part 985]. (See Chapter 16 for additional information about SEMAP requirements.)

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

- OCHA routinely will use available sources of up-front income verification, including HUD’s EIV system, to compare with family-provided information.
- At each annual reexamination, current information provided by the family will be compared to information provided at the last annual reexamination to identify inconsistencies and incomplete information.
- OCHA will compare family-reported income and expenditures to detect possible unreported income.

14-I.C. INVESTIGATING ERRORS AND PROGRAM ABUSE

When OCHA Will Investigate

OCHA will review all referrals, specific allegations, complaints, and tips from any source including other agencies, companies, and individuals, to determine if they warrant investigation. In order for OCHA to investigate, the allegation must contain at least one (1) independently-verifiable item of information, such as the name of an employer or the name of an unauthorized household member.

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

Consent to Release of Information [24 CFR 982.516]

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

Analysis and Findings

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

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

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

Consideration of Remedies

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

Notice and Appeals

OCHA will inform the relevant party in writing of its findings and remedies. The notice will include (1) a description of the error or program abuse, (2) the basis on which OCHA determined the error or program abuses, (3) the remedies to be employed, and (4) the family’s right to appeal the results through the informal review or hearing process, if applicable (see Chapter 16).
PART II: CORRECTIVE MEASURES AND PENALTIES

14-II.A. SUBSIDY UNDER- OR OVERPAYMENTS

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

Corrections

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

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

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

Reimbursement

Whether the family or owner is required to reimburse OCHA or OCHA is required to make retroactive subsidy payments to the owner or family depends upon which party is responsible for the incorrect subsidy payment and whether the action taken was an error or program abuse. Policies regarding reimbursement are discussed in the three (3) sections that follow.

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

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

Family Reimbursement to OCHA

In the case of family-caused errors or program abuse, the family will be required to repay any excess subsidy received. OCHA will offer the family a repayment agreement in accordance with Chapter 16. If the family fails to repay the excess subsidy, OCHA will terminate the family’s assistance in accordance with the policies in Chapter 12.

OCHA Reimbursement to Family

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

Prohibited Actions

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

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

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

- Payment to the owner in excess of amounts authorized by OCHA for rent, security deposit, and additional services;
- Offering bribes or illegal gratuities to OCHA Board of Commissioners, employees, contractors, or other OCHA representatives;
- Offering payments or other incentives to the owner or a third party as an inducement for the third party to make false or misleading statements to OCHA on the family’s behalf;
- Use of a false name or the use of falsified, forged, or altered documents;
- Intentional misreporting of family information or circumstances (e.g. income, family composition);
- Omitted facts that were obviously known by a family member (e.g., not reporting employment income); and/or
- Admission of program abuse by an adult family member.

OCHA may determine other actions to be program abuse based upon a preponderance of the evidence, as defined earlier in this chapter.
Penalties for Program Abuse
In the case of program abuse caused by a family, OCHA may at its discretion, impose any of the following remedies:

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

14-II.C. OWNER-CAUSED ERROR OR PROGRAM ABUSE
An incorrect subsidy determination caused by an owner generally would be the result of an incorrect owner statement about the characteristics of the assisted unit (e.g., the number of bedrooms, which utilities are paid by the family). It also includes accepting duplicate housing assistance payments for the same unit in the same month, or after a family no longer resides in the unit.

Owner Reimbursement to OCHA
In all cases of overpayment of subsidy caused by the owner, the owner must repay to OCHA any excess subsidy received. OCHA may recover overpaid amounts by withholding housing assistance payments due for subsequent months, or if the debt is large, OCHA may allow the owner to pay in installments over a period of time.

Prohibited Owner Actions
An owner participating in the HCV program must not:

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

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

- Charging the family rent above or below the amount specified by OCHA;
- Charging a security deposit other than that specified in the family’s lease;
- Charging the family for services that are provided to unassisted tenants at no extra charge;
- Knowingly accepting housing assistance payments for any month(s) after the family has vacated the unit;
- Knowingly accepting incorrect or excess housing assistance payments;
- Offering bribes or illegal gratuities to OCHA Board of Commissioners, employees, contractors, or other OCHA representatives;
- Offering payments or other incentives to an HCV family as an inducement for the family to make false or misleading statements to OCHA; and/or
- Residing in the unit with an assisted family.

Remedies and Penalties
When OCHA determines that the owner has committed program abuse, OCHA may take any of the following actions:

- Require the owner to repay excess housing assistance payments, as discussed earlier in this section and in accordance with the policies in Chapter 16;
- Terminate the HAP contract (See Chapter 13);
- Bar the owner from future participation in any OCHA programs; and/or
- Refer the case to state or federal officials for criminal prosecution as described in section 14-II.E.
14-II.D. OCHA-CAUSED ERRORS OR PROGRAM ABUSE

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

Repayment to OCHA

Neither a family nor an owner is required to repay an overpayment of subsidy if the error or program abuse is caused by OCHA staff.

OCHA Reimbursement to Family or Owner

OCHA will reimburse a family for any underpayment of subsidy, regardless of whether the underpayment was the result of staff-caused error or staff or owner program abuse.

14-II.E. CRIMINAL PROSECUTION

When OCHA determines that program abuse by an owner, family, or OCHA staff member has occurred and the amount of overpaid subsidy meets or exceeds the federal threshold, the case will be referred to the HUD Office of Inspector General (OIG).

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

OCHA may permit a family to use any of the special housing types discussed in this chapter. However, OCHA is not required to permit families receiving assistance in its’ jurisdiction to use these housing types, except that OCHA will permit use of any special housing type if needed as a reasonable accommodation for a person with a disability. OCHA also may limit the number of families who receive HCV assistance in these housing types and cannot require families to use a particular housing type. No special funding is provided for special housing types.

Special housing types include single room occupancy (SRO), congregate housing, group homes, shared housing, cooperative housing, manufactured homes where the family owns the home and leases the space, and homeownership [24 CFR 982.601].

This chapter consists of the following eleven (11) parts. Each part contains a description of the housing type and any special requirements associated with it. Except as modified by this chapter, the general requirements of the HCV program apply to special housing types.

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PART I: SINGLE ROOM OCCUPANCY

[24 CFR 982.602 through 982.605]

15-I.A. OVERVIEW

A single room occupancy (SRO) unit provides living and sleeping space for the exclusive use of the occupant but requires the occupant to share sanitary and/or food preparation facilities with others. More than one (1) person may not occupy a SRO unit. HCV regulations do not limit the number of units in a SRO facility, but the size of a facility may be limited by local ordinances.

When providing HCV assistance in a SRO unit, a separate lease and HAP contract are executed for each assisted person, and the standard form of the HAP contract is used.

OCHA offers SRO housing assistance for chronically mentally ill homeless individuals at Palo Duro Apartments located at 409 Northwest 11th Street, Oklahoma City, Oklahoma 73103. The owner in charge of selection for this property is Neighborhood Services Organization. Persons interested in applications for this program should call (405) 236-0413.
15-I.B. FAMILY ELIGIBILITY
The first priority for occupancy of Single Room Occupancy Moderate Rehabilitation units shall be given to homeless individuals. Homeless individuals are persons not currently residing in the building, or persons eligible for Section 8 assistance who are currently residing in the building. Nonresident applicants must be persons who:

- Lack the resources to obtain housing; and
  
  - Who have a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings;
  
  - Who have a primary nighttime residence that is a supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters; and transitional housing, but excluding prisons and other detention facilities); and
  
  - Are at imminent risk of homelessness because they face immediate eviction and have been unable to identify a subsequent residence, which would result in emergency shelter placement.

- Persons with a disability who are about to be released from an institution and are at risk of imminent homelessness because no subsequent residences have been identified and because they lack the resources and support networks needed to obtain access to decent housing.

Eligible applicants on the Section 8 waiting list who wish to live in a specific SRO will be issued a Statement of Family Responsibility. OCHA will also accept an application and determine eligibility from any individual referred by a SRO landlord, provided OCHA has offered such SRO to all eligible applicants on the waiting list, and such offers have been refused. A SRO applicant will attend a Briefing Session as described in this section. With the exception for the unit to be occupied by the applicant, all other requirements of the Rental Assistance Program will apply to the SRO program.

15-I.C. PAYMENT STANDARD, UTILITY ALLOWANCE, AND HAP CALCULATION
The payment standard for SRO housing is 75 percent of the 0-bedroom payment standard amount on OCHA’s payment standard schedule.

The utility allowance for an assisted person residing in SRO housing is 75 percent of the zero bedroom utility allowance.

The HAP for an assisted occupant in a SRO facility is the lower of the SRO payment standard amount minus the TTP or the gross rent for the unit minus the TTP.

15-I.D. HOUSING QUALITY STANDARDS
HQS requirements described in Chapter 8 apply to SRO housing except as modified below.

- **Access:** Access doors to the SRO unit must have working locks for privacy. The occupant must be able to access the unit without going through any other unit. Each unit must have immediate access to two (2) or more approved means of exit from the building, appropriately marked and leading to safe and open space at ground level. The SRO unit must also have any other means of exit required by state or local law.

- **Fire Safety:** All SRO facilities must have a sprinkler system that protects major spaces. “Major spaces” are defined as hallways, common areas, and any other areas specified in local fire, building, or safety codes. SROs must also have hard-wired smoke detectors, and any other fire and safety equipment required by state or local law.

Sanitary facilities and space and security standards must meet local code requirements for SRO housing. In the absence of local code standards the requirements discussed below apply [24 CFR 982.605].

- **Sanitary Facilities:** At least one (1) flush toilet that can be used in privacy, a lavatory basin, and a bathtub or shower in proper operating condition must be provided for each six (6) persons (or fewer) residing in the SRO facility. If the SRO units are leased only to men, flush urinals may be substituted for up to one half of the required number of toilets. Sanitary facilities must be reasonably accessible from a common hall or passageway, and may not be located more than one (1) floor above or below the SRO unit. They may not be located below grade unless the SRO units are located on that level.
• **Space and Security**: A SRO unit must contain at least one hundred ten (110) square feet of floor space, and at least four (4) square feet of closet space with an unobstructed height of at least five (5) feet, for use by the occupant. If the closet space is less than four (4) square feet, the habitable floor space in the SRO unit must be increased by the amount of the deficiency. Exterior doors and windows accessible from outside the SRO unit must be lockable.

• Because no children live in SRO housing, the housing quality standards applicable to lead-based paint do not apply.

**PART II: CONGREGATE HOUSING**

[24 CFR 982.606 through 982.609]

15-II.A. OVERVIEW

Congregate housing is intended for use by elderly persons or persons with disabilities. A congregate housing facility contains a shared central kitchen and dining area and a private living area for the individual household that includes at least a living room, bedroom and bathroom. Food service for residents must be provided.

If approved by OCHA, a family member or live-in aide may reside with the elderly person or person with disabilities. OCHA will approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

When providing HCV assistance in congregate housing, a separate lease and HAP contract are executed for each assisted family, and the standard form of the HAP contract is used.

15-II.B. PAYMENT STANDARD, UTILITY ALLOWANCE, AND HAP CALCULATION

The payment standard for an individual unit in a congregate housing facility is based on the number of rooms in the private living area. If there is only one (1) room in the unit (not including the bathroom or the kitchen, if a kitchen is provided), OCHA will use the payment standard for a 0-bedroom unit. If the unit has two (2) or more rooms (other than the bathroom and the kitchen), OCHA will use the 1-bedroom payment standard.

The HAP for an assisted occupant in a congregate housing facility is the lower of the applicable payment standard minus the TTP or the gross rent for the unit minus the TTP.

The gross rent for the unit for the purpose of calculating HCV assistance is the shelter portion (including utilities) of the resident’s monthly housing expense only. The residents’ costs for food service should not be included in the rent for a congregate housing unit.

15-II.C. HOUSING QUALITY STANDARDS

HQS requirements as described in Chapter 8 apply to congregate housing except for the requirements stated below:

• Congregate housing must have (1) a refrigerator of appropriate size in the private living area of each resident; (2) a central kitchen and dining facilities located within the premises and accessible to the residents, and (3) food service for the residents, that is not provided by the residents themselves.

• The housing quality standards applicable to lead-based paint do not apply.

**PART III: GROUP HOME**

[24 CFR 982.610 through 982.614]

15-III.A. OVERVIEW

A group home is a state-licensed facility intended for occupancy by elderly persons and/or persons with disabilities. Except for live-in aides, all persons living in a group home, whether assisted or not, must be elderly persons or persons with disabilities. Persons living in a group home must not require continuous medical or nursing care.

A group home consists of bedrooms for residents, which can be shared by no more than two (2) people, and a living room, kitchen, dining area, bathroom, and other appropriate social, recreational, or community space that may be shared with other residents.
No more than twelve (12) persons may reside in a group home including assisted and unassisted residents and any live-in aides.

If approved by OCHA, a live-in aide may live in the group home with a person with disabilities. OCHA will approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

When providing HCV assistance in a group home, a separate lease and HAP contract is executed for each assisted family, and the standard form of the HAP contract is used.

15-III.B. PAYMENT STANDARD, UTILITY ALLOWANCE, AND HAP CALCULATION

Unless there is a live-in aide, the family unit size for an assisted occupant of a group home must be 0- or 1-bedroom, depending on OCHA’s subsidy standard. If there is a live-in aide, the aide must be counted in determining the household’s unit size.

The payment standard used to calculate the HAP is the lower of the payment standard for the family unit size or the prorata share of the payment standard for the group home size. The prorata share is calculated by dividing the number of persons in the assisted household by the number of persons (assisted and unassisted) living in the group home.

The HAP for an assisted occupant in a group home is the lower of the payment standard minus the TTP or the gross rent minus the TTP.

The utility allowance for an assisted occupant in a group home is the prorata share of the utility allowance for the group home.

The rents paid for participants residing in group homes are subject to generally applicable standards for rent reasonableness. The rent for an assisted person must not exceed the prorata portion of the reasonable rent for the group home. In determining reasonable rent, OCHA will consider whether sanitary facilities and facilities for food preparation and service are common facilities or private facilities.

15-III.C. HOUSING QUALITY STANDARDS

HQS requirements described in Chapter 8 apply to group homes except for the requirements stated below:

- **Sanitary Facilities**: A group home must have at least one (1) bathroom in the facility, with a flush toilet that can be used in privacy, a fixed basin with hot and cold running water, and a shower or bathtub with hot and cold running water. A group home may contain private or common bathrooms. However, no more than four (4) residents can be required to share a bathroom.

- **Food Preparation and Service**: Group home units must contain a kitchen and dining area with adequate space to store, prepare, and serve food. The facilities for food preparation and service may be private or may be shared by the residents. The kitchen must contain a range, an oven, a refrigerator, and a sink with hot and cold running water. The sink must drain into an approvable public or private disposal system.

- **Space and Security**: Group homes must contain at least one (1) bedroom of appropriate size for every two (2) people, and a living room, kitchen, dining area, bathroom, and other appropriate social, recreational, or community space that may be shared with other residents.

- **Structure and Material**: To avoid any threat to the health and safety of the residents, group homes must be structurally sound. Elevators must be in good condition. Group homes must be accessible to and usable by residents with disabilities.

- **Site and Neighborhood**: Group homes must be located in a residential setting. The site and neighborhood should be reasonably free from hazards to the health, safety, and general welfare of the residents, and should not be subject to serious adverse conditions.

The housing quality standards applicable to lead-based paint do not apply.
PART IV: SHARED HOUSING
[24 CFR 982.615 through 982.618]

15-IV.A. OVERVIEW

Shared housing is a single housing unit occupied by an assisted family and another resident or residents. The shared unit consists of both common space for use by the occupants of the unit and separate private space for each assisted family.

An assisted family may share a unit with other persons assisted under the HCV program or with other unassisted persons. The owner of a shared housing unit may reside in the unit, but housing assistance may not be paid on behalf of the owner. The resident owner may not be related by blood or marriage to the assisted family.

If approved by OCHA, a live-in aide may reside with the family to care for a person with disabilities. OCHA will approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

When providing HCV assistance in shared housing, a separate lease and HAP contract are executed for each assisted family, and the standard form of the HAP contract is used.

15-IV.B. PAYMENT STANDARD, UTILITY ALLOWANCE AND HAP CALCULATION

The payment standard for a family in shared housing is the lower of the payment standard for the family unit size or the prorata share of the payment standard for the shared housing unit size.

The prorata share is calculated by dividing the number of bedrooms available for occupancy by the assisted family in the private space by the total number of bedrooms in the unit.

The HAP for a family in shared housing is the lower of the payment standard minus the TTP or the gross rent minus the TTP. The utility allowance for an assisted family living in shared housing is the lower of the utility allowance for the family unit size (voucher size) or the prorata share of the utility allowance for the shared housing unit.

- Example: A family holds a 2-bedroom voucher. The family decides to occupy 3 out of 4 bedrooms available in the unit.
  - The utility allowance for a 4-bedroom unit equals $200
  - The utility allowance for a 2-bedroom unit equals $100
  - The prorata share of the utility allowance is $150 (3/4 of $200)
  - OCHA will use the 2-bedroom utility allowance of $100.

The rents paid for families living in shared housing are subject to generally applicable standards for rent reasonableness. The rent paid to the owner for the assisted family must not exceed the pro-rata portion of the reasonable rent for the shared unit. In determining reasonable rent, OCHA will consider whether sanitary and food preparation areas are private or shared.

15-IV.C. HOUSING QUALITY STANDARDS

OCHA may not give approval to reside in shared housing unless the entire unit, including the portion of the unit available for use by the assisted family under its lease, meets the housing quality standards.

HQS requirements described in Chapter 8 apply to shared housing except for the requirements stated below.

- **Facilities Available for the Family:** Facilities available to the assisted family, whether shared or private, must include a living room, a bathroom, and food preparation and refuse disposal facilities.

- **Space and Security:** The entire unit must provide adequate space and security for all assisted and unassisted residents. The private space for each assisted family must contain at least one (1) bedroom for each two (2) persons in the family. The number of bedrooms in the private space of an assisted family must not be less than the family unit size. A 0-bedroom or 1-bedroom unit may not be used for shared housing.
PART V: COOPERATIVE HOUSING  
[24 CFR 982.619]

15-V.A. OVERVIEW  
This part applies to rental assistance for a cooperative member residing in cooperative housing. It does not apply to assistance for a cooperative member who has purchased membership under the HCV homeownership option, or to rental assistance for a family that leases a cooperative housing unit from a cooperative member.

A cooperative is a form of ownership (nonprofit corporation or association) in which the residents purchase memberships in the ownership entity. Rather than being charged “rent” a cooperative member is charged a “carrying charge.” When providing HCV assistance in cooperative housing, the standard form of the HAP contract is used.

15-V.B. PAYMENT STANDARD, UTILITY ALLOWANCE AND HAP CALCULATION  
The payment standard and utility allowance are determined according to regular HCV program requirements. The HAP for a cooperative housing unit is the lower of the payment standard minus the TTP or the monthly carrying charge for the unit, plus any utility allowance, minus the TTP. The monthly carrying charge includes the member’s share of the cooperative debt service, operating expenses, and necessary payments to cooperative reserve funds. The carrying charge does not include down payments or other payments to purchase the cooperative unit or to amortize a loan made to the family for this purpose.

15-V.C. HOUSING QUALITY STANDARDS  
All standard HQS requirements apply to cooperative housing units. There are no additional HQS requirements.

PART VI: MANUFACTURED HOMES  
[24 CFR 982.620 through 982.624]

15-VI.A. OVERVIEW  
A manufactured home is a manufactured structure, transportable in one (1) or more parts, which is built on a permanent chassis, and designed for use as a principal place of residence.

A family can choose to rent a manufactured home already installed on a space and OCHA will permit it. In this instance program rules are the same as when a family rents any other residential housing, except that there are special HQS requirements as provided in 15-VI.D. below.

OCHA does not provide HCV assistance for rental space for those families that own a manufactured home.

15-VI.B. HOUSING QUALITY STANDARDS  
The manufactured home must meet all HQS performance requirements and acceptability criteria discussed in Chapter 8 of this plan. In addition, the following requirement applies:

Manufactured Home Tie-Down  
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. The home must be securely anchored by a tie-down device that distributes and transfers the loads imposed by the unit to appropriate ground anchors to resist overturning and sliding.

PART VII: HOMEOWNERSHIP  
[24 CFR 982.625 through 982.643]

15-VII.A. OVERVIEW [24 CFR 982.625]  
OCHA discontinued its homeownership (HOP) program effective May 31, 2012.

OCHA will continue to assist current homeowners by making a monthly homeownership assistance payment for a specified number of years.
OCHA will offer counseling on an ongoing basis as needed by the family.

The family will be required to continue to meet all HCV eligibility requirements including annual recertification.

OCHA will not provide any financial assistance towards the purchase of a home other than the monthly homeownership assistance. Additionally, the Oklahoma City Housing Authority accepts no responsibilities for any financial loss incurred by the client, lenders, or any other individuals throughout this process.

OCHA will approve a live-in aide if needed as a reasonable accommodation so that the program is usable by current participants with disabilities.

15-VII.B. CONTINUED ASSISTANCE REQUIREMENTS; FAMILY OBLIGATIONS [24 CFR 982.633]

Homeownership assistance may only be paid while the family is residing in the home. If the family moves out of the home, OCHA will not continue homeownership assistance after the month when the family moves out. The family or lender is not required to refund to OCHA the homeownership assistance for the month when the family moves out.

Before commencement of homeownership assistance, the family executed an HCV and a statement in which the family agrees to comply with all family obligations under the homeownership option.

The family must comply with the following obligations:

- The family must attend and complete any additional homeownership and housing counseling as deemed necessary by OCHA;
- The family must comply with the terms of the mortgage securing debt incurred to purchase the home, or any refinancing of such debt;
- The family may not convey or transfer ownership of the home, except for purposes of financing, refinancing, or pending settlement of the estate of a deceased family member. Use and occupancy of the home are subject to 24 CFR 982.551 (h) and (i);
- The family must supply information to OCHA or HUD as specified in 24 CFR 982.551(b). The family must further supply any information required by OCHA or HUD concerning any mortgage or other debt incurred to purchase the home, any refinancing of such debt (including information needed to determine whether the family has defaulted on the debt and the nature of any such default), information on any satisfaction of payment of the mortgage debt and the family’s homeownership expenses;
- The family must notify OCHA of any sale or other transfer of any interest in the home;
- The family must notify OCHA thirty (30) days before moving out of the home;
- The family must notify OCHA if the family defaults on the mortgage used to purchase the home;
- No family member may have any ownership interest in any other residential property;
- The family must comply with the obligations of a participant family described in 24 CFR 982.551, except for the following provisions which do not apply to assistance under the homeownership option: 24 CFR 982.551(c), (d), (e), (f), (g) and (j);
- All family members residing in the home must be approved by OCHA;
- Upon death of a family member who holds, in whole or in part, title to the home or ownership of cooperative membership shares for the home, homeownership assistance may continue pending settlement of the decedent’s executor or legal representative, so long as the home is solely occupied by remaining family members;
- The family must insure that all repairs are made to the dwelling;
- The family may grant a mortgage on the home for debt incurred to finance purchase of the home or any refinancing of such debt only by obtaining prior authorization from OCHA;
- OCHA may establish additional requirements for continuation of homeownership assistance for the family. The family must comply with such requirements.
15-VII.C. MAXIMUM TERM OF HOMEOWNER ASSISTANCE [24 CFR 982.634]

Except in the case of a family that qualifies as an elderly or disabled family, other family members (described below) shall not receive homeownership assistance for more than:

- Fifteen (15) years, if the initial mortgage incurred to finance purchase of the home has a term of twenty (20) years or longer; or
- Ten (10) years, in all other cases.

The maximum term described above applies to any member of the family who:

- Has an ownership interest in the unit during the time that homeownership payments are made; or
- Is the spouse of any member of the household who has an ownership interest in the unit during the time homeownership payments are made.

In the case of an elderly family, the exception only applies if the family qualifies as an elderly family at the start of homeownership assistance. In the case of a disabled family, the exception applies if at any time during receipt of homeownership assistance the family qualifies as a disabled family.

If, during the course of homeownership assistance, the family ceases to qualify as a disabled or elderly family, the maximum term becomes applicable from the date homeownership assistance commenced. However, such a family must be provided at least six (6) months of homeownership assistance after the maximum term becomes applicable (provided the family is otherwise eligible to receive homeownership assistance).

If the family has received such assistance for different homes, or from different PHAs, the total of such assistance terms is subject to the maximum term described in this part.

15-VII.D. HOMEOWNERSHIP ASSISTANCE PAYMENTS AND HOMEOWNERSHIP EXPENSES [24 CFR 982.635]

The monthly homeownership assistance payment will be paid while the family occupies the property and complies with the HCV program requirements.

The family must comply with reexaminations as outlined in Chapter 11. Failure to comply will result in termination as outlined in Chapter 12.

The monthly homeownership assistance payment is the lower of: the voucher payment standard minus the total tenant payment or the monthly homeownership expenses minus the total tenant payment.

In determining the amount of the homeownership assistance payment, OCHA will use the same payment standard schedule, payment standard amounts, and subsidy standards as those described in elsewhere in this plan for the Housing Choice Voucher program.

OCHA may pay the homeownership assistance payments directly to the family, or at OCHA’s discretion, to a lender on behalf of the family. If the assistance payment exceeds the amount due to the lender, OCHA will pay the excess directly to the family.

Homeownership assistance for a family terminates automatically 180 calendar days after the last homeownership assistance payment on behalf of the family. However, OCHA may grant relief from this requirement in those cases where automatic termination would result in extreme hardship for the family.

Homeownership expenses (not including cooperatives) only include amounts allowed by OCHA to cover:

- Principal and interest on initial mortgage debt, any refinancing of such debt, and any mortgage insurance premium incurred to finance purchase of the home;
- Real estate taxes and public assessments on the home;
- Home insurance;
- OCHA will allow one (1%) percent the cost of the unit annually for maintenance expenses, major repairs and replacements;
- OCHA utility allowance for the home;
- Other allowable expenses including expenses for a reasonable accommodation to the elderly and disabled;
- For a condominium unit, condominium operating charges or maintenance fees assessed by the condominium homeowner association.
15-VI.E. PORTABILITY [24 CFR 982.636, 982.637, 982.353(b) and (c), 982.552, 982.553]

Subject to the restrictions on portability included in HUD regulations and OCHA policies, a family may exercise portability if the receiving PHA is administering a voucher homeownership program and accepting new homeownership families. The receiving PHA may absorb the family into its voucher program or bill OCHA.

The family must attend the briefing and counseling sessions required by the receiving PHA. The receiving PHA will determine whether the financing for, and the physical condition of the unit, are acceptable. The receiving PHA must promptly notify OCHA if the family has purchased an eligible unit under the program or if the family is unable to purchase a home within the maximum time established by the PHA.

15-VI.F. MOVING WITH CONTINUED ASSISTANCE [24 CFR 982.637]

A family receiving homeownership assistance may move with continued tenant-based assistance. The family may move with voucher rental assistance or with voucher homeownership assistance. Continued tenant-based assistance for a new unit cannot begin so long as any family member holds title to the prior home.

OCHA may deny permission to move to a new unit with continued voucher assistance as follows:

- Lack of funding to provide continued assistance;
- At any time, OCHA may deny permission to move with continued rental or homeownership assistance in accordance with 24 CFR 982.638, regarding denial or termination of assistance;
- In accordance with OCHA’s policy regarding number of moves within a 12-month period;

OCHA will deny the family permission to move to a new unit with continued voucher rental assistance if:

- The family defaulted on a FHA-insured mortgage; and
- The family fails to demonstrate that the family has conveyed, or will convey, title to the home, as required by HUD, to HUD or HUD's designee; and the family has moved, or will move, from the home within the period established or approved by HUD.

15-VI.G. DENIAL OR TERMINATION OF ASSISTANCE [24 CFR 982.638]

At any time, OCHA may deny or terminate homeownership assistance in accordance with HCV program requirements in 24 CFR 982.552 (Grounds for denial or termination of assistance) or 24 CFR 982.553 (Crime by family members).

OCHA may deny or terminate assistance for failure to comply with family obligations as outlined in Chapter 12 of this administrative plan.

OCHA may also deny or terminate assistance for violation of participant obligations described in 24 CFR Parts 982.551 or 982.633 and in accordance with its own policy.

OCHA will terminate voucher homeownership assistance for any member of family receiving homeownership assistance that is dispossessed from the home pursuant to a judgment or order of foreclosure on any mortgage (whether FHA insured or non-FHA) securing debt incurred to purchase the home or any refinancing of such debt.

OCHA may, at its’ discretion, issue the family a HCV if the family has conveyed, or will convey, title to the home, as required by HUD, to HUD or HUD’s designee; the family has moved, or will move, from the home within the period established or approved by HUD; and the family must provide documentation to OCHA that the default was unavoidable by the family.

PART VIII: HUD-VETERAN’S AFFAIRS SUPPORTIVE HOUSING (VASH)

15-VIII.A. OVERVIEW

HUD-Veteran’s Affairs Supportive Housing (HUD-VASH) program was authorized pursuant to Division K, Title II, of the Consolidated Appropriations Act, 2008 enacted on December 26, 2007. The HUD-VASH program combines HUD HCV rental assistance for homeless veterans with case management and clinical services provided by the Department of Veterans Affairs (VA) at its medical centers and in the community.

This section sets forth the design features of the HUD-VASH vouchers, including the eligibility of families, portability, case management, waivers, alternative requirements, and turnover of these vouchers.

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Unless noted below, all regulatory requirements and HUD directives regarding the HCV tenant-based program are applicable to HUD-VASH vouchers, including the use of all HUD-required contracts and other forms.

15-VIII.B. FAMILY ELIGIBILITY AND SELECTION

HUD-VASH eligible families are homeless veterans.

The Veterans Affairs Medical Center (VAMC) will refer HUD-VASH eligible families to OCHA for the issuance of vouchers. Therefore, OCHA will not have the authority to maintain a waiting list or apply local preferences for HUD-VASH vouchers.

VAMC will screen all families in accordance with its screening criteria. By agreeing to administer the HUD-VASH program, OCHA has relinquished its authority to determine the eligibility of families in accordance with regular HCV program rules and OCHA policies.

OCHA will still be required to prohibit admission if any member of the household is subject to a lifetime registration under a state sex offender registration program.

15-VIII.C. INCOME ELIGIBILITY

OCHA must determine income eligibility for HUD-VASH families in accordance with 24 CFR 982.201.

15-VIII.D. INITIAL TERM OF THE VOUCHER

Recognizing the challenges that HUD-VASH participants may face with their housing search, HUD-VASH vouchers will have an initial search term of at least one hundred twenty (120) days.

Any extensions, suspensions and progress reports will remain under the policies in OCHA’s administrative plan, but will apply after the minimum one hundred twenty (120) day initial search term.

15-VIII.E. INITIAL LEASE TERM

To provide a greater range of housing opportunities for HUD-VASH voucher holders, initial leases may be less than twelve (12) months.

15-VIII.F. INELIGIBLE HOUSING

HUD-VASH families will be permitted to live on the grounds of a VAMC in units owned by the VA. Therefore, 24 CFR 982.352(a)(5), which prohibits units on the grounds of medical, mental or similar public or private institution, is waived for that purpose only.

15-VIII.G. MOBILITY AND PORTABILITY

An eligible family issued a HUD-VASH voucher must receive case management services provided by the VAMC. Therefore, special mobility and portability procedures have been established.

HUD-VASH participant families may reside only in those jurisdictional areas that are accessible to case management services as determined by the partnering VAMC.

- Portability moves where case management is provided by OCHA’s partnering VAMC:
  - The receiving PHA must bill OCHA;
  - The family may not be absorbed into the receiving PHA’s HCV program.
- Portability moves where case management is provided by the receiving PHA’s partnering VAMC:
  - The VAMC must determine that the family could be served by another VAMC that is participating in the program;
  - The receiving PHA must have a HUD-VASH voucher available for this family; and
  - The receiving PHA must absorb the family.

15-VIII.H. VETERANS AFFAIRS MEDICAL CENTER (VAMC) RESPONSIBILITIES

- Screening of homeless veterans to determine whether the family meets the HUD-VASH program criteria established by the Veterans Affairs (VA) national office;
- Providing housing search assistance to HUD-VASH participants with rental vouchers;
- Maintaining records and providing information for evaluation purposes, as required by HUD and the VA;
• Providing appropriate treatment and supportive services to potential HUD-VASH program participants, if needed, prior to OCHA issuing the rental voucher;

• Providing regular ongoing case management, outpatient health services, hospitalization, and other supportive services as needed throughout this initiative.

As a condition of HCV rental assistance, the family must receive the case management services noted above from the VAMC. The family’s HCV assistance must be terminated for failure to participate, without good cause, in case management as verified with the VAMC. However, a VAMC determination that the participant family no longer requires case management is not grounds for termination of assistance. In such a case, OCHA may offer the family continued HCV assistance through one (1) of its regular vouchers, to free up the HUD-VASH voucher for another eligible family referred by the VAMC.

15-VIII. TURNOVER OF VOUCHERS

In accordance with the 2008 Appropriation Act, upon turnover, HUD-VASH vouchers must be issued to eligible families as identified by the VAMC, as noted above.

PART IX: FAMILY UNIFICATION PROGRAM (FUP)

15.IX.A OVERVIEW

Family Unification Program (FUP) Vouchers are made available to families for whom the lack of adequate housing is a primary factor in the separation, or threat of imminent separation, of children from their families or in the delay in the discharge of the child, or children, to the family from out-of-home care. FUP vouchers are also made available to youths ages eighteen (18) to twenty-one (21) who left foster care at age sixteen (16) or older who lack adequate housing.

Unless noted below, all regulatory requirements and HUD directives regarding the HCV tenant-based program are applicable to FUP vouchers, including the use of all HUD-required contracts and other forms.

15.IX.B. ELIGIBILITY AND SELECTION

FUP families and FUP eligible youth referred to OCHA from the Oklahoma Department of Human Services, Child Welfare Agency that are income eligible under 24 CFR 982.201.

A selection preference for individuals on the Section 8 waiting list will be given provided there are a sufficient number of eligible and potential individuals who qualify for selection for the FUP. If OCHA’s waiting list is closed, OCHA may open its waiting list solely to applicants for use in the FUP, and may also limit the number of applicants accepted.

15.IX.C. TERM OF ASSISTANCE

A FUP voucher issued to a youth age eighteen (18) to twenty-one (21) may not be used to provide housing assistance for that youth for a period of more than eighteen (18) months, as per statutory requirements.

All other FUP voucher holders have no term limits.

15.IX.D. TURNOVER OF VOUCHERS

Upon turnover, a voucher issued to a FUP-eligible family or FUP-eligible youth must be reissued to either another FUP-eligible family or FUP-eligible youth.

PART X: PROJECT ACCESS

15-X.A. OVERVIEW

The Project Access program is designed to assist non-elderly persons with disabilities in the transition from nursing homes back into the community. This is achieved by providing improved access to affordable housing and supportive services.

Unless noted below, all regulatory requirements and HUD directives regarding the HCV tenant-based program are applicable to Project Access vouchers, including the use of all HUD-required contracts and other forms.
15-X.B. ELIGIBILITY
Applicants must be under sixty-two (62) years of age, disabled and transitioning from nursing home care back into the community.

PART XI: MAINSTREAM VOUCHERS
15-X.I.A. OVERVIEW
Mainstream program vouchers enable families having a person with disabilities to lease affordable private housing of their choice. Mainstream program vouchers also assist persons with disabilities who often face difficulties in locating suitable and accessible housing on the private market.

15-X.B. ELIGIBILITY
Definition of disabled families shall be modified for this program, however, to be limited solely to non-elderly, disabled families (families whose head, spouse or sole member is disabled and under sixty-two (62) years of age).

PART XI: CONTINUUM OF CARE (COC)
15-X.II.A. OVERVIEW
Continuum of Care (COC) is OCHA’s Permanent Supportive Housing Program (SHP) funded under the City of Oklahoma City’s Continuum of Care Homeless Assistance Grant with the intent to integrate housing with supportive services to persons with a disability who are transitioning out of homelessness and into a more stable, secure and dignified living environment.

15-X.II.B. FAMILY ELIGIBILITY
- All COC eligible participants must be referred to OCHA from a SHP Partnering Agency;
- All COC eligible participants must meet the definition of a Disabled person which is defined as a person who is under a disability as defined in Section 223 of the Social Security Act (42 U.S.C. §423), or as defined in Chapter 3, Exhibit 3-1;
- All COC eligible participants must qualify as homeless according to the federal definition established in the U.S. Code Title 42, Section 11302.
- All COC eligible participants must apply and be eligible for admission to the HCV program.
- Decisions on other factors which usually lead to admission denial will be made on a case-by-case basis considering mitigating factors and the effect a denial would have on the client.

15-X.II.C. SELECTION PREFERENCE
Preference will be given to approved COC applicants referred by and who will receive supportive services through OKC Metro Alliance, Inc./Firststep in support of twenty-four (24) dwelling units funded under grant OK56B702001. If there are an insufficient number of approved COC applicants to support the twenty-four (24) dwelling units, OKC Metro Alliance, Inc./Firststep will have thirty (30) calendar days to make such referral before another approved COC applicant referred by another SHP Partnering Agency is selected.

15-X.II.D. PERMANENT SUPPORTIVE HOUSING PROGRAM (SHP) PARTNERING AGENCIES
SHP Partnering Agencies include, but are not limited to the agencies listed, as follows:
- OKC Metro Alliance, Inc./Firststep;
- North Care Center for Behavioral and Social Services’ Program for Assertive Care Treatment (PACT);
- Regional AIDS Intercommunity Network (RAIN);
- Family Recovery Counseling Center; and
- FOCIS Counseling Services, Inc.
Chapter 16

PROGRAM ADMINISTRATION

INTRODUCTION

This chapter discusses administrative policies and practices that are relevant to the activities covered in this plan. The policies are discussed in eight (8) parts as described below:

Part I: Unrestricted Net Assets. This part describes OCHA’s policies with regard to oversight of expenditures from its administrative fee reserve.

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

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

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

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

Part VI: Recordkeeping. All aspects of the program involve certain types of recordkeeping. This part outlines the privacy rights of applicants and participants and record retention policies OCHA will follow.

Part VII: Reporting and Recordkeeping for Children with Elevated Blood Lead Level. This part describes OCHA’s responsibilities for reporting, data collection, and record keeping relative to children with elevated blood lead levels that are less than six (6) years of age, and are receiving HCV assistance.

Part VIII: Insufficient Funding. This part describes OCHA’s policies for determining if there is sufficient funding to issue vouchers, to approve moves to higher cost units or areas, and to continue assistance for all participant families.

Part IX: Violence Against Women Act (VAWA). This part describes notification and definitions related to VAWA.

PART I: ADMINISTRATIVE FEE RESERVE [24 CFR 982.155]

OCHA will maintain administrative fee reserves, or unrestricted net position (UNP) for the program to pay program administrative expenses in excess of administrative fees paid by HUD for OCHA’s fiscal year. HUD appropriations acts beginning with FFY 2004 have specified that administrative fee funding may be used only for activities related to the provision of HCV assistance, including related development activities. Notice PIH 2012-9 cites two examples of related development activities: unit modification for accessibility purposes and development of project-based voucher units. The notice makes clear that other activities may also qualify as related development activities. Administrative fees that remain in the UNP account from funding provided prior to 2004 may be used for “other housing purposes permitted by state and local law,” in accordance with 24 CFR 982.155(b)(1).

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

The threshold amount of fifty thousand ($50,000.00) dollars has been set by OCHA’s Board of Commissioners for expenditures which may be made without prior approval of the Board. Any UNP expenditures threshold amount or less shall be approved by the Executive Director. For UNP expenditures that exceed the threshold, the OCHA Board of Commissioners, part of its approval, shall make an affirmative determination that the expenses are necessary and reasonable.
PART II: SETTING PROGRAM STANDARDS AND SCHEDULES

16-II.A. OVERVIEW
This part discusses how OCHA establishes and updates certain schedules and standards that are used to administer the program locally. Details about how these schedules are applied to individual families are provided in other chapters. The schedules and standards discussed here include:

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

See Exhibit 16-1, 16-2 and 16-3 at the end of this chapter for OCHA’s current utility allowance schedule.

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

16-II.B. PAYMENT STANDARDS [24 CFR 982.503]
The payment standard sets the maximum subsidy payment a family can receive from OCHA each month [24 CFR 982.505(a)]. Payment standards are based on fair market rents (FMRs) published annually by HUD. FMRs are set at a percentile within the rent distribution of standard quality rental housing units in each FMR area. For most jurisdictions FMRs are set at the 40th percentile of rents in the market area.

OCHA will establish a payment standard schedule that establishes payment standard amounts for the FMR area within OCHA’s jurisdiction, and for each unit size within the FMR area. Unless HUD grants an exception, OCHA is required to establish a payment standard between ninety (90%) percent and one hundred ten (110%) percent of the published FMR for each unit size.

**Updating Payment Standards**
OCHA will review the appropriateness of the payment standards on an annual basis when the new FMR is published. In addition to ensuring the payment standards are always within the “basic range” OCHA will consider the following factors when determining whether an adjustment should be made to the payment standard schedule:

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

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

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

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

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

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

Changes to payment standard amounts will be effective on October 1st of every year.
Exception Payment Standards [24 CFR 982.503(c)]

OCHA will request HUD approval to establish payment standards that are higher than the basic range. At HUD’s sole discretion, HUD may approve a payment standard amount that is higher than the basic range for a designated part of the FMR area. HUD may approve an exception payment standard amount (in accordance with program requirements) for all units, or for all units of a given size, leased by program families in the exception area. Any PHA with jurisdiction in the exception area may use the HUD-approved exception payment standard amount.

Unit-by-Unit Exceptions [24 CFR 982.503, 24 CFR 982.505(d), Notice PIH 2010-26]

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

When needed as a reasonable accommodation, OCHA may make an exception to the payment standard without HUD approval if the exception amount does not exceed one hundred twenty (120%) percent of the applicable FMR for the unit size[24 CFR 982.503(b)]. OCHA may request HUD approval for an exception to the payment standard for a particular family if the required amount exceeds one hundred twenty (120%) percent of the FMR.

"Success Rate" Payment Standard Amounts [24 CFR 982.503(e)]

If a substantial percentage of families have difficulty finding a suitable unit, OCHA may request a “success rate payment standard” that applies to the entire jurisdiction. If approved by HUD, a success rate payment standard allows OCHA to set its payment standards at ninety to one hundred ten (90-110%) percent of a higher FMR (the 50th, rather than the 40th percentile FMR). To support the request, OCHA must demonstrate that during the most recent six (6) month period for which information is available:

- Fewer than seventy-five (75%) percent of families who were issued vouchers became participants;
- OCHA has established payment standards for all unit sizes, and for the entire jurisdiction, at one hundred ten (110%) percent of the published FMR; and
- OCHA has a policy of allowing voucher holders who made sustained efforts to locate units at least ninety (90) days to search for a unit.

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

Decreases in the Payment Standard Below the Basic Range [24 CFR 982.503(d)]

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

Decrease resulting from insufficient funding

If OCHA determines that it has insufficient funding with which to continue to assist families served by the program, it may consider immediately decreasing the Payment Standard upon authorization from HUD. The reduced payment standard would apply to Project-Based units as well as tenant-based. OCHA will consider and implement other cost-saving measures wherever feasible before considering lowering the Payment Standard in consideration of the impact lowering the Payment Standard may have on families.

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

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

The utility allowance schedule will be determined based on the typical cost of utilities and services paid by energy-conservative households that occupy housing of similar size and type in the same locality. In developing the schedule, OCHA will use normal patterns of consumption for the community as a whole, and current utility rates.
The utility allowance will include the utilities and services that are necessary in the locality to provide housing that complies with housing quality standards. Costs for telephone, cable/satellite television, and internet services are not included in the utility allowance schedule.

In the utility allowance schedule, OCHA will classify utilities and other housing services according to the following general categories: space heating; air conditioning; cooking; water heating; water; sewer; trash collection; other electric; cost of tenant-supplied refrigerator; cost of tenant-supplied range; and other specified housing services.

The cost of each utility and housing service will be stated separately by unit size and type.

**Air Conditioning**

OCHA has included an allowance for air-conditioning in its schedule. Central air-conditioning or a portable air conditioner must be present in a unit before OCHA will apply this allowance to a family’s rent and subsidy calculations.

**Reasonable Accommodation**

HCV program regulations require OCHA to approve a utility allowance amount higher than shown on OCHA’s schedule if a higher allowance is needed as a reasonable accommodation for a family member with a disability. (See Chapter 2 for policies regarding the request and approval of reasonable accommodations.)

**Utility Allowance Revisions**

OCHA will review its schedule of utility allowances each year, and must revise the schedule if there has been a change of ten (10%) percent or more in any utility rate since the last time the allowance for that utility was revised.

OCHA will maintain information supporting its annual review of utility allowance and any revisions made in its utility allowance schedule.

Upon approval of the OCHA Board of Commissioners, changes to utility allowance schedules will be effective on February 1st of every year.

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**PART III: INFORMAL REVIEWS AND HEARINGS**

**16-III.A. OVERVIEW**

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

**16-III.B. INFORMAL REVIEWS**

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

**Decisions Subject to Informal Review**

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

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

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

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

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

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

Scheduling an Informal Review

A request for an informal review must be made within ten (10) business days from the date of OCHA’s denial of assistance.

Except as provided in Section 3-III.G., OCHA will schedule and send written notice of the informal review within ten (10) business days of the family’s request.

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

If the family does not appear within 20 minutes of the scheduled time, and was unable to reschedule the hearing in advance due to the nature of the conflict, the family must contact OCHA within 24 hours of the scheduled hearing date, excluding weekends and holidays. OCHA will reschedule the hearing only if the family can show good cause for the failure to appear, or if it is needed as a reasonable accommodation for a person with disabilities.

Informal Review Procedures [24 CFR 982.554(b)]

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

The applicant must be provided an opportunity to present written or oral objections to OCHA’s decision.

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

Informal Review Decision [24 CFR 982.554(b)]

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

• Whether or not the grounds for denial were stated factually in the Notice.
• The validity of grounds for denial of assistance. If the grounds for denial are not specified in the regulations, then the decision to deny assistance will be overturned.
• The validity of the evidence. OCHA will evaluate whether the facts presented prove the grounds for denial of assistance. If the facts prove that there are grounds for denial, and the denial is required by HUD, OCHA will uphold the decision to deny assistance.
• If the facts prove the grounds for denial, and the denial is discretionary, OCHA will consider the recommendation of the person conducting the informal review in making the final decision whether to deny assistance.

OCHA will notify the applicant of the final decision, including a statement explaining the reason(s) for the decision. The notice will be mailed within five (5) business days of the informal review, to the applicant and his or her representative, if any, along with proof of mailing.

If the decision to deny is overturned as a result of the informal review, processing for admission will resume.

If the family fails to appear for their informal review, the denial of admission will stand and the family will be so notified.
16-IIIC. INFORMAL HEARINGS FOR PARTICIPANTS [24 CFR 982.555]

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

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

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

Decisions Subject to Informal Hearing

Circumstances for which OCHA will give a participant family an opportunity for an informal hearing are as follows:

• A determination of the family’s annual or adjusted income and the use of such income to compute the housing assistance payment;
• A determination of the appropriate utility allowance (if any) for tenant-paid utilities from OCHA’s utility allowance schedule;
• A determination of the family unit size under OCHA’s subsidy standards;
• A determination to terminate assistance for a participant family because of the family’s actions or failure to act;
• A determination to terminate assistance because the participant has been absent from the assisted unit for longer than the maximum period permitted under OCHA policy and HUD rules;
• A determination to terminate a family’s Family Self Sufficiency contract, withhold supportive services, or propose forfeiture of the family’s escrow account [24 CFR 984.303(i)];
• A determination to deny admission based on an unfavorable history that may be the result of domestic violence, dating violence, or stalking.

Circumstances for which an informal hearing is not required are as follows:

• Discretionary administrative determinations by OCHA;
• General policy issues or class grievances;
• Establishment of OCHA schedule of utility allowances for families in the program;
• An OCHA determination not to approve an extension or suspension of a voucher term;
• An OCHA determination not to approve a unit or tenancy;
• An OCHA determination that a unit selected by the applicant is not in compliance with the HQS;
• An OCHA determination that the unit is not in accordance with HQS because of family size;
• A determination by OCHA to exercise or not to exercise any right or remedy against an owner under a HAP contract.

Informal Hearing Procedures

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

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

• The proposed action or decision of OCHA;
• A brief statement of the reasons for the decision including the regulatory reference;
• The date the proposed action will take place;
• A statement of the family’s right to an explanation of the basis for OCHA’s decision;
• A statement that if the family does not agree with the decision the family may request an informal hearing of the decision;

• A deadline for the family to request the informal hearing; and

• To whom the hearing request should be addressed.

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

A request for an informal hearing must be made within ten (10) business days from the date of OCHA’s decision or notice to terminate assistance.

OCHA will schedule and send written notice of the informal hearing to the family within ten (10) business days of the family’s request.

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

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

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

The family must request discovery of OCHA documents no later than 12:00 p.m. on the business day prior to the scheduled hearing date. The family will be allowed to copy any documents related to the hearing at a cost of twenty-five ($.25) cents per page.

OCHA must be given an opportunity to examine any family documents that are directly relevant to the hearing. OCHA must be allowed to copy any such document at OCHA’s expense. If the family does not make the document available for examination on request of OCHA, the family may not rely on the document at the hearing.

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

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

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

If the family will be represented by legal counsel the family will notify OCHA thirty-six (36) hours before their hearing date so scheduling with OCHA’s legal counsel may be arranged. Rescheduling for the hearing may be required.

OCHA reserves the right to have legal counsel present.

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

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

**Attendance at the Informal Hearing**

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

• An OCHA representative(s) and any witnesses for OCHA;

• The participant and any witnesses for the participant;

• The participant’s counsel or other representative;

• OCHA’s counsel;

• Any other person approved by OCHA as a reasonable accommodation for a person with a disability.

**Conduct at Hearings**

The person who conducts the hearing may regulate the conduct of the hearing in accordance with OCHA’s hearing procedures [24 CFR 982.555(4)(ii)].
The hearing officer is responsible to manage the order of business and to ensure that hearings are conducted in a professional and businesslike manner. Attendees are expected to comply with all hearing procedures established by the hearing officer and guidelines for conduct. Any person demonstrating disruptive, abusive or otherwise inappropriate behavior will be excused from the hearing at the discretion of the hearing officer.

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

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

Any evidence to be considered by the hearing officer must be presented at the time of the hearing. There are four (4) categories of evidence.

- **Oral evidence**: the testimony of witnesses.
- **Documentary evidence**: a writing which is relevant to the case, for example, a letter written to OCHA. Writings include all forms of recorded communication or representation, including letters, words, pictures, sounds, videotapes or symbols or combinations thereof.
- **Demonstrative evidence**: Evidence created specifically for the hearing and presented as an illustrative aid to assist the hearing officer, such as a model, a chart or other diagram.
- **Real evidence**: A tangible item relating directly to the case.

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

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

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

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

The person who conducts the hearing must issue a written decision, stating briefly the reasons for the decision. Factual determinations relating to the individual circumstances of the family must be based on a preponderance of evidence presented at the hearing.

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

- **OCHA Notice to the Family**: The hearing officer will determine if the reasons for OCHA’s decision are factually stated in the Notice.
- **Discovery**: The hearing officer will determine if OCHA and the family were given the opportunity to examine any relevant documents in accordance with OCHA policy.
- **OCHA Evidence to Support OCHA’s Decision**: The evidence consists of the facts presented. Evidence is not conclusion and it is not argument. The hearing officer will evaluate the facts to determine if they support OCHA’s conclusion.
- **Validity of Grounds for Termination of Assistance (when applicable)**: The hearing officer will determine if the termination of assistance is for one of the grounds specified in the HUD regulations and OCHA policies. If the grounds for termination are not specified in the regulations or in compliance with OCHA policies, then the decision of OCHA will be overturned.

The hearing officer will issue a written decision to the family no later than ten (10) business days after the hearing.

The report will contain the following information:

- **Hearing information**:
  - Name of the participant;
  - Date of the hearing;
  - Name of the hearing officer.
• **Background**: A brief, impartial statement of the reason for the hearing.

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

• **Findings of Fact**: The hearing officer will include all findings of fact, based on a preponderance of the evidence. *Preponderance of the evidence* is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

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

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

*Procedures for a Further Hearing*

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 OCHA will take effect and another hearing will not be granted.

In addition, within ten (10) business days after the date the hearing officer’s report is mailed to the participant, the participant may request a further hearing. A further hearing may be requested for the purpose of rectifying any obvious mistake of law made during the hearing or any obvious injustice not known at the time of the hearing.

It shall be within the sole discretion of OCHA to grant or deny the request for further hearing or rehearing.

*Effect of Final Decision* [24 CFR 982.555(f)]

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

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

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

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

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

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

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

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

• That financial assistance will be denied or terminated, and provide a brief explanation of the reasons for the proposed denial or termination of assistance.

• The family may be eligible for proration of assistance.

• In the case of a participant, the criteria and procedures for obtaining relief under the provisions for preservation of families [24 CFR 5.514 and 5.518].
• That the family has a right to request an appeal to the USCIS of the results of secondary verification of immigration status and to submit additional documentation or explanation in support of the appeal.

• That the family has a right to request an informal hearing with OCHA either upon completion of the USCIS appeal or in lieu of the USCIS appeal.

• For applicants, assistance may not be delayed until the conclusion of the USCIS appeal process, but assistance may be delayed during the period of the informal hearing process.

**USCIS Appeal Process [24 CFR 5.514(e)]**

When OCHA receives notification that the USCIS secondary verification failed to confirm eligible immigration status, OCHA will notify the family of the results of the USCIS verification. The family will have thirty (30) days from the date of the notification to request an appeal of the USCIS results. The request for appeal must be made by the family in writing directly to the USCIS. The family must provide OCHA with a copy of the written request for appeal and the proof of mailing within ten (10) business days.

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

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

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

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

The informal hearing procedures for applicant families are described below.

**Informal Hearing Officer**

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

**Evidence**

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

The family will be allowed to copy any documents related to the hearing at a cost of $.25 per page. The family must request discovery of OCHA documents no later than 12:00 p.m. on the business day prior to the hearing.

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

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

**Representation and Interpretive Services**

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

The family is entitled to request an interpreter. Upon request, OCHA will provide competent interpretation services, free of charge.

**Recording of the Hearing**

The family is entitled to have the hearing recorded by audiotape. OCHA will not provide a transcript of an audio taped hearing.
Hearing Decision

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

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

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

For the informal hearing procedures that apply to participant families whose assistance is being terminated based on immigration status, see Section 16-III.C.

Retention of Documents [24 CFR 5.514(h)]

OCHA must retain for a minimum of five (5) years the following documents that may have been submitted to OCHA by the family, or provided to OCHA as part of the USCIS appeal or OCHA’s informal hearing process:

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

PART IV: OWNER OR FAMILY DEBTS TO OCHA

16-IV.A. OVERVIEW

This part describes OCHA’s policies for recovery of monies owed to OCHA by families or owners.

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

OCHA will enter into repayment agreements in accordance with the policies contained in this part as a means to recover overpayments.

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

- Collection agencies;
- Small claims court;
- Civil law suit.

16-IV.B. REPAYMENT POLICY

Owner Debts to OCHA

Any amount due to OCHA by an owner must be repaid by the owner within thirty (30) days of OCHA determination of the debt.

If the owner fails to repay the debt within the required time frame and is entitled to future HAP payments, OCHA will reduce the future HAP payments by the amount owed until the debt is paid in full.

If the owner is not entitled to future HAP payments OCHA may, in its sole discretion, offer to enter into a repayment agreement on terms prescribed by OCHA.

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If the owner refuses to repay the debt, does not enter into a repayment agreement, or breaches a repayment agreement, OCHA will ban the owner from future participation in the program and pursue other modes of collection.

**Family Debts to OCHA**

Any amount owed to OCHA by an HCV family must be repaid by the family. If the family is unable to repay the debt within thirty (30) days, OCHA will offer to enter into a repayment agreement in accordance with the policies below.

If the family refuses to repay the debt, does not enter into a repayment agreement, breaches a repayment agreement, or does not repay the amount owed within twenty-four (24) months OCHA will terminate assistance in accordance with the policies in Chapter 12 and pursue other modes of collection.

**Repayment Agreement [24 CFR 792.103]**

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

**General Repayment Agreement Guidelines for Families**

**Down Payment Requirement**

Before executing a repayment agreement with a family, OCHA will require a down payment of twenty-five (25%) percent of the total amount owed within thirty (30) days of notification of the debt. The remaining balance to be paid within twenty-four (24) months.

**Payment Thresholds**

OCHA has established the following thresholds for repayment of debts:

- A minimum payment of twenty-five ($25) dollars per month or forty (40) percent of adjusted income including rent payment, whichever is larger, is required.
- Lump sum payments are encouraged to expedite the payment timeline and to finalize payments with the twenty-four (24) month timeframe.
- The payment agreement term shall range from two (2) months to twenty-four (24) months, but shall in any event be the minimum time period in which the family can be reasonably expected to repay the debt owed.
- If a family can provide evidence satisfactory to OCHA that the threshold applicable to the family’s debt would impose an undue hardship, OCHA may, in its sole discretion, determine that a lower monthly payment amount is reasonable. In making its determination, OCHA will consider all relevant information, including the following:
  - The amount owed by the family to OCHA;
  - The reason for the debt, including whether the debt was the result of family action/inaction or circumstances beyond the family’s control;
  - The family’s current and potential income and expenses;
  - The family’s monthly repayment charge and rent payment combined must not exceed forty (40%) percent of the family’s monthly adjusted income; and
  - The family’s history of meeting its financial responsibilities.

**Execution of the Agreement**

Any repayment agreement between OCHA and a family must be signed and dated by the head of household and spouse/cohead (if applicable). The repayment agreement shall be executed for OCHA by the Director of Leased Housing or designee.

**Methods of Payment**

Payments shall be made by money order, personal check or cashier’s check. If any check offered by the family is returned for any reason, the family will pay OCHA a returned check fee. The family’s offering of a second returned check will be required to pay all remaining monies due by money order or certified check.
Due Dates
All payments are due by the close of business on the 15th day of the month. If the 15th does not fall on a business
day, the due date is the close of business on the first business day after the 15th.

Late or Missed Payments
If a payment is not received by the end of the business day on the date due, and prior approval for the missed
payment has not been given by OCHA, OCHA will send the family a delinquency notice giving the family ten (10)
business days to make the late payment. If the payment is not received by the due date of the delinquency notice, it
will be considered a breach of the agreement and OCHA may, in its sole discretion, terminate assistance in
accordance with the policies in Chapter 12 and pursue other modes of collection.

No Offer of Repayment Agreement
OCHA, in its sole discretion, may enter into repayment agreements with owners or families. OCHA will not enter
into repayment agreements when:
- There is an existing repayment agreement between OCHA and the family;
- The family has already had two repayment agreements in the past (even if they are both paid in full);
- OCHA determines that the participant has committed or has attempted to commit program fraud;
- OCHA determines that the amount owed is more than the family can repay in a reasonable period of time; or
- If the amount owed by the family exceeds the federal or state threshold for criminal prosecution.

Request to Move
No move with continued assistance will be approved until the debt is paid in full, unless the move is the result of one
of the following causes:
- Family size exceeds the HQS maximum occupancy standards;
- The HAP contract is terminated due to owner non-compliance or opt-out;
- A man-made or natural disaster;
- The move is pursuant to a reasonable accommodation approved by OCHA; or
- The move is necessary as a result of domestic violence, dating violence, sexual assault or stalking and the move
  is needed to protect the health or safety of the family or family member.

OCHA may require that a payment agreement be current before issuing a voucher to move in these cases.

Repayment Agreements Involving Improper Payments
The following provisions will be included in any repayment agreement involving amounts owed by a family because
it underreported or failed to report income:
- A reference to the items in the family briefing packet that state the family’s obligation to provide true and
  complete information at every reexamination;
- A statement clarifying that each month the family not only must pay to the PHA the monthly payment amount
  specified in the agreement but must also pay to the owner the family’s monthly share of the rent to owner;
- A statement that the terms of the repayment agreement may be renegotiated if the family’s income decreases or
  increases; and
- A statement that late or missed payments constitute default of the repayment agreement and may result in
  termination of assistance.
PART V: SECTION 8 MANAGEMENT ASSESSMENT PROGRAM (SEMAP)

16-V.A. OVERVIEW
The Section 8 Management Assessment Program (SEMAP) is a tool that allows HUD to measure OCHA’s performance in key areas to ensure program integrity and accountability. SEMAP scores translate into a rating as high performing, standard, or troubled. Scores on individual SEMAP indicators, as well as overall SEMAP ratings, can affect OCHA in several ways.

- High-performing PHAs can be given a competitive advantage under notices of funding availability [24 CFR 985.103].
- PHAs with deficiencies on one (1) or more indicators are required to correct the deficiencies and report to HUD [24 CFR 985.106].
- PHAs with an overall rating of “troubled” are subject to additional HUD oversight, including on-site reviews by HUD staff, a requirement to develop a corrective action plan, and monitoring to ensure the successful implementation of the corrective action plan. [24 CFR 985.107].
- HUD may determine that OCHA’s failure to correct identified SEMAP deficiencies or to prepare and implement a corrective action plan required by HUD constitutes a default under the ACC [24 CFR 985.109].

16-V.B. SEMAP CERTIFICATION [24 CFR 985.101]
OCHA will submit the HUD-required SEMAP certification form within sixty (60) calendar days after the end of its fiscal year. The certification must be approved by an OCHA Board resolution and signed by OCHA’s Executive Director.

The failure of OCHA to submit its SEMAP certification within the required time frame will result in an overall performance rating of “troubled.”

OCHA’s SEMAP certification is subject to HUD verification by an on-site confirmatory review at any time.

16-V.C. SEMAP INDICATORS [24 CFR 985.3]
SEMAP indicators, listed below, contain a description of each indicator, and explains the basis for points awarded under each indicator.

**Indicator 1: Selection from the waiting list**
**Maximum Score: 15**
- This indicator shows whether OCHA has written policies in its administrative plan for selecting applicants from the waiting list and whether OCHA follows these policies when selecting applicants for admission from the waiting list.
- Points are based on the percent of families that are selected from the waiting list in accordance with OCHA’s written policies, according to OCHA’s quality control sample.

**Indicator 2: Rent reasonableness**
**Maximum Score: 20**
- This indicator shows whether OCHA has and implements a reasonable written method to determine and document for each unit leased that the rent to owner is reasonable based on current rents for comparable unassisted units.
- Points are based on the percent of units for which OCHA follows its written method to determine reasonable rent and has documented its determination that the rent to owner is reasonable, according to OCHA’s quality control sample.

**Indicator 3: Determination of adjusted income**
**Maximum Score: 20**
- This indicator measures whether OCHA verifies and correctly determines adjusted income for each assisted family, and where applicable, uses the appropriate utility allowances for the unit leased in determining the gross rent.
- Points are based on the percent of files that are calculated and verified correctly, according to OCHA’s quality control sample.
Indicator 4: Utility allowance schedule  
**Maximum Score: 5**  
- This indicator shows whether OCHA maintains an up-to-date utility allowance schedule.  
- Points are based on whether OCHA has reviewed the utility allowance schedule and adjusted it when required, according to OCHA’s certification.

Indicator 5: HQS quality control inspections  
**Maximum Score: 5**  
- This indicator shows whether OCHA supervisor reinspects a sample of units under contract during OCHA’s fiscal year, which meets the minimum sample size requirements for quality control of HQS inspections.  
- Points are based on whether the required quality control reinspections were completed, according to the OCHA’s certification.

Indicator 6: HQS enforcement  
**Maximum Score: 10**  
- This indicator shows whether, following each HQS inspection of a unit under contract where the unit fails to meet HQS, any cited life-threatening deficiencies are corrected within twenty-four (24) hours from the inspection and all other deficiencies are corrected within no more than thirty (30) calendar days from the inspection or any OCHA-approved extension.  
- Points are based on whether OCHA corrects all HQS deficiencies in accordance with required time frames, according to OCHA’s certification.

Indicator 7: Expanding housing opportunities  
**Maximum Points: 5**  
- Only applies to PHAs with jurisdiction in metropolitan FMR areas.  
- This indicator shows whether OCHA has adopted and implemented a written policy to encourage participation by owners of units located outside areas of poverty or minority concentration; informs voucher holders of the full range of areas where they may lease units both inside and outside OCHA’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.  
- Points are based on whether OCHA has adopted and implemented written policies in accordance with SEMAP requirements, according to OCHA’s certification.

Indicator 8: FMR limit and payment standards  
**Maximum Points: 5**  
- This indicator shows whether OCHA has adopted a payment standard schedule that establishes payment standard amounts by unit size for each FMR area in OCHA’s jurisdiction, that are within the basic range of ninety (90%) to one hundred ten (110%) percent of the published FMR.  
- Points are based on whether OCHA has appropriately adopted a payment standard schedule(s), according to OCHA’s certification.

Indicator 9: Annual reexaminations  
**Maximum Points: 10**  
- This indicator shows whether OCHA completes a reexamination for each participating family at least every twelve (12) months.  
- Points are based on the percent of reexaminations that are more than two (2) months overdue, according to data from PIC.

Indicator 10: Correct tenant rent calculations  
**Maximum Points: 5**  
- This indicator shows whether OCHA correctly calculates the family’s share of the rent to owner.  
- Points are based on the percent of correct calculations of family share of the rent, according to data from PIC.

Indicator 11: Pre-contract HQS inspections  
**Maximum Points: 5**  
- This indicator shows whether newly leased units pass HQS inspection on or before the effective date of the assisted lease and HAP contract.  
- Points are based on the percent of newly leased units that passed HQS inspection prior to the effective date of the lease and HAP contract, according to data from PIC.
Indicator 12: Annual HQS inspections
Maximum Points: 10
- This indicator shows whether OCHA inspects each unit under contract at least annually.
- Points are based on the percent of annual HQS inspections of units under contract that are more than two (2) months overdue, according to data from PIC.

Indicator 13: Lease-up
Maximum Points: 20
- This indicator shows whether OCHA enters HAP contracts for at least 98 percent of its allocated budget authority for the same calendar year. OCHA can receive 15 points if 95 to 97 percent of vouchers are leased or budget authority is utilized.
- Points are based on utilization of vouchers and HAP expenditures as reported in the voucher management system (VMS) for the most recently completed calendar year.

Indicator 14: Family self-sufficiency (FSS) enrollment and escrow account balances
Maximum Points: 10
- Only applies to PHAs with mandatory FSS programs.
- This indicator shows whether OCHA has enrolled families in the FSS program as required, and measures the percent of current FSS participants that have had increases in earned income which resulted in escrow account balances.
- Points are based on the percent of mandatory FSS slots that are filled and the percent of families with escrow account balances, according to data from PIC.

PART VI: RECORDKEEPING

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

In addition, OCHA will ensure that all applicant and participant files are maintained in a way that protects an individual’s privacy rights.

16-VI.B. RECORD RETENTION [24 CFR 982.158]
During the term of each assisted lease, and for at least three (3) years thereafter, OCHA will keep:
- A copy of the executed lease;
- The HAP contract; and
- The application from the family.

In addition, OCHA will keep the following records for at least three (3) years:
- Records that provide income, racial, ethnic, gender, and disability status data on program applicants and participants;
- An application from each ineligible family and notice that the applicant is not eligible;
- HUD-required reports;
- Unit inspection reports;
- Lead-based paint records as required by 24 CFR 35, Subpart B;
- Accounts and other records supporting OCHA budget and financial statements for the program;
- Records to document the basis for OCHA determination that rent to owner is a reasonable rent (initially and during the term of a HAP contract); and
- Other records specified by HUD.
• Notice PIH 2014-20 requires OCHA to keep records of all complaints, investigations, notices, and corrective actions related to violations of the Fair Housing Act or the equal access final rule.

OCHA must keep confidential records of all emergency transfer requested by victims of domestic violence, dating violence, sexual assault, and stalking under OCHA’s Emergency Transfer Plan, as well as the outcomes of such requests, and retain the records for a period of three years [24 CFR 5.2002(e)(12)].

If an informal hearing to establish a family’s citizenship status is held, longer retention requirements apply for some types of documents. For specific requirements, see Section 16-III.D., Retention of Documents.

16-VIC. RECORDS MANAGEMENT

OCHA will maintain applicant and participant files and information in accordance with the regulatory requirements described below.

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

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

Privacy Act Requirements [24 CFR 5.212 and HUD 9886]

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

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

Upfront Income Verification (UIV) Records

OCHA will ensure that all UIV data collected through HUD’s Enterprise Income Verification (EIV) System is protected in accordance with federal laws, regardless of the media on which the data is recorded (e.g. electronic, paper). These requirements are contained in the HUD issued document, Enterprise Income Verification (EIV) System, Security Procedures for Upfront Income Verification data.

Prior to utilizing HUD’s EIV system, OCHA will adopt and implement EIV security procedures required by HUD.

Criminal Records

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

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

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

Medical/Disability Records

OCHA is not permitted to inquire about the nature or extent of a person’s disability. OCHA will not inquire about a person’s diagnosis or details of treatment for a disability or medical condition. If OCHA receives a verification document that provides such information, OCHA will not place this information in the tenant file. OCHA will destroy the document.
Documentation of Domestic Violence, Dating Violence, Sexual Assault or Stalking
For OCHA policies related to management of documentation obtained from victims of domestic violence, dating violence, sexual assault or stalking, see Section 16-IX.

PART VII: REPORTING AND RECORDKEEPING FOR CHILDREN WITH ELEVATED BLOOD LEAD LEVEL

16-VII.A. OVERVIEW
OCHA has certain responsibilities relative to children with elevated blood lead levels that are receiving HCV assistance. The notification, verification, and hazard reduction requirements are discussed in Chapter 8. This part deals with the reporting requirements, and data collection and record keeping responsibilities that OCHA is subject to.

16-VII.B. REPORTING REQUIREMENT [24 CFR 35.1225(e)]
OCHA will provide the public health department written notice of the name and address of any child identified as having an elevated blood lead level.

16-VII.C. DATA COLLECTION AND RECORDKEEPING [24 CFR 35.1225(f)]
At least quarterly, OCHA will attempt to obtain from the public health department(s) with a similar area of jurisdiction, the names and/or addresses of children less than six (6) years old with an identified elevated blood lead level.

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

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

PART VIII: INSUFFICIENT FUNDING

16-VIII.A. OVERVIEW
The HCV regulations allow OCHA to deny families permission to move and to terminate Housing Assistance Payments (HAP) contracts if funding under the consolidated ACC is insufficient to support continued assistance [24 CFR 982.354(e)(1) and 982.454]. If OCHA denies a family a portability move based on insufficient funding, OCHA is required to notify the local HUD office within 10 business days [24 CFR 982.354]. Insufficient funding may also impact OCHA’s ability to issue vouchers to families on the waiting list. This part discusses the methodology OCHA will use to determine whether or not OCHA has sufficient funding to issue vouchers, approve moves, and to continue subsidizing all families currently under a HAP contract.

16-VIII.B. METHODOLOGY
OCHA will determine whether there is adequate funding to issue vouchers, approve moves to higher cost units and areas, and continue subsidizing all current participants by comparing OCHA’s annual budget authority to the annual total HAP needs on a monthly basis. The total HAP needs for the calendar year will be projected by establishing the actual HAP costs year to date. To that figure, OCHA will add anticipated HAP expenditures for the remainder of the calendar year. Projected HAP expenditures will be calculated by multiplying the projected number of units leased per remaining months by the most current month’s average HAP. The projected number of units leased per month will take into account the average monthly turnover of participant families. If the total annual HAP needs equal or exceed the annual budget authority, or if OCHA cannot support the cost of the proposed subsidy commitment (voucher issuance or move) based on the funding analysis, OCHA will be considered to have insufficient funding.
16-VIII.C. INSUFFICIENT FUNDING

Should OCHA determine it does not have sufficient funding to support continued assistance for families in the program, families that have most recently been admitted to the HCV program will be the first to be terminated from the program. OCHA will issue such families and owners written 30-day notice of termination. Families that are within their first year of their Housing Assistance Payment (HAP) contract are not excluded from termination and such families and owners may receive 30-day notices.

Project-Based HCV tenants, special programs, elderly and disabled are not subject to termination resulting from insufficient funding.

Families that are terminated from the program due to insufficient funding will receive priority to reenter the program before new applicants are selected from the HCV wait list and before Project-Based families may move with tenant-based assistance. Families terminated as a result of insufficient funding will be added to the HCV wait list. Families terminated as a result of insufficient funding may be added to the HCV wait list at any time, even if the wait list is closed. When funding is available, these families will be selected from the wait list first. Terminated families must submit any change to their household composition, income, and/or address in writing to ensure they receive notices from OCHA.

PART IX: VIOLENCE AGAINST WOMEN ACT OF 2013 (VAWA)

NOTIFICATION AND DEFINITIONS

The Violence Against Women Act of 2013 (VAWA) provides special protections for victims of domestic violence, dating violence, sexual assault and stalking who are applying for or receiving assistance under the housing choice voucher (HCV) program. If state or local laws provide greater protection for such victims, those laws apply in conjunction with VAWA.


VAWA requires OCHA to inform assisted tenants of their rights under this law, including their right to confidentiality and the limits thereof. Since VAWA provides protections for applicants as well as tenants, OCHA may elect to provide the same information to applicants. VAWA also requires OCHA to inform owners and managers of their obligations under this law [24 CFR 5.2007(3)].

This part describes the steps that OCHA will take to ensure that all actual and potential beneficiaries of its housing choice voucher program are notified about their rights and that owner and managers are notified of their obligations under VAWA.

OCHA will make the following information regarding VAWA available to anyone who requests it:

- A summary of the rights and protections provided by VAWA to housing choice voucher program applicants and participants who are or have been victims of domestic violence, dating violence, or stalking;
- The definitions of domestic violence, dating violence, sexual assault and stalking provided in VAWA;
- An explanation of the documentation that OCHA may require from an individual who claims the protections provided by VAWA;
- A copy of form HUD-50066, Certification of Domestic Violence, Dating Violence, Sexual Assault or Stalking;
- A statement of OCHA’s obligation to keep confidential any information that it receives from a victim unless (a) OCHA has the victim’s written permission to release the information, (b) it needs to use the information in an eviction proceeding, or (c) it is compelled by law to release the information;
- The National Domestic Violence Hot Line: 1-800-799-SAFE (7233) or 1-800-787-3224 (TTY).
16-IX.A. DEFINITIONS [24 CFR 5.2003]

As used in VAWA:

- The term **bifurcate** means, with respect to a public housing or Section 8 lease, to divide a lease as a matter of law such that certain tenants can be evicted or removed while the remaining family members’ lease and occupancy rights are allowed to remain intact.

- The term **domestic violence** includes felony or misdemeanor crimes of violence committed by a current or former spouse or intimate partner of the victim, by a person with whom the victim shares a child in common, by a person who is cohabitating with or has cohabitated with the victim as a spouse or intimate partner, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies, or by any other person against an adult or youth victim who is protected from that person’s acts under the domestic or family violence laws of the jurisdiction.

- The term **dating violence** means violence committed by a person who is or has been in a social relationship of a romantic or intimate nature with the victim; and where the existence of such a relationship shall be determined based on a consideration of the following factors:
  - The length of the relationship; or
  - The type of relationship; and
  - The frequency of interaction between the persons involved in the relationship.

- The term **stalking** means:
  - To engage in a course of conduct directed at a specific person that would cause a reasonable person to fear for his or her safety or the safety of others, or suffer substantial emotional distress.

- The term **affiliated individual** means, with respect to a person:
  - A spouse, parent, brother or sister, or child of that individual, or an individual to whom that individual stands in the position or place of a parent; or
  - Any other individual, tenant or lawful occupant living in the household of the victim of domestic violence, dating violence, sexual assault, or stalking.

- The term **sexual assault** means:
  - Any nonconsensual sexual act proscribed by Federal, tribal or State law, including when the victim lacks the capacity to consent.

16-IX.B. NOTIFICATION TO PROGRAM PARTICIPANTS AND APPLICANTS [24 CFR 5.2005(a)(1)]

OCHA will inform program applicants and participants of their rights under VAWA, including their right to confidentiality and the limits thereof, when they are denied assistance, when they are admitted to the program, and when they are notified of an eviction or termination of housing benefits.

OCHA is not limited to providing VAWA information at the times specified in the above policy. If OCHA decides to provide VAWA information to a participant following an incident of domestic violence, Notice PIH 2017-08 cautions against sending the information by mail, since the abuser may be monitoring the mail. The notice recommends that in such cases OCHA make alternative delivery arrangements that will not put the victim at risk.

16-IX.C. NOTIFICATION TO OWNERS AND MANAGERS

OCHA is no longer required by regulation to notify owners and managers participating in the HCV program of their rights and obligations under VAWA, OCHA may still choose to inform them.

16-IX.D. DOCUMENTATION [24 CFR 5.2007]

When OCHA is presented with a claim for initial or continued assistance based on status as a victim of domestic violence, dating violence, sexual assault, stalking, or criminal activity related to any of these forms of abuse may—but is not required to—request that the individual making the claim document the abuse. Any request for documentation must be in writing, and the individual must be allowed at least 14 business days after receipt of the request to submit the documentation. OCHA may extend this time period at its discretion. [24 CFR 5.2007(a)]

The individual may satisfy OCHA’s request by providing any one of the following three forms of documentation [24 CFR 5.2007(b)]:

Page 16-20
(1) A completed and signed HUD-approved certification form (HUD-5382, Certification of Domestic Violence, Dating Violence, Sexual Assault or Stalking), which must include the name of the perpetrator only if the name of the perpetrator is safe to provide and is known to the victim. The form may be filled out and submitted on behalf of the victim.

(2) A federal, state, tribal, territorial, or local police report or court record, or an administrative record

(3) Documentation signed by a person who has assisted the victim in addressing domestic violence, dating violence, sexual assault or stalking, or the effects of such abuse. This person may be an employee, agent, or volunteer of a victim service provider; an attorney; a mental health professional; or a medical professional. The person signing the documentation must attest under penalty of perjury to the person’s belief that the incidents in question are bona fide incidents of abuse. The victim must also sign the documentation.

OCHA may not require third-party documentation (forms 2 and 3) in addition to certification (form 1), except as specified below under “Conflicting Documentation,” nor may it require certification in addition to third-party documentation [VAWA final rule].

Conflicting Documentation [24 CFR 5.2007(e)]

In cases where OCHA receives conflicting certification documents from two or more members of a household, each claiming to be a victim and naming one or more of the other petitioning household members as the perpetrator, OCHA may determine which is the true victim by requiring each to provide acceptable third-party documentation, as described above (forms 2 and 3). OCHA may also request third-party documentation when submitted documentation contains information that conflicts with existing information already available to OCHA. Individuals have 30 calendar days to return third-party verification to OCHA. If OCHA does not receive third-party documentation, and OCHA will deny or terminate assistance as a result, OCHA must hold separate hearings for the tenants [Notice PIH 2017-08]. OCHA must honor any court orders issued to protect the victim or to address the distribution of property.

Discretion to Require No Formal Documentation [24 CFR 5.2007(d)]

OCHA has the discretion to provide benefits to an individual based solely on the individual’s statement or other corroborating evidence—i.e., without requiring formal documentation of abuse in accordance with 24 CFR 5.2007(b). HUD recommends documentation in a confidential manner when a verbal statement or other evidence is accepted.

Failure to Provide Documentation [24 CFR 5.2007(c)]

In order to deny relief for protection under VAWA, OCHA will provide the individual requesting relief with a written request for documentation of abuse. If the individual fails to provide the documentation within fourteen (14) business days from the date of receipt, or such longer time as OCHA may allow, OCHA may deny relief for protection under VAWA.

16-IX.E. CONFIDENTIALITY [24 CFR 5.2007(b)(4)]

All information provided to OCHA regarding domestic violence, dating violence, sexual assault or stalking, including the fact that an individual is a victim of such violence or stalking, must be retained in confidence. This means that OCHA (1) may not enter the information into any shared database, (2) may not allow employees or others to access the information unless they are explicitly authorized to do so and have a need to know the information for purposes of their work, and (3) may not provide the information to any other entity or individual, except to the extent that the disclosure is (a) requested or consented to by the individual in writing, (b) required for use in an eviction proceeding, or (c) otherwise required by applicable law.

If disclosure is required for use in an eviction proceeding or is otherwise required by applicable law, OCHA will inform the victim before disclosure occurs so that safety risks can be identified and addressed.
**EXHIBIT 16-1**

UTILITY ALLOWANCE SCHEDULE  
Effective February 1, 2017

**Detached, Duplex, Single Family Home**

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EXHIBIT 16-3

UTILITY ALLOWANCE SCHEDULE
Effective February 1, 2017

Mobile Home

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EMERGENCY TRANSFER PLAN FOR VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING

Emergency Transfers: Housing Choice Voucher Program

Oklahoma City Housing Authority (OCHA) Housing Choice Voucher (HCV) Program is concerned about the safety of its tenants, and such concern extends to tenants who are victims of domestic violence, dating violence, sexual assault, or stalking. In accordance with the Violence Against Women Act (VAWA), OCHA HCV Program allows tenants who are victims of domestic violence, dating violence, sexual assault, or stalking to request an emergency transfer from the tenant’s current unit to another unit. The ability to request a transfer is available regardless of sex, gender identity, or sexual orientation. The ability of OCHA to honor such request for tenants currently receiving assistance, however, may depend upon a preliminary determination that the tenant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking.

This plan identifies tenants who are eligible for an emergency transfer, the documentation needed to request an emergency transfer, confidentiality protections, how an emergency transfer may occur, and guidance to tenants on safety and security. This plan is based on a model emergency transfer plan published by the U.S. Department of Housing and Urban Development (HUD), the Federal agency that oversees that OCHA HCV Program is in compliance with VAWA.

Eligibility for Emergency Transfers

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

A tenant requesting an emergency transfer must expressly request the transfer in accordance with the procedures described in this plan.

Tenants who are not in good standing may still request an emergency transfer if they meet the eligibility requirements in this section.

Emergency Transfer Request Documentation

To request an emergency transfer, the tenant shall notify OCHA’s Director of Leased Housing and submit a written request to relocate to another eligible approved HCV unit. OCHA will provide reasonable accommodations to this policy for individuals with disabilities. The tenant’s written request for an emergency transfer should include either:

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

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

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

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

Emergency Transfer Timing and Availability

OCHA cannot guarantee that a transfer request will be approved or how long it will take. OCHA will, however, act as quickly as possible to issue a new voucher to a tenant who is a victim of domestic violence, dating violence, sexual assault, or stalking, or to stalking to another unit.

At the tenant’s request, OCHA will also assist tenants in contacting the local organizations offering assistance to victims of domestic violence, dating violence, sexual assault, or stalking that are attached to this plan.

Safety and Security of Tenants

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

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

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

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

For help regarding an abusive relationship, you may call the National Domestic Violence Hotline at 1-800-799-7233 or, for persons with hearing impairments, 1-800-787-3224 (TTY). You may also contact:

- Oklahoma City Police Department Victim Services Program: (405) 297-3422
- YWCA Oklahoma City 24-Hour Domestic Violence Hotline: (405) 917-9922
- Oklahoma 24-Hour Safeline: 1-800-522-SAFE (7233)

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

For help regarding sexual assault, you may contact:

- Oklahoma City Police Department Victim Services Program: (405) 297-3422
- YWCA Oklahoma City 24-Hour Sexual Assault Hotline: (405) 943-7273
- Oklahoma 24-Hour Safeline: 1-800-522-SAFE (7233)

Victims of stalking seeking help may contact:

- Oklahoma City Police Department Victim Services Program: (405) 297-3422
- YWCA Oklahoma City 24-Hour Domestic Violence Hotline: (405) 917-9922
- Oklahoma 24-Hour Safeline: 1-800-522-SAFE (7233)
Chapter 17

PROJECT-BASED VOUCHERS

INTRODUCTION

This chapter describes HUD regulations and OCHA policies related to the project-based voucher (PBV) program in nine (9) parts:

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

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

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

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

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

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

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

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

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

PART I: GENERAL REQUIREMENTS

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

The Project-Based Voucher (PBV) program allows OCHA to administer a tenant-based voucher program under an annual contributions contract (ACC) with HUD to take up to twenty (20%) percent of its authorized units and attach the funding to specific units rather than using it for tenant-based assistance [24 CFR 983.6].

OCHA will operate a project-based voucher program using up to twenty (20%) percent of its authorized units for project-based assistance. The purpose of the PBV program is to induce property owners to make standard housing available to low-income families at rents within the HCV program existing housing FMRs. Separate funding is not provided for the PBV program.

PBV assistance may be attached to existing housing or newly constructed or rehabilitated housing [24 CFR 983.52]. If PBV units are already selected for project-based assistance either under an agreement to enter into HAP Contract (Agreement) or a HAP contract, OCHA is not required to reduce the number of these units if the amount of budget authority is subsequently reduced. However, OCHA is responsible for determining the amount of budget authority that is available for project-based vouchers and ensuring that the amount of assistance that is attached to units is within the amounts available under the ACC [24 CFR 983.6].
Additional Project-Based Units [FR Notice 1/18/17]

OCHA may project-base an additional ten (10%) percent of its units above the twenty (20%) percent program limit, if the units:

- Are specifically made available to house individuals and families that meet the definition of homeless under section 103 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11302).
- Are specifically made available to house families that are comprised of or include a veteran.
  - Veteran means an individual who has served in the United States Armed Forces.
- Provide supportive housing to persons with disabilities or elderly persons as defined in 24 CFR 5.403.
- Are located in a census tract with a poverty rate of twenty (20%) percent or less, as determined in the most recent American Community Survey Five-Year Estimates.
  - For these projects, the project cap is the greater of 25 units or forty (40%) percent (instead of twenty-five (25%) percent) of the units in the project [FR Notice 7/14/17].

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

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

In addition, units that were previously subject to certain federal rent restrictions or were receiving another type of long-term housing subsidy provided by HUD are not subject to the cap. In order to be excepted, the unit must meet the following conditions:

- The unit must be covered under a PBV HAP contract that first became effective on or after 4/18/17; and
- In the five years prior to the date the PHA either issued the RFP or selected the project, the unit either:
  - Received Public Housing Capital or Operating Funds, Project-Based Rental Assistance, Housing for Elderly (Section 202), Housing for Persons with Disabilities (section 811), Rent Supplement (Rent Supp), or Rental Assistance Program (RAP); or
  - Was subject to a rent restriction through a loan or insurance program as a result of Section 236, Section 221(d)(3) or (d)(4) BMIR, Housing for Elderly Persons (Section 202), or Housing for Persons with Disabilities (Section 811)
  - Received assistance under the Flexible Subsidy Program (Section 201 of the Housing and Community Development Amendments of 1978)

Units that have previously received either PBV or HCV assistance are not covered under the exception.

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

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

The provisions of the tenant-based voucher regulations that do not apply to the PBV program are listed at 24 CFR 983.2.

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

The acquisition of real property for a PBV project is subject to the URA and 49 CFR part 24, subpart B. It is the responsibility of OCHA to ensure the owner complies with these requirements.

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

OCHA will comply with all equal opportunity requirements under federal law and regulations in its implementation of the PBV program. This includes the requirements and authorities cited at 24 CFR 5.105(a). In addition, OCHA will comply with OCHA’s Plan certification on civil rights and affirmatively furthering fair housing, submitted in accordance with 24 CFR 903.7(o).
PART II: PBV OWNER PROPOSALS

17-II.A. OVERVIEW
With certain exceptions, OCHA must describe the procedures for owner submission of PBV proposals and OCHA’s selection of PBV proposals [24 CFR 983.51]. Before selecting a PBV proposal, OCHA will determine that the PBV proposal complies with HUD program regulations and requirements, including a determination that the property is eligible housing [24 CFR 983.53 and 983.54], complies with the cap on the number of PBV units per project [24 CFR 983.56.], and meets the site selection standards [24 CFR 983.57].

17-II.B. OWNER PROPOSAL SELECTION PROCEDURES [24 CFR 983.51]
OCHA will select PBV proposals by either of the following two (2) methods:

- **OCHA’s request for PBV Proposals.** OCHA may solicit proposals by using a request for proposals to select proposals on a competitive basis in response to OCHA’s request. OCHA will not limit proposals to a single site or impose restrictions that explicitly or practically preclude owner submission of proposals for PBV housing on different sites.

- **OCHA may select a proposal that was previously selected based on a competition.** This may include selection of a proposal for housing assisted under a federal, state, or local government housing assistance program that was subject to a competition in accordance with the requirements of the applicable program, community development program, or supportive services program that requires competitive selection of proposals (e.g., HOME, and units for which competitively awarded LIHTCs have been provided), where the proposal has been selected in accordance with such program's competitive selection requirements within three (3) years of the PBV proposal selection date, and the earlier competitive selection proposal did not involve any consideration that the project would receive PBV assistance. OCHA need not conduct another competition.

**Units Selected Non-Competitively [FR Notice 1/18/17]**
For certain public housing projects where OCHA has an ownership interest or control and will spend a minimum amount per unit on rehabilitation or construction, OCHA may select a project without following one of the two processes above.

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

**PHA Request for Proposals for Rehabilitated, Newly Constructed Units and Existing Housing Units**
OCHA will advertise its request for proposals (RFP) for rehabilitated and newly constructed housing in a local newspaper of general circulation and other means designed and actually operated to provide broad public notice. The advertisement will specify the number of units OCHA estimates that it will be able to assist under the funding OCHA is making available. Proposals will be due in OCHA’s office by close of business thirty (30) calendar days from the date of the last publication.

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

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

- Owner experience and capability to build or rehabilitate housing as identified in the RFP;
- Extent to which the project furthers OCHA’s goal of deconcentrating poverty and expanding housing and economic opportunities;
- If applicable, the extent to which services for special populations are provided on site or in the immediate area for occupants of the property; and
- Projects with less than twenty-five (25%) percent of the units assisted will be rated higher than projects with twenty-five (25%) percent of the units assisted. In the case of projects for occupancy by the elderly, persons with disabilities or families needing other services, OCHA will rate partially assisted projects on the percent of units assisted. Projects with the lowest percent of assisted units will receive the highest score.

OCHA will accept proposals for PBV assistance from owners that were competitively selected under another federal, state or local housing assistance program, including projects that were competitively awarded Low-Income Housing Tax Credits on an ongoing basis.
In addition to, or in place of advertising, OCHA may also directly contact specific owners that have already been selected for federal, state, or local housing assistance based on a previously held competition, to inform them of available PBV assistance.

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

- Extent to which the project furthers OCHA’s goal of deconcentrating poverty and expanding housing and economic opportunities; and

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

**OCHA-owned Units [24 CFR 983.51(e), 983.59, Notice PIH 2015-05 and FR Notice 1/18/17]**

An OCHA-owned unit may be assisted under the PBV program only if the HUD field office or HUD-approved independent entity reviews the selection process and determines that OCHA-owned units were appropriately selected based on the selection procedures specified in OCHA’s administrative plan. If OCHA selects a proposal for housing that is owned or controlled by OCHA, OCHA must identify the entity that will review OCHA’s proposal selection process and perform specific functions with respect to rent determinations and inspections.

In the case of OCHA-owned units, the term of the HAP contract and any HAP contract renewal must be agreed upon by the PHA and a HUD-approved independent entity. In addition, an independent entity must determine the rent to owner, the redetermined rent to owner, and reasonable rent. Housing quality standards inspections must also be conducted by an independent entity.

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

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

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

Within ten (10) business days of OCHA making the selection, OCHA will notify the selected owner in writing of the owner’s selection for the PBV program.

OCHA will make available to any interested party its rating and ranking sheets and documents that identify OCHA’s basis for selecting the proposal. These documents will be available for review by the public and other interested parties for one (1) month after publication of the notice of owner selection. OCHA will not make available sensitive owner information that is privileged, such as financial statements and similar information about the owner.

**17-II.C. HOUSING TYPE [24 CFR 983.52]**

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

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

**17-II.D. PROHIBITION OF ASSISTANCE FOR CERTAIN UNITS**

**Ineligible Housing Types [24 CFR 983.53]**

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

Subsidized Housing [24 CFR 983.54]

OCHA will not attach or pay PBV assistance to units in any of the following types of subsidized housing:

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

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

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

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

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

OCHA will submit the necessary documentation to HUD for a subsidy layering review. Except in cases noted above, OCHA will not enter into an agreement to enter into a HAP contract or a HAP contract until HUD, or a HUD-approved housing credit agency (HCA), has conducted any required subsidy layering review and determined that the PBV assistance is in accordance with HUD subsidy layering requirements.

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

Twenty-five (25%) Percent per Project Cap [FR Notice 1/18/17]

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

Exceptions to Twenty-five (25%) Percent per Project Cap [FR Notice 1/18/17]

Exceptions are allowed and PBV units are not counted against the twenty-five (25%) percent per project cap if:

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

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

Supportive Services

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

Projects not Subject to a Project Cap [FR Notice 1/18/17]

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

- Be covered by a PBV HAP contract that first became effective on or after 4/18/17; and
- In the five years prior to the date OCHA either issued the RFP under which the project was selected or OCHA selected the project without competition, the unit met at least one of the two following conditions:
  - The unit received Public Housing Capital or Operating Funds, Project-Based Rental Assistance, Housing for the Elderly (Section 202), Housing for Persons with disabilities (Section 811), the Rental Supplement program,
  - The unit was subject to a rent restriction as a result of one of the following HUD loans or insurance programs: Section 236, Section 221(d)(3) or (d)(4) BMIR, Housing for the Elderly (Section 202), or Housing for Persons with Disabilities (Section 811)

Units that were previously receiving PBV assistance are not covered by the exception. Both existing and rehabilitation units are eligible for this exception. Newly constructed units qualify if they meet the definition of replacement unit described in FR Notice 1/18/17.

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

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

17-II.G. SITE SELECTION STANDARDS

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

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

In addition, prior to selecting a proposal, OCHA will determine if the site is suitable from the standpoint of facilitating and furthering full compliance with the applicable Civil Rights Laws, regulations, and Executive Orders, and that the site meets the HQS site and neighborhood standards at 24 CFR 982.401(l).
Existing and Rehabilitated Housing Site and Neighborhood Standards [24 CFR 983.57(d)]

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

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

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

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

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

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

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

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

OCHA will not enter into an agreement to enter into a HAP contract or a HAP contract with an owner, and OCHA, the owner, and its contractors may not acquire, rehabilitate, convert, lease, repair, dispose of, demolish, or construct real property or commit or expend program or local funds for PBV activities under this part, until the environmental review is completed.
OCHA will supply all available, relevant information necessary for the responsible entity to perform any required environmental review for any site. OCHA will require the owner to carry out mitigating measures required by the responsible entity (or HUD, if applicable) as a result of the environmental review.

PART III: DWELLING UNITS

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

17-III.B. HOUSING QUALITY STANDARDS [24 CFR 983.101]
The HQS for the tenant-based program, including those for special housing types, generally apply to the PBV program. HQS requirements for shared housing, manufactured home space rental and the homeownership option do not apply because these housing types are not assisted under the PBV program.

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

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

17-III.C. HOUSING ACCESSIBILITY FOR PERSONS WITH DISABILITIES
The housing must comply with program accessibility requirements of Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR part 8. OCHA will ensure that the percentage of accessible dwelling units complies with the requirements of Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), as implemented by HUD's regulations at 24 CFR 8, subpart C.

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

17-III.D. INSPECTING UNITS

Pre-selection Inspection [24 CFR 983.103(a)]
OCHA will examine the proposed site before the proposal selection date. If the units to be assisted already exist, OCHA will inspect all the units before the proposal selection date, and must determine whether the units substantially comply with HQS. To qualify as existing housing, units must substantially comply with HQS on the proposal selection date. However, OCHA will not execute the HAP contract until the units fully comply with HQS, unless OCHA has adopted a policy to enter into a HAP contract for units that fail the initial HQS inspection as a result of only non-life-threatening conditions.

Pre-HAP Contract Inspections [24 CFR 983.103(b); FR Notice 1/18/17]
OCHA will inspect each contract unit before execution of the HAP contract. OCHA will not enter into a HAP contract covering a unit until the unit fully complies with HQS, unless OCHA has adopted a policy to enter into a HAP contract for units that fail the initial HQS inspection as a result of only non-life-threatening conditions.

Turnover Inspections [24 CFR 983.103(c)]
Before providing assistance to a new family in a contract unit, OCHA will inspect the unit. OCHA will not provide assistance on behalf of the family until the unit fully complies with HQS.

Annual/Biennial Inspections [24 CFR 983.103(d); FR Notice 6/25/14]
At least once every 24 months during the term of the HAP contract, OCHA will inspect a random sample, consisting of at least twenty (20%) percent of the contract units in each building to determine if the contract units and the premises are maintained in accordance with HQS. Turnover inspections are not counted toward meeting this inspection requirement.
If more than twenty (20%) percent of the sample of inspected contract units in a building fails the initial inspection, OCHA will reinspect one hundred (100%) percent of the contract units in the building.

**Other Inspections [24 CFR 983.103(e)]**

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

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

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

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

In the case of OCHA-owned units, the inspections must be performed by an independent agency designated by OCHA and approved by HUD. The independent entity must furnish a copy of each inspection report to OCHA and to the HUD field office where the project is located.

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**PART IV: REHABILITATED AND NEWLY CONSTRUCTED UNITS**

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

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

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

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

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

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

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

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

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

• Any additional requirements for quality, architecture, or design over and above HQS.

**Execution of the Agreement [24 CFR 983.153]**

The Agreement must be executed promptly after OCHA notice of proposal selection to the selected owner. OCHA may not enter into the Agreement if construction or rehabilitation has started after proposal submission. OCHA will enter into the Agreement with the owner within ten (10) business days of receiving both environmental approval and notice that subsidy layering requirements have been met and before construction or rehabilitation work are started. However, OCHA does not need to conduct a subsidy layering review in the case of a HAP contract for existing housing or if the applicable state or local agency has conducted such a review. Similarly, environmental reviews are not required for existing structures unless otherwise required by law or regulation.

**17-IV.C. CONDUCT OF DEVELOPMENT WORK**

**Labor Standards [24 CFR 983.154(b)]**

If an Agreement covers the development of nine (9) or more contract units (whether or not completed in stages), the owner and the owner’s contractors and subcontractors must pay Davis-Bacon wages to laborers and mechanics employed in the development of housing. The HUD-prescribed form of the Agreement will include the labor standards clauses required by HUD, such as those involving Davis-Bacon wage rates.

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

**Equal Opportunity [24 CFR 983.154(c)]**

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

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

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

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

**17-IV.D. COMPLETION OF HOUSING**

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

**Evidence of Completion [24 CFR 983.155(b)]**

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

• Owner certification that the work has been completed in accordance with HQS and all requirements of the Agreement; and

• Owner certification that the owner has complied with labor standards and equal opportunity requirements in development of the housing.

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

**OCHA Acceptance of Completed Units [24 CFR 983.156]**

Upon notice from the owner that the housing is completed, OCHA will inspect to determine if the housing has been completed in accordance with the Agreement, including compliance with HQS and any additional requirements imposed under the Agreement. OCHA will also determine if the owner has submitted all required evidence of completion.
If the work has not been completed in accordance with the Agreement, OCHA will not enter into the HAP contract. If OCHA determines the work has been completed in accordance with the Agreement and that the owner has submitted all required evidence of completion, OCHA will submit the HAP contract for execution by the owner and will then execute the HAP contract.

**PART V: HOUSING ASSISTANCE PAYMENTS CONTRACT (HAP)**

17-V.A. OVERVIEW

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

17-V.B. HAP CONTRACT REQUIREMENTS

**Contract Information [24 CFR 983.203]**

The HAP contract must specify the following information:

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

**Execution of the HAP Contract [24 CFR 983.204]**

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

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

**Term of HAP Contract [24 CFR 983.205; FR Notice 1/18/17]**

OCHA may enter into a HAP contract with an owner for an initial term of no less than one (1) year and no more than twenty (20) years for each contract unit. The length of the term of the HAP contract for any contract unit may not be less than one year, nor more than 20 years. In the case of OCHA-owned units, the term of the HAP contract must be agreed upon by OCHA and the independent entity approved by HUD [24 CFR 983.59(b)(2)].

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

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

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

- The cost of extending the contract and the amount of available budget authority;
- The condition of the contract units;
- The owner’s record of compliance with obligations under the HAP contract and lease(s);
- Whether the location of the units continues to support the goals of deconcentrating poverty and expanding housing opportunities; and
- Whether the funding could be used more appropriately for tenant-based assistance.

**Termination by OCHA [24 CFR 983.205(c); FR Notice 1/18/17]**

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

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

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

**Termination by Owner [24 CFR 983.205(d)]**

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

**Statutory Notice Requirements: Contract Termination or Expiration [24 CFR 983.206; FR Notice 1/18/17]**

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

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

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

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

**17-V.C. AMENDMENTS TO THE HAP CONTRACT**

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

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

**Addition of Contract Units [FR Notice 1/18/17]**

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

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

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

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

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

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

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

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

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

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

17-V.F. ADDITIONAL HAP REQUIREMENTS

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

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

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

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

Vacancy Payments [24 CFR 983.352(b)]

At the discretion of OCHA, the HAP contract may provide for vacancy payments to the owner for an OCHA-determined period of vacancy extending from the beginning of the first calendar month after the move-out month for a period not exceeding two (2) full months following the move-out month. The amount of the vacancy payment will be determined by OCHA and cannot exceed the monthly rent to owner under the assisted lease, minus any portion of the rental payment received by the owner (including amounts available from the tenant’s security deposit).

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

PART VI: SELECTION OF PBV PROGRAM PARTICIPANTS

17-VI.A. OVERVIEW

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

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

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

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

OCHA will determine an applicant family’s eligibility for the PBV program in accordance with the policies in Chapter 3.

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

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

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

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

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

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

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

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

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

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

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

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

Preferences [24 CFR 983.251(d)]

OCHA will 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. OCHA will provide an absolute selection preference for eligible in-place families as described in Section 17-VI.B. above.

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

In advertising such a project, the owner may advertise the project as offering services for a particular type of disability; however, the project must be open to all otherwise eligible disabled persons who may benefit from services provided in the project. In these projects, disabled residents may not be required to accept the particular services offered as a condition of occupancy.
If OCHA has projects with “excepted units” for elderly or supportive services, OCHA will give preference to such families when referring families to these units [24 CFR 983.261(b)].

OCHA will provide a selection preference when required by the regulation (e.g., eligible in-place families, elderly families or units with supportive services or mobility impaired persons for accessible units).

**17-VI.E. OFFER OF PBV ASSISTANCE**

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

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

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

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

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

**Acceptance of Offer [24 CFR 983.252]**

**Family Briefing**

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

**Persons with Disabilities**

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

**Persons with Limited English Proficiency**

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

**17-VI.F. OWNER SELECTION OF TENANTS**

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

**Leasing [24 CFR 983.253(a)]**

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

**Filling Vacancies [24 CFR 983.254(a)]**

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

The owner must notify OCHA in writing (mail, fax, or e-mail) within five (5) business days of learning about any vacancy or expected vacancy.
Reduction in HAP Contract Units Due to Vacancies [24 CFR 983.254(b)]

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

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

PHA Responsibility

OCHA is not responsible or liable to the owner or any other person for the family’s behavior or suitability for tenancy.

OCHA will provide the owner with an applicant family’s current and prior address (as shown in OCHA’s records) and the name and address (if known by OCHA) of the family’s current landlord and any prior landlords.

OCHA will inform owners of their responsibility to screen prospective tenants, and will provide owners with the required known name and address information, if requested. OCHA will not provide any additional information to the owner, such as tenancy history, criminal history, etc.

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

Owner Responsibility

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

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

PART VII: OCCUPANCY

17-VII.A. OVERVIEW

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

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

The tenant must have legal capacity to enter a lease under state and local law.

Legal capacity means that the tenant is bound by the terms of the lease and may enforce the terms of the lease against the owner.

Form of Lease [24 CFR 983.256(b)]

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

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

OCHA will review the owner’s lease form to determine if the lease complies with state and local law. If OCHA determines that the lease does not comply with state or local law, OCHA will decline to approve the tenancy.
Lease Requirements [24 CFR 983.256(c)]
The lease for a PBV unit must specify all of the following information:

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

Tenancy Addendum [24 CFR 983.256(d)]
The tenancy addendum in the lease must state:

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

Initial Term and Lease Renewal [24 CFR 983.256(f)]
The initial lease term must be for at least one (1) year. The lease must provide for automatic renewal after the initial term of the lease in either successive definitive terms (e.g. month-to-month or year-to-year) or an automatic indefinite extension of the lease term. For automatic indefinite extension of the lease term, the lease terminates if any of the following occur:

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

Changes in the Lease [24 CFR 983.256(e)]
If the tenant and owner agree to any change in the lease, the change must be in writing, and the owner must immediately give OCHA a copy of all changes.

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

Owner Termination of Tenancy [24 CFR 983.257]
With two (2) exceptions, the owner of a PBV unit may terminate tenancy for the same reasons an owner may in the tenant-based voucher program (see Section 12-III.B. and 24 CFR 982.310). In the PBV program, terminating tenancy for “good cause” does not include doing so for a business or economic reason, or a desire to use the unit for personal or family use or other non-residential purpose.

Tenant Absence from the Unit [24 CFR 983.256(g) and 982.312(a)]
The lease may specify a maximum period of family absence from the unit that may be shorter than the maximum period permitted by OCHA policy. According to program requirements, the family’s assistance must be terminated if they are absent from the unit for more than one hundred eighty (180) consecutive days. OCHA termination of assistance actions due to family absence from the unit are subject to 24 CFR 981.312, except that the unit is not terminated from the HAP contract if the family is absent for longer than the maximum period permitted.
Continuation of Housing Assistance Payments [24 CFR 982.258]

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

Security Deposits [24 CFR 983.259]

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

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

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

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

17-VII.C. MOVES

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

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

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

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

OCHA may make exceptions to this thirty (30) day period if needed for reasons beyond the family’s control such as death, serious illness, or other medical emergency of a family member.

Family Right to Move [24 CFR 983.261]

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

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

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

Emergency Transfers under VAWA [Notice PIH 2017-08]

Except where special consideration is needed for the project-based voucher program, OCHA will follow VAWA policies as outlined in Chapter 16 Part IX of this administrative plan, including using the Emergency Transfer Plan as the basis for PBV transfers under VAWA (Exhibit 16-4).
HUD requires that OCHA include policies that address when a victim has been living in a unit for less than a year or when a victim seeks to move sooner than a tenant-based voucher is available.

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

OCHA will first try to transfer the participant to another PBV unit in the same development or transfer to a different development where OCHA has PBV units. OCHA will expedite the administrative processes in this case in an effort to conduct the transfer as quickly as possible.

If no units are available for an internal transfer or if there is reasonable cause to believe that such a transfer would put the victim in jeopardy, the participant may receive continued assistance through an external transfer to either tenant-based rental assistance (HCV) or assistance in OCHA’s public housing program. Such a decision will be made by OCHA based on the availability of tenant-based vouchers and/or vacancies in public housing units.

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

If no units are available for an internal transfer, or if there is reasonable cause to believe that such a transfer would put the victim in jeopardy, the participant may receive continued assistance through an external transfer to OCHA’s public housing program.

17-VII.D. EXCEPTIONS TO THE OCCUPANCY CAP [24 CFR 983.261]

OCHA will not pay housing assistance under a PBV HAP contract for more than the greater of twenty-five (25) units or twenty-five (25) percent of the number of dwelling units in a project unless:

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

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

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

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

If the family fails to vacate the unit within the established time, the unit must be removed from the HAP contract unless the project is partially assisted, and it is possible for the HAP contract to be amended to substitute a different unit in the building in accordance with program requirements; or the owner terminates the lease and evicts the family. The housing assistance payments for a family residing in an excepted unit that is not in compliance with its family obligations to comply with supportive services requirements must be terminated by OCHA.
OCHA may allow a family that initially qualified for occupancy of an excepted unit based on elderly family status to continue to reside in a unit, where through circumstances beyond the control of the family (e.g., death of the elderly family member or long-term or permanent hospitalization or nursing care), the elderly family member no longer resides in the unit. In this case, the unit may continue to be counted as an excepted unit for as long as the family resides in that unit. Once the family vacates the unit, in order to continue as an excepted unit under the HAP contract, the unit must be made available to and occupied by a qualified family.

**PART VIII: DETERMINING RENT TO OWNER**

**17-VIII.A. OVERVIEW**

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

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

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

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

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

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

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

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

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

**Definitions**

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

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

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

OCHA must determine reasonable rent in accordance with 24 CFR 983.303. The rent to owner for each contract unit may not exceed the reasonable rent, except in cases where OCHA has elected within the HAP contract not to reduce rents below the initial rent to owner and, upon redetermination of the rent to owner, the reasonable rent would result in a rent below the initial rent. However, the rent to owner must be reduced in the following cases:
• To correct errors in calculations in accordable with HUD requirements

• If additional housing assistance has been combined with PBV assistance after the execution of the initial HAP contract and a rent decrease is required pursuant to 24 CFR 983.55

• If a decrease in rent to owner is required based on changes in the allocation of the responsibility for utilities between owner and tenant

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

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

When determining the initial rent to owner, OCHA will use the most recently published FMR in effect and the utility allowance schedule in effect at execution of the HAP contract. When redetermining the rent to owner, OCHA will use the most recently published FMR and the utility allowance schedule in effect at the time of redetermination.

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

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

**Re-determination of Rent [24 CFR 983.302]**

OCHA will redetermine the rent to owner upon the owner’s request or when there is a five (5%) percent or greater decrease in the published FMR.

**Rent Increase**

OCHA may only make rent increases in accordance with the rent limits described previously. There are no provisions in the PBV program for special adjustments (e.g., adjustments that reflect increases in the actual and necessary expenses of owning and maintaining the units which have resulted from substantial general increases in real property taxes, utility rates, or similar costs).

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

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

If OCHA determines in the course of processing the rent increase request that the rent increase is not supported by the rent comparable analysis, based on fair market rents, and that the current rent amount is greater than the fair market rents, OCHA may proceed with a contract rent decrease to match the fair market rents. This applies to Project-Based units as well as non-Project-Based units.

Should OCHA determine it does not have sufficient funding to allow rent increases, OCHA may defer considering requests for rent increases immediately. OCHA will inform owners who have submitted rent increases that there is insufficient funding with which to pay rent increases. Once OCHA determines it has sufficient funds with which to consider rent increase requests, owners will need to re-submit new rent increase requests.

**Rent Decrease**

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

**Notice of Rent Change**

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

OCHA will provide the owner with at least thirty (30) days written notice of any change in the amount of rent to owner.
17-VIII.C. REASONABLE RENT [24 CFR 983.303]

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

When Rent Reasonable Determinations are Required

OCHA will redetermine the reasonable rent for a unit receiving PBV assistance whenever any of the following occur:

- There is a ten (10%) percent or greater decrease in the published FMR in effect sixty (60) days before the contract anniversary (for the unit sizes specified in the HAP contract) as compared with the FMR that was in effect one (1) year before the contract anniversary date;
- OCHA approves a change in the allocation of responsibility for utilities between the owner and the tenant;
- The HAP contract is amended to substitute a different contract unit in the same building or project; or
- There is any other change that may substantially affect the reasonable rent.

How to Determine Reasonable Rent

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

Comparability Analysis

For each unit, the comparability analysis must use at least three (3) comparable units in the private unassisted market. This may include units in the premises or project that is receiving project-based assistance. The analysis must show how the reasonable rent was determined, including major differences between the contract units and comparable unassisted units, and must be retained by OCHA. The comparability analysis may be performed by OCHA staff or by another qualified person or entity. Those who conduct these analyses or are involved in determining the housing assistance payment based on the analyses may not have any direct or indirect interest in the property.

Owner Certification of Reasonable Rent

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

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

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

Other Subsidy [24 CFR 983.304]

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

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

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

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

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

**Rent Control [24 CFR 983.305]**
In addition to the rent limits set by PBV program regulations, the amount of rent to owner may also be subject to rent control or other limits under local, state, or federal law.

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**PART IX: PAYMENTS TO OWNER**

**17-IX.A. HOUSING ASSISTANCE PAYMENTS [24 CFR 983.351]**
During the term of the HAP contract, OCHA will make housing assistance payments to the owner in accordance with the terms of the HAP contract. During the term of the HAP contract, payments must be made for each month that a contract unit complies with HQS and is leased to and occupied by an eligible family.

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

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

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

**17-IX.B. VACANCY PAYMENTS [24 CFR 983.352]**
If an assisted family moves out of the unit, the owner may keep the housing assistance payment for the calendar month when the family moves out. However, the owner may not keep the payment if OCHA determines that the vacancy is the owner’s fault.

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

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

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

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

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

In order for a vacancy payment request to be considered, it must be made within ten (10) business days of the end of the period for which the owner is requesting the vacancy payment. The request must include the required owner certifications and OCHA may require the owner to provide documentation to support the request. If the owner does not provide the information requested by OCHA within ten (10) business days of OCHA’s request, no vacancy payments will be made.
17-IX.C. TENANT RENT TO OWNER [24 CFR 983.353]

The tenant rent is the portion of the rent to owner paid by the family. The amount of tenant rent is determined by OCHA in accordance with HUD requirements. Any changes in the amount of tenant rent will be effective on the date stated in OCHA’s notice to the family and owner.

The family is responsible for paying the tenant rent (total tenant payment minus the utility allowance). The amount of the tenant rent determined by OCHA is the maximum amount the owner may charge the family for rental of a contract unit. The tenant rent covers all housing services, maintenance, equipment, and utilities to be provided by the owner. The owner may not demand or accept any rent payment from the tenant in excess of the tenant rent as determined by OCHA. The owner must immediately return any excess payment to the tenant.

**Tenant and OCHA Responsibilities**

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

Likewise, OCHA is responsible only for making the housing assistance payment to the owner in accordance with the HAP contract. OCHA is not responsible for paying tenant rent, or any other claim by the owner, including damage to the unit.

**Utility Reimbursements**

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

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

**Meals and Supportive Services**

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

In assisted living developments receiving PBV assistance, the owner may charge for meals or supportive services. These charges may not be included in the rent to owner, nor may the value of meals and supportive services be included in the calculation of the reasonable rent. However, non-payment of such charges is grounds for termination of the lease by the owner in an assisted living development.

**Other Charges by Owner**

The owner may not charge extra amounts for items customarily included in rent in the locality or provided at no additional cost to unsubsidized tenants in the premises.
Chapter 18

PROJECT BASED VOUCHERS (PBV) UNDER THE RENTAL ASSISTANCE DEMONSTRATION (RAD) PROGRAM

INTRODUCTION

This chapter describes HUD regulations and OCHA policies related to the Project-Based Voucher (PBV) program under the Rental Assistance Demonstration (RAD) program in eight parts:

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

Part II: PBV Project Selection. This part describes the cap on assistance at projects receiving PBV assistance, ownership and control, and site selection standards.

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

Part IV: Housing Assistance Payments Contract. This part discusses HAP contract requirements and policies including the execution and term of the HAP contract.

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

Part VI: Occupancy. This part discusses occupancy requirements related to the lease, and describes under what conditions families are allowed or required to move.

Part VII: Determining Contract Rent. This part describes how the initial rent to owner is determined, and how rent will be redetermined throughout the life of the HAP contract.

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

PART I: GENERAL REQUIREMENTS

18-I.A. OVERVIEW AND HISTORY OF THE RAD PROGRAM

The Rental Assistance Demonstration (RAD) program was authorized in 2012 in order to assess the effectiveness of converting public housing, moderate rehabilitation properties, and units under the rent supplement and rental assistance payments programs to long-term, project-based Section 8 rental assistance. The program’s four primary objectives are to:

• Preserve and improve public and other assisted housing.

• Standardize the administration of the plethora of federally subsidized housing programs and rules. The conversions are intended to promote operating efficiency by using a Section 8 project-based assistance model that has proven successful and effective for over thirty (30) years. In other words, RAD aligns eligible properties more closely with other affordable housing programs.

• Attract private market capital for property renovations. Through the use of this model, properties may be able to leverage private debt and equity to make capital repairs.

• Increase tenant mobility opportunities.
Under the first component, a PHA with public housing units may submit an application to HUD to convert some or all of their public housing units to long-term, project-based Section 8 HAP contracts under either:

- Project-based rental assistance (PBRA) under HUD’s Office of Multifamily Housing Programs.
- Project-based vouchers (PBVs) under HUD’s Office of Public and Indian Housing (PIH).

This chapter will focus on public housing conversions to the PBV program under RAD. In order to distinguish between requirements for public housing conversion under RAD and PBV units under the standard PBV program, we will refer to the standard PBV program and the RAD PBV program.

18.I.B. APPLICABLE REGULATIONS

On the whole, the regulations for both the standard and RAD PBV programs generally follow the regulations for the tenant-based HCV program found at 24 CFR Part 982. However, important parts of the tenant-based regulations do not apply to the project-based program. 24 CFR Part 983 outlines the sections of 24 CFR Part 982 that are not applicable to the project-based program.

For the RAD PBV program, Congress authorized HUD to waive certain statutory and regulatory provisions or establish alternative requirements from the standard PBV program. These provisions are identified in Notice PIH 2012-32, REV-2 (issued June 15, 2015) and Notice PIH 2012-32, REV-3 (issued January 12, 2017).

Otherwise, all regulatory and statutory requirements for the standard PBV program in 24 CFR Part 983 and Section 8(o)(13) of the Housing Act of 1937, and all applicable standing and subsequent Office of Public and Indian Housing (PIH) guidance, including related handbooks, apply to RAD PBV. This includes environmental review, Davis-Bacon, and fair housing requirements.

RAD is authorized by the Consolidated and Further Continuing Appropriations Act of 2012 (Public Law 112-55, approved November 18, 2011), as amended by the Consolidated Appropriations Act of 2014 (Public Law 113-76, approved January 17, 2014), and the Consolidated and Further Continuing Appropriations Act of 2015 (Public Law 113-235, approved December 6, 2014), and Division L, Title II, Section 237 of the Consolidated Appropriations Act (Public Law 114-113, enacted December 18, 2015) collectively, the “RAD Statute.” Requirements specific to the RAD program may be found in the following:

- Generally, public housing projects converting assistance under RAD are bound by the terms of the notice in effect at the time of closing. Notice PIH 2012-32, REV-3 is applicable to projects converting assistance through RAD, including those where a CHAP has already been issued, upon the expiration of the 30-day comment period after publication of the notice. Notice PIH 2012-32, REV-3 was published January 12, 2017.
- Notice PIH 2012-32, REV-2, RAD – Final Implementation, REV-2 is applicable to projects converting assistance through RAD upon the expiration of the 30-day comment period after publication of the Notice. PIH Notice 2012-32, REV-2 was published June 15, 2015.

NOTE: The policies in this chapter follow Notice PIH 2012-32, REV-3. If your project falls under REV-2, applicable policies may be found in the applicable sections of the Instruction Guide for Chapter 18.

- RAD Quick Reference Guide for Public Housing Converting to PBV Assistance (10/14)
- Notice PIH 2016-17, Rental Assistance Demonstration (RAD) Notice Regarding Fair Housing and Civil Rights Requirements and Relocation Requirements Applicable to RAD First Component – Public Housing Conversions.
  - This Notice applies to all projects that have applied for RAD conversion but have not yet converted as of November 10, 2016.
- Notice PIH 2014-17, Relocation Requirements under the RAD Program, Public Housing in the First Component.
  - This notice may apply to projects that have converted to RAD prior to November 10, 2016, AND who have requested and received approval from HUD to be governed by this notice. See PIH Notice 2016-17, Section 1, Paragraph 1.3 for applicability.
NOTE: The policies in this chapter follow Notice PIH 2016-17. If your project falls under PIH 2014-17, applicable policies may be found in Section 18-I.D.

- RAD FAQs (http://www.radresource.net/search.cfm)

In other words, the standard PBV program follows many of the same regulations as the tenant-based HCV program, but not all of them, and the RAD PBV program follows many of the same regulations as the standard PBV program, but not all of them.

18-I.C. TENANT-BASED VS. PROJECT-BASED VOUCHER ASSISTANCE [24 CFR 983.2]

Much of the tenant-based voucher program regulations also apply to the PBV program. The provisions of the tenant-based voucher regulations that do not apply to the PBV program are listed at 24 CFR 983.2.

Except as otherwise noted in this chapter, or unless specifically prohibited by PBV program regulations, OCHA policies for the tenant-based voucher program contained in this administrative plan also apply to the RAD PBV program and its participants. This chapter is intended to address requirements specific to the RAD PBV program only.

18-I.D. RELOCATION REQUIREMENTS [Notice PIH 2016-17]

In some developments, in-place residents may need to be relocated as a result of properties undergoing repairs, being demolished and rebuilt, or when assistance is transferred from one site to another. RAD program rules prohibit the permanent, involuntary relocation of residents as a result of conversion. Residents that are temporarily relocated retain the right to return to the project once it has been completed.

Relocation assistance provided to residents will vary depending on the length of time relocation is required. Residents must be properly notified in advance of relocation requirements in accordance with RAD program rules and Uniform Relocation Act (URA) requirements. Sample informing notices are provided in Appendices 2–5 of Notice PIH 2014-17. A written relocation plan is required if the RAD conversion involves permanent relocation (including a move in connection with a transfer of assistance) or temporary relocation anticipated to last longer than a year. While the PHA is not required to have a written relocation plan for temporary relocation lasting one year or less, HUD strongly encourages PHAs to prepare one. Appendix II of Notice PIH 2016-17 contains recommended contents for a relocation plan.

In addition, OCHA must undertake a planning process that complies with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA), although not all relocations under RAD will trigger requirements under URA. URA statute and implementing regulations may be found at 49 CFR Part 24. The obligation due to relocating residents under RAD are broader than URA relocation assistance and payments.

Any residents that may need to be temporarily relocated to facilitate rehabilitation or construction will have a right to return to either:

a) a unit at the development once rehabilitation or construction is completed, provided the resident’s household is not under-housed; or

b) a unit in the development which provides the same major features as the resident’s unit in the development prior to the implementation of the RAD conversion.

Where the transfer of assistance to a new site is warranted and approved, residents of the converting development will have the right to reside in an assisted unit at the new site once rehabilitation or construction is complete. If OCHA’s proposed plans for conversion would preclude a resident from returning to the development, the resident must be given an opportunity to comment and/or object to such plans. OCHA must alter the project plans to accommodate the resident’s right to return to the development if the resident would be precluded from returning to the development.

Examples of project plans that may preclude a resident from returning to the development include, but are not limited to:

- Changes in the development’s bedroom distribution that decrease the size of the units, resulting in the resident being under-housed;
• The resident cannot be accommodated in the remaining assisted units due to a reduction in the number of assisted units at the development;
• Income limit eligibility requirements associated with the LIHTC program or another program; and
• Failure to provide a reasonable accommodation, in violation of applicable law, where reasonable accommodation may include installation of accessibility features that are needed by the resident.

Residents of a development undergoing conversion that would be precluded from returning to the development may voluntarily accept an OCHA or owner’s offer to permanently relocate to alternative housing, and thereby waive their right to return to the development after rehabilitation or construction is completed. In this event, OCHA must secure the resident’s written consent to a voluntary permanent relocation in lieu of returning to the development. OCHA is prohibited from employing any tactics to pressure residents into relinquishing their right to return or accepting other housing options. Additionally, OCHA may not terminate a resident’s lease if OCHA fails to obtain the resident’s consent and the resident seeks to exercise the right to return.

In the case of multi-phase RAD transactions, the resident has a right to return to the development or to other converted phases of the development that are available for occupancy at the time the resident is eligible to exercise their right of return. Generally, the resident’s right to return must be accommodated within the development associated with the resident’s original unit, however, OCHA may treat multiple converted developments on the same site as one for purposes of right to return. Should OCHA seek to have the resident exercise the right to return at a future phase, OCHA must secure the resident’s consent in writing.

Alternative housing options may involve a variety of housing options, including but not limited to:
• Transfers to public housing
• Admission to other affordable housing properties subject to the applicable program rules
• Housing choice voucher (HCV) assistance
• Homeownership programs subject to the applicable program rules
• Other options identified by OCHA

18-I.E. EQUAL OPPORTUNITY REQUIREMENTS [24 CFR 983.8; Notice PIH 2012-32, REV-3]

RAD conversions are governed by the same civil rights authorities that govern HUD-assisted activities in general. OCHA must comply with all applicable fair housing and civil rights laws, including but not limited to the Fair Housing Act, Title VI of the Civil Rights Act of 1964, and Section 504 of the Rehabilitation Act of 1973, when conducting relocation planning and providing relocation assistance. For example, persons with disabilities returning to the RAD project may not be turned away or placed on a waiting list due to a lack of accessible units. Their need for an accessible unit must be accommodated.

18-II.A. OVERVIEW

Unlike in the standard PBV program where OCHA typically selects the property through an owner proposal selection process, projects selected for assistance under RAD PBV are selected in accordance with the provisions in Notice PIH 2012-32, REV-3. Therefore, 24 CFR 983.51 does not apply since HUD selects RAD properties through a competitive selection process.
18-II.B. OWNERSHIP AND CONTROL [Notice PIH 2012-32, REV-3]

Except where permitted to facilitate the use of low-income housing tax credits, during both the initial term and renewal terms of the HAP contract, ownership must be by a public or non-profit entity. The requirement for a public or non-profit entity is satisfied if a public or non-profit entity (or entities), directly or through a wholly-owned affiliate (1) holds a fee simple interest in the property; (2) is the lessor under a ground lease with the property owner; (3) has the direct or indirect legal authority to direct the financial and legal interest of the property owner with respect to the RAD units, (4) owns 51 percent or more of the general partner interests in a limited partnership or 51 percent or more of the managing member interests in a limited liability company with all powers of a general partner or managing member, as applicable; (5) owns a lesser percentage of the general partner or managing member interests and holds certain control rights as approved by HUD; (6) owns 51 percent or more of all ownership interests in a limited partnership or limited liability company and holds certain control rights as approved by HUD; or (7) other ownership and control arrangements approved by HUD.

If low-income housing tax credits will be used, HUD may allow ownership of the property to be transferred to a tax credit entity controlled by a for-profit entity if HUD determines that OCHA preserves its interest in the property. Preservation of OCHA’s interest in the property includes but is not limited to the following:

- OCHA, or an affiliate under its sole control, is the general partner or managing member;
- OCHA retains fee ownership and leases the real estate to the tax credit entity pursuant to a long-term ground lease;
- OCHA retains control over leasing the property and determining program eligibility;
- OCHA enters into a control agreement by which OCHA retains consent rights over certain acts of the project owner and retains certain rights over the project;
- Other means that HUD finds acceptable.

18-II.C. OCHA-OWNED UNITS [24 CFR 983.59; Notice PIH 2012-32, REV-3; FR Notice 1/18/17]

If the project is OCHA-owned, rent-setting and inspection functions set out in 24 CFR 983.59 must be conducted by an independent entity approved by HUD.

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

OCHA may compensate the independent entity from OCHA’s ongoing administrative fee income (including amounts credited to the administrative fee reserve). OCHA may not use other program receipts to compensate the independent entity for its services. OCHA, and the independent entity, may not charge the family any fee for the services provided by the independent entity.

18-II.D. SUBSIDY LAYERING REQUIREMENTS [Notice PIH 2012-32, REV-3]

In the case where OCHA will continue to maintain other units in its inventory under a public housing ACC, a contribution of operating funds to the covered project that exceeds the average amount the project has held in operating reserves over the past three years will trigger a subsidy layering review under 24 CFR 4.13. Similarly, any contribution of capital funds, including Replacement Housing Factor (RHF) or Demolition Disposition Transitional Funding (DDTF), will trigger a subsidy layering review. Notwithstanding the subsidy layering review, OCHA should be mindful of how the capital funds or operating reserves used in the financing of its RAD properties may impact the physical and financial health of properties that will remain in its public housing inventory.

In addition, following execution of the HAP contract, OCHA is authorized to use operating and capital funds to make HAP payments for the remainder of the first calendar year in which the HAP contract is effective. Otherwise, OCHA may not contribute public housing program funds to the covered project unless such funding has been identified in the approved financing plan and included in the approved “sources and uses” attached to the RCC.
18-II.E. PBV PERCENTAGE LIMITATION [Notice PIH 2012-32, REV-3]

Covered projects do not count against the maximum amount of assistance OCHA may utilize for the PBV program, which under the standard PBV program is set at twenty (20%) percent of the authorized units allocated to OCHA under the HCV program. To implement this provision, HUD is waiving section 8(o)(13)(B) of the 1937 Act as well as 24 CFR 983.6.

There is no cap on the number of units that may receive PBV assistance in a project.

18-II.F. SITE SELECTION STANDARDS [Notice PIH 2012-32, REV-3; Notice PIH 2016-17]

Site selection requirements set forth in 24 CFR 983.57 apply to RAD PBV, with the exception of 983.57(b)(1) and (c)(2). HUD waives the provisions regarding deconcentration of poverty and expanding housing and economic opportunity for existing housing sites.

HUD will conduct a front-end civil rights review of OCHA’s proposed site in certain circumstances. For RAD PBV conversions that involve new construction located in an area of minority concentration (whether on the existing public housing site or on a new site) HUD will determine whether it meets one of the exceptions that would allow for new construction in an area of minority concentration.

OCHA must ensure that its RAD PBV conversion, including any associated new construction, is consistent with its certification to affirmatively further fair housing and complies with civil rights laws.

18-II.G. ENVIRONMENTAL REVIEW [Notice PIH 2012-32, REV-3]

HUD cannot approve an applicant’s financing plan submission unless and until the required environmental review has been completed for the applicant’s proposed conversion project and found to meet environmental review requirements. Environmental documents must be submitted as part of the financing plan. HUD will not issue a RAD Conversion Commitment (RCC) if the project plan does not meet the environmental review requirements described in Attachment 1A of Notice PIH 2012-32, REV-3.

PART III: DWELLING UNITS

18-III.A. OVERVIEW

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

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

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

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

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

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

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

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

18-III.D. INSPECTING UNITS

Initial Inspection [Notice PIH 2012-32, REV-3]

Under RAD, all units must meet HQS no later than the date of completion of the work as indicated in the RCC.

Turnover Inspections [24 CFR 983.103(c)]

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

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

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

If more than twenty (20%) percent of the sample of inspected contract units in a building fail the initial inspection, OCHA must reinspect one hundred (100%) percent of the contract units in the building.

Other Inspections [24 CFR 983.103(e)]

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

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

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

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

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

18-IV.A. OVERVIEW
Public housing projects converting under RAD do not employ the PBV Agreement to Enter into a Housing Assistance Payments (AHAP) contract. Instead, following the execution of all requirements contained in the Commitment to Enter into a HAP (CHAP) contract and the RAD Conversion Commitment (RCC), a project is converted immediately to the RAD PBV HAP contract following the closing of any construction financing. Owners of public housing projects converted to PBV assistance via RAD enter into a HAP contract with OCHA, that will administer the PBV assistance. Units assisted under a RAD PBV HAP contract must be subject to long-term, renewable use and affordability restrictions.

18-IV.B. HAP CONTRACT REQUIREMENTS

Contract Information [PBV Quick Reference Guide (10/14)]
The RAD PBV program uses the PBV HAP contract for new construction or rehabilitated housing (Form HUD-52530A), as modified by the RAD rider (Form HUD-52621). The distinction between “existing housing” and “rehabilitated and newly constructed housing” is overridden by RAD requirements. The RAD rider must be attached to the PBV HAP contract and effectuates the conversion of public housing to PBV under RAD PBV. The project must also have an initial RAD use agreement. All public housing RAD conversion properties financed with LIHTC are also required to include an LIHTC rider.

Execution and Effective date of the HAP Contract [RADBlast! 7/11/16]
RAD PBV projects do not employ an Agreement to Enter into a Housing Assistance Payments (AHAP) contract like in the standard PBV program. Rather, when the conditions of the CHAP and the RCC are met and the conversion has closed, OCHA executes the HAP contract. Project owners may select the effective date of the HAP contract as the first day of either of the two months following the completed closing.

Term of HAP Contract [Notice PIH 2012-32, REV-3]
The initial term of the HAP contract may not be for less than fifteen (15) years, and may be for a term of up to twenty (20) years upon request of the owner and with approval of OCHA. Upon expiration of the initial term of the contract, and upon each renewal term of the contract, the owner must accept each offer to renew the contract, subject to the terms and conditions applicable at the time of each offer, and further subject to the availability of appropriations for each year of each such renewal. To implement this provision, HUD is waiving section 8(o)(13)(F) of The United States Housing Act of 1937, which established a maximum term of fifteen (15) years, as well as 24 CFR 983.205(a), which governs the contract term.

Agreement to Enter into a HAP (AHAP) Contract [Notice PIH 2012-32, REV-3]
For public housing conversions to PBV, there will be no agreement to enter into a Housing Assistance Payments (AHAP) contract. Therefore, all regulatory references to the Agreement (AHAP), including regulations under 24 CFR Part 983 Subpart D, are waived. The definitions for proposal selection date, new construction, rehabilitation, and existing housing are not applicable.

Mandatory Contract Renewal [Notice PIH 2012-32, REV-3]
By statute, upon contract expiration, OCHA will accept, renewal of the contract subject to the terms and conditions applicable at the time of renewal and the availability of appropriations each year for such renewal. Consequently 24 CFR 983.205(b), governing OCHA discretion to renew the contract for term of up to fifteen (15) years, will not apply.

In the event that the HAP contract is removed due to breach, non-compliance or insufficiency of appropriations, for all units previously covered under the HAP contract, new tenants must have incomes at or below eighty (80%) percent of the area median income at the time of admission and rents may not exceed thirty (30%) percent of eighty (80%) percent of median income for an appropriate size unit for the remainder of the term of the RAD use agreement.
Remedies for HQS Violations [24 CFR 983.208(b)]

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

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

18-IV.C. AMENDMENTS TO THE HAP CONTRACT

Floating Units [Notice PIH 2012-32, REV-3]

In certain mixed-finance projects, OCHA may ask HUD permission to have assistance float among units within the project that are the same bedroom size. The unit to which assistance is floated must be comparable to the unit being replaced in quality and amenities.

If OCHA chooses to float units, units are not specifically identified on the HAP contract, rather the HAP contract must specify the number and type of units in the property that are RAD PBV units, including any excepted units. The property must maintain the same number and type of RAD units from the time of the initial HAP contract execution forward.

OCHA will float assistance among unoccupied units within the project.

Reduction in HAP Contract Units [Notice PIH 2012-32, REV-3]

Project owners are required to make available for occupancy by eligible tenants the number of assisted units under the terms of the HAP contract.

OCHA may not reduce the number of assisted units without HUD approval. Any HUD approval of a OCHA’s request to reduce the number of assisted units under contract is subject to conditions that HUD may impose.

If units are removed from the HAP contract because a new admission’s TTP comes to equal or exceed the gross rent for the unit and if the project is fully assisted, OCHA must reinstate the unit after the family has vacated the property. If the project is partially assisted, OCHA may substitute a different unit for the unit on the HAP contract in accordance with 24 CFR 983.207, or where “floating” units have been permitted.

18-IV.D. HAP CONTRACT YEAR AND ANNIVERSARY DATES [24 CFR 983.302(e)]

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

The annual anniversary of the HAP contract is the first day of the first calendar month after the end of the preceding contract year. There is a single annual anniversary date for all units under a particular HAP contract.

18-IV.E. OWNER RESPONSIBILITIES UNDER THE HAP CONTRACT [24 CFR 983.210]

When the owner executes the HAP contract, he or she certifies that at such execution and at all times during the term of the HAP contract:

- All contract units are in good condition and the owner is maintaining the premises and contract units in accordance with HQS;
- The owner is providing all services, maintenance, equipment, and utilities as agreed to under the HAP contract and the leases;
- Each contract unit for which the owner is receiving HAP is leased to an eligible family referred by OCHA, and the lease is in accordance with the HAP contract and HUD requirements;
• To the best of the owner’s knowledge, the family resides in the contract unit for which the owner is receiving HAP, and the unit is the family’s only residence;

• The owner (including a principal or other interested party) is not the spouse, parent, child, grandparent, grandchild, sister, or brother of any member of a family residing in a contract unit;

• The amount of the HAP the owner is receiving is correct under the HAP contract;

• The rent for contract units does not exceed rents charged by the owner for comparable unassisted units;

• Except for HAP and tenant rent, the owner has not received and will not receive any other payment or consideration for rental of the contract unit;

• The family does not own or have any interest in the contract unit (this does not apply to the family’s membership in a cooperative); and

• Repair work on the project selected as an existing project that is performed after HAP contract execution within such post-execution period as specified by HUD may constitute development activity, and if determined to be development activity, the repair work undertaken shall be in compliance with Davis-Bacon wage requirements.

18-IV.F. VACANCY PAYMENTS [24 CFR 983.352(b)]

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

OCHA will provide vacancy payments to the owner. The HAP contract with the owner will contain the amount of the vacancy payment and the period for which the owner will qualify for these payments.

PART V: SELECTION OF PBV PROGRAM PARTICIPANTS

18-V.A. OVERVIEW

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

18-V.B. PROHIBITED RESCREENING OF EXISTING TENANTS UPON CONVERSION [Notice PIH 2012-32, REV-3]

Current households cannot be excluded from occupancy at the covered project based on any rescreening, income eligibility, or income targeting provisions. Consequently, current households will be grandfathered for application of any eligibility criteria to conditions that occurred prior to conversion but will be subject to any ongoing eligibility requirements for actions that occur after conversion. Post-conversion, the tenure of all residents of the covered project is protected pursuant to PBV requirements regarding continued occupancy unless explicitly modified by Notice PIH 2012-32, REV-3 (e.g., rent phase-in provisions). For example, a unit with a household that was over-income at time of conversion would continue to be treated as an assisted unit. Thus, 24 CFR 982.201, concerning eligibility and targeting, will not apply for current households. Once that remaining household moves out, the unit must be leased to an eligible family. Existing residents at the time of conversion may not be rescreened for citizenship status or have their social security numbers reverified.

Further, so as to facilitate the right to return to the assisted property, this provision must apply to current public housing residents of the converting project that will reside in non-RAD PBV units placed in a project that contain RAD PBV units. Such families and such contract units will otherwise be subject to all requirements of the applicable program, specifically 24 CFR 983 for non-RAD PBV.
For the RAD PBV program, \textit{in-place family} means a family who lived in a pre-conversion property at the time assistance was converted from public housing to PBV under RAD.

\textbf{18-V.C. ELIGIBILITY FOR PBV ASSISTANCE [24 CFR 983.251(a) and (b)]}

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

OCHA will determine an applicant family’s eligibility for the RAD PBV program in accordance with the policies in Chapter 3.

\textbf{18-V.D. ORGANIZATION OF THE WAITING LIST [24 CFR 983.251(c); Notice PIH 2012-32, REV-3]}

The standard PBV regulations at 24 CFR 983.251 set out program requirements related to establishing and maintaining a voucher-wide, PBV program-wide, or site-based waiting list from which residents will be admitted. These provisions will apply unless the project is covered by a remedial order or agreement that specifies the type of waiting list and other waiting list policies.

OCHA will establish and manage separate waiting lists for individual projects or buildings that are receiving RAD PBV assistance. OCHA currently has waiting lists for the following RAD PBV projects: Sooner Haven Apartments.

For any applicants on the public housing waiting list that are likely to be ineligible for admission to a covered project converting to PBV because the household’s TTP is likely to exceed the RAD gross rent, OCHA will consider transferring such household, consistent with program requirements for administration of waiting lists, to OCHA’s remaining public housing waiting lists or to another voucher waiting list, in addition to transferring such household to the waiting list for the covered project.

To the extent any wait list relies on the date and time of application, the applicants shall have priority on the wait lists to which their application was transferred in accordance with the date and time of their application to the original waiting list.

OCHA will maintain the project-specific waiting list in accordance with all applicable civil rights and fair housing regulations found at 24 CFR 903.7(b)(2)(ii)-(iv). OCHA will provide applicants full information about each development, including an estimate of the wait time, location, occupancy, number and size of accessible units, and amenities like day care, security, transportation, and training programs at each development with a site-based waiting list. The system for selection will be consistent with all applicable civil rights and fair housing laws and regulations and may not be in conflict with any imposed or pending court order, settlement agreement, or complaint brought by HUD.

OCHA will assess any changes in racial, ethnic or disability-related tenant composition at each OCHA site that may have occurred during the implementation of the site-based waiting list, based on confirmed and accurate PIC occupancy data. At least every three years, OCHA will use independent testers to assure that the site-based system is not being implemented in a discriminatory manner.

\textbf{18-V.E. SELECTION FROM THE WAITING LIST [24 CFR 983.251(c)]}

After conversion to RAD PBV, applicants who will occupy units with RAD PBV assistance must be selected from the OCHA’s waiting list. OCHA may establish selection criteria or preferences for occupancy of particular PBV units.
Income Targeting [24 CFR 983.251(c)(6); Notice PIH 2012-32, REV-3]

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

Families in place at the time of the conversion are exempt from income targeting requirements. New admissions follow standard PBV requirements.

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

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

Preferences [24 CFR 983.251(d); FR Notice 11/24/08; Notice PIH 2012-32, REV-3]

OCHA 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.

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

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

OCHA will not offer any preferences for the RAD PBV program or for particular PBV projects or units.

18-V.F. OFFER OF PBV ASSISTANCE

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

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

- Refusing to list the applicant on the waiting list for tenant-based voucher assistance
- Denying any admission preference for which the applicant qualifies
- Changing the applicant’s place on the waiting list based on preference, date, and time of application, or other factors affecting selection under OCHA’s selection policy
- Removing the applicant from the tenant-based voucher waiting list

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

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

Acceptance of Offer [24 CFR 983.252]

Family Briefing

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

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

Persons with Limited English Proficiency

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

18-V.G. OWNER SELECTION OF TENANTS

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

Leasing [24 CFR 983.253(a)]

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

Filling Vacancies [24 CFR 983.254(a)]

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

The owner must notify OCHA in writing (mail, fax, or e-mail) within five (5) business days of learning about any vacancy or expected vacancy.

OCHA will make every reasonable effort to refer families to the owner within ten (10) business days of receiving such notice from the owner.

18-V.H. TENANT SCREENING [24 CFR 983.255]

OCHA Responsibility

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

OCHA will not conduct screening to determine a PBV applicant family’s suitability for tenancy.

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

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

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

OCHA 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. OCHA will not provide any additional information to the owner, such as tenancy history, criminal history, etc.
Owner Responsibility
The owner is responsible for screening and selection of the family to occupy the owner’s unit. When screening families the owner may consider a family’s background with respect to the following factors:

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

PART VI: OCCUPANCY

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

18-VI.B. LEASE [24 CFR 983.256; Notice PIH 2012-32, REV-3]
The tenant must have legal capacity to enter into a lease under state and local law. Legal capacity means that the tenant is bound by the terms of the lease and may enforce the terms of the lease against the owner.

The tenant and the owner must enter into a written lease agreement that is signed by both parties. The tenancy addendum must include, word-for-word, all provisions required by HUD.

Lease Requirements [24 CFR 983.256(c); Notice PIH 2012-32, REV-3]
The lease for a PBV unit must specify all of the following information:

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

OCHA must include resident procedural rights for termination notification and grievance procedures in the owner’s lease. These requirements are not part of the regular PBV program but are required under RAD. An example of language that may be included can be found in Attachment-1E of Notice PIH 2012-32, REV-2.
Tenancy Addendum [24 CFR 983.256(d)]

The tenancy addendum in the lease must state:

- The program tenancy requirements
- The composition of the household as approved by OCHA (the names of family members and any OCHA-approved live-in aide)

All provisions in the HUD-required tenancy addendum must be included in the lease. The terms of the tenancy addendum prevail over other provisions of the lease.

Initial Term and Lease Renewal [24 CFR 983.256(f); PBV Quick Reference Guide (10/14)]

Leases for residents who will remain in place (i.e., who will not be relocated solely as a result of conversion) must have an effective date that coincides with—and must be signed on or before—the effective date of the RAD PBV HAP contract.

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

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

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

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

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

Owner Termination of Tenancy [24 CFR 983.257; Notice PIH 2012-32, REV-3]

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

Projects converting from public housing to PBV under RAD have additional procedural rights that do not apply to the standard PBV program. These procedural rights must be included in the owner’s lease as well as OCHA’s administrative plan. In addition to the regulations at 24 CFR 983.257 related to project owner termination of tenancy and eviction the termination procedure for RAD conversions to PBV will require that OCHA provide adequate written notice of termination of the lease which may not be less than:

- A reasonable period of time, but not to exceed 30 days:
  - If the health or safety of other tenants, OCHA employees, or persons residing in the immediate vicinity of the premises is threatened; or
In the event of any drug-related or violent criminal activity or any felony conviction

- 14 days in the case of nonpayment of rent
- 30 days in any other case, except that if a state or local law provides for a shorter period of time, such shorter period will apply

Unlike in the standard PBV program, residents in converted projects have the right to request an informal hearing for issues that adversely affect the resident’s rights, obligations, welfare, or status with both OCHA and the project owner. See Chapter 16 Part III: Informal Reviews and Hearings for more information.

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

The lease may specify a maximum period of family absence from the unit that may be shorter than the maximum period permitted by OCHA policy. According to program requirements, the family’s assistance must be terminated if they are absent from the unit for more than one hundred eighty (180) consecutive days. OCHA termination of assistance actions due to family absence from the unit are subject to 24 CFR 982.312, except that the unit is not terminated from the HAP contract if the family is absent for longer than the maximum period permitted.

**Continuation of Housing Assistance Payments [24 CFR 983.258; Notice PIH 2012-32, REV-3]**

Current residents living in the property prior to conversion are placed on and remain under the HAP contract when TTP equals or exceeds gross rent. In this case, until such time as the family’s TTP falls below the gross rent, the family will pay the owner the lesser of their TTP minus the utility allowance or any applicable maximum rent under the LIHTC program. The family will continue to pay this amount until/if circumstances change and HAP is paid on their behalf. In other words, assistance may subsequently be reinstated if the tenant becomes eligible for assistance. In such cases, the resident is still considered a program participant. All of the family obligations and protections under RAD and standard PBV apply to the resident. Likewise, all requirements with respect to the unit, such as compliance with the HQS requirements, apply as long as the unit is under HAP contract.

Following conversion, 24 CFR 983.53(d) applies, and any new families referred to the RAD PBV project must be initially eligible for a HAP payment at admission to the program. Further, for any new families admitted after the conversion, assistance will be terminated 180 days after the last housing assistance payment on their behalf. The cessation of housing assistance payments does not affect the family’s other rights under its lease, nor does it preclude the resumption of payments as a result of later changes in income, rents, or other relevant circumstances if such changes occur within the one hundred eighty (180) day window. If a family’s assistance is terminated as a result of their zero HAP status, OCHA must remove the unit from the HAP contract. If the project is fully assisted, OCHA must reinstate the unit after the family has vacated the property. If the project is partially assisted, OCHA may substitute a different unit for the unit on the HAP contract in accordance with 24 CFR 983.207.

If a participating family who was admitted after the RAD conversion receive zero assistance and subsequently experiences a change in circumstances that would result in a HAP payment to the owner, the family must notify OCHA of the change and request an interim reexamination before the expiration of the one hundred eighty (180) day period.


Owners are permitted to recognize security deposit amounts that have been previously provided by tenants who are in-place at the time of the RAD conversion. Otherwise the security deposit requirements for standard PBV apply.

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

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

The owner must give the tenant a written list of all items charged against the security deposit and the amount of each item. After deducting the amount used to reimburse the owner, the owner must promptly refund the full amount of the balance to the tenant.
If the security deposit does not cover the amount owed by the tenant under the lease, the owner may seek to collect the balance from the tenant. OCHA has no liability or responsibility for payment of any amount owed by the family to the owner.

18-V.L.C. RESIDENT PARTICIPATION AND FUNDING [Notice PIH 2012-32, REV-3]
Residents of covered projects converting assistance to PBVs will have the right to establish and operate a resident organization for the purpose of addressing issues related to their living environment and be eligible for resident participation funding.

18-V.L.D. MOVES

Overcrowded, Under-Occupied, and Accessible Units [24 CFR 983.260; Notice PIH 2012-32, REV-3]
All in-place tenants at the time of conversion are eligible to remain in the project. Over-housed families should be moved into appropriately sized units if such units are available in the new or rehabbed project. If appropriately sized units are not available, the existing tenants may continue to be over-housed until an appropriately sized unit becomes available or until the tenant leaves the project. Once the unit turns over, it must be leased to an appropriately sized family.

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

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

1. PBV assistance in the same building or project
2. PBV assistance in another project
3. Tenant-based voucher assistance

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

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

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

OCHA may make exceptions to this thirty (30) day period if needed for reasons beyond the family’s control such as death, serious illness, or other medical emergency of a family member.

Family Right to Move [24 CFR 983.261]
The family may terminate the lease at any time after the first year of occupancy. The family must give advance written notice to the owner in accordance with the lease and provide a copy of such notice to OCHA.
Choice Mobility [Notice PIH 2012-32, REV-3]

If the family wishes to move with continued tenant-based assistance, the family must contact OCHA to request the rental assistance prior to providing notice to terminate the lease. If the family terminates the lease in accordance with lease requirements, OCHA is required to offer the family the opportunity for continued tenant-based assistance, in the form of a voucher or other comparable tenant-based rental assistance. If a voucher or other comparable tenant-based assistance is not immediately available, OCHA must give the family priority to receive the next available opportunity for continued tenant-based assistance.

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

Prior to providing notice to the owner to terminate the lease, the family may submit a written request to OCHA for a choice mobility voucher at any time after completing the twelve (12) month occupancy requirement.

The family will remain eligible to request a choice mobility voucher as long as they continue living at the same covered project. If a family moves from one covered project to another covered project prior to completing their twelve (12) month occupancy requirement, their twelve (12) month clock will reset. The family must wait twelve (12) months from the date of move at the new property before they may request another choice mobility voucher. If a family transfers to a different unit within the same covered project, the twelve (12) month clock does not reset.

OCHA will maintain a combined, agency-wide waiting list for all standard PBV and RAD PBV families wishing to exercise mobility after one year of tenancy. This list will be maintained separately from the tenant-based HCV list. Families on the choice mobility waiting list will be given priority over families on the tenant-based waiting list. The choice mobility waiting list will be organized by date and time of the family’s written request to exercise choice mobility. The list will also identify whether families live in standard or RAD PBV units.

Turnover Cap

If as a result of RAD, the total number of PBV units (including RAD PBV units) administered by OCHA exceeds twenty (20%) percent of OCHA’s authorized units under its HCV ACC with HUD, OCHA may establish a turnover cap. OCHA is not required to provide more than three-quarters of its turnover vouchers in any single year to the residents of covered projects. If OCHA chooses to establish a turnover cap and the cap is implemented, OCHA must create and maintain a waiting list in the order requests from eligible households were received.

As a result of RAD, when the total number of PBV units (including RAD PBV units) administered by OCHA exceeds twenty (20%) percent of OCHA’s authorized units under its HCV ACC with HUD, OCHA will establish a choice mobility cap. OCHA will not provide more than three-quarters of its turnover vouchers in a single year to residents of covered projects.

Families who requested a choice mobility voucher and are denied due to the cap will be given priority the following year when choice mobility vouchers are again issued since the choice mobility list will be organized by the date and time of the family’s request.

Emergency Transfers under VAWA [Notice PIH 2017-08]

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

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

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

OCHA will first try to transfer the participant to another PBV unit in the same development or transfer to a different development where OCHA has PBV units. OCHA will expedite the administrative processes in this case in an effort to conduct the transfer as quickly as possible.

If no units are available for an internal transfer or if there is reasonable cause to believe that such a transfer would put the victim in jeopardy, the participant may receive continued assistance through an external transfer to either
tenant-based rental assistance (HCV) or assistance in OCHA’s public housing program. Such a decision will be made by OCHA based on the availability of tenant-based vouchers and/or vacancies in public housing units.

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

If no units are available for an internal transfer, or if there is reasonable cause to believe that such a transfer would put the victim in jeopardy, the participant may receive continued assistance through an external transfer to OCHA’s public housing program.

18-VI.E. REEXAMINATIONS [PBV Quick Reference Guide (10/14)]

A family living in a unit converted from public housing to RAD PBV may retain its certification date. Unless a family’s annual reexamination is due at the same time as the effective date of the RAD PBV HAP contract, OCHA does not need to recertify tenants at the point of conversion. For each family residing in a unit undergoing conversion of assistance under RAD, OCHA will have to submit a form HUD-50058 reflecting the family’s admission to the voucher program. The effective date of the new admission will be the same as the effective date of the RAD PBV HAP contract. The form should include the same information previously found on the public housing form 50058, including the next annual reexamination date.

18-VI.F. EARNED INCOME DISALLOWANCE [Notice PIH 2012-32, REV-3]

Tenants who are employed and are currently receiving the EID exclusion at the time of conversion will continue to receive the EID after conversion, in accordance with regulations at 24 CFR 5.617. Upon the expiration of the EID for such families, the rent adjustment will not be subject to rent phase-in; instead, the rent will automatically rise to the appropriate rent level based upon tenant income at that time.

Under the HCV program, the EID exclusion is limited to only persons with disabilities [24 CFR 5.617(b)]. In order to allow all tenants (including non-disabled persons) who are employed and currently receiving the EID at the time of conversion to continue to benefit from this exclusion in the PBV project, the provision in section 5.617(b) limiting EID to only persons with disabilities is waived. The waiver and resulting alternative requirement only applies to tenants receiving the EID at the time of conversion. No other tenant, such as tenants who at one time received the EID but are not receiving the EID exclusion at the time of conversion (e.g., due to loss of employment), tenants that move into the property following conversion, etc., is covered by this waiver.

18-VI.G. RESIDENTS’ PROCEDURAL RIGHTS [Notice PIH 2012-32, REV-3]

HUD is incorporating additional termination notification requirements for public housing projects that convert assistance under RAD to PBV beyond those for the standard PBV program. In addition to the regulations at 24 CFR 983.257 related to owner termination of tenancy and eviction the termination procedure for RAD conversions to PBV require that OCHA provide adequate written notice of termination of the lease, which is no less than:

- A reasonable period of time, but not to exceed thirty (30) days:
  - If the health or safety of other tenants, project owner employees, or persons residing in the immediate vicinity of the premises is threatened; or
  - In the event of any drug-related or violent criminal activity or any felony conviction.
- Not less than fourteen (14) days in the case of nonpayment of rent.
- Not less than thirty (30) days in any other case, except that if a state or local law provides for a shorter period of time, such shorter period will apply.

18-VI.H. INFORMAL REVIEWS AND HEARINGS [Notice PIH 2012-32, REV-3]

Unlike in the standard PBV program, residents in converted projects have the right to request an informal hearing for issues that adversely affect the resident’s rights, obligations, welfare, or status with both OCHA and the project owner.
In addition to reasons for an informal hearing listed at 24 CFR 982.555(a)(1)(i)–(vi) (See 16-III.C. Informal Hearings for Participants), an opportunity for an informal hearing must be given to residents for any dispute that a resident may have with respect to an owner action in accordance with the individual’s lease or the contract administrator in accordance with RAD PBV requirements that adversely affect the resident’s rights, obligations, welfare, or status.

- For any hearing required under 24 CFR 982.555(a)(1)(i)–(vi), OCHA will perform the hearing, as is the current standard in the program.

- For any additional hearings required under RAD, OCHA (as owner) will perform the hearing.

An informal hearing will not be required for class grievances or for disputes between residents not involving OCHA (as owner or contract administrator). This hearing requirement does not apply to and is not intended as a forum for initiating or negotiating policy changes between a group or groups of residents and OCHA (as owner or contract administrator).

OCHA (as owner) must give residents notice of their ability to request an informal hearing as outlined in 24 CFR 982.555(c)(1) for informal hearings that will address circumstances that fall outside of the scope of 24 CFR 982.555(a)(1)(i)–(vi). (See Chapter 16)

OCHA (as owner) must provide an opportunity for an informal hearing before an eviction.

PART VII: DETERMINING CONTRACT RENT

18-VII.A. INITIAL CONTRACT RENTS [Notice PIH 2012-32, REV-3]

RAD conversions are intended to be cost-neutral, and therefore, should not exceed current public housing funding as adjusted for unit size. Since public housing units do not currently have contract rents, HUD provides an estimate of current contract rents for OCHA’s public housing units based on current funding as adjusted by bedroom size. Current funding includes operating subsidy, tenant rents, capital funds, replacement housing factor funds (RHF), and demolition disposition transitional funding (DDTF). The funding may limit the amount of initial rent for a property. A detailed explanation of the determination of current funding may be found in Attachment 1C of Notice PIH 2012-32, REV-2. Once the current funding amount is calculated, the amount is adjusted by bedroom size to determine the current funding rent. HUD uses the same bedroom adjustment factors as in the metropolitan FMR schedules where the project is located.

OCHA may adjust subsidy (and contract rents) across multiple projects as long as OCHA does not exceed the aggregate subsidy for all of the projects OCHA has submitted for conversion under RAD. This use, which HUD refers to as “bundled” rents, is permissible when OCHA submits applications for two or more projects. There is no limit to the number of projects that OCHA may bundle.

Notwithstanding the current funding level, the initial rents are set at the lower of:

- One hundred ten (110%) percent of the fair market rent (FMR) or OCHA’s exception payment standard approved by HUD;

- Reasonable rent in comparison to the unassisted housing market; or

- An amount determined by current funding.
  - Adjusted through rent bundling or reconfiguration of units
18-VII.B. ADJUSTING CONTRACT RENTS [Notice PIH 2012-32, REV-3; PBV Quick Reference Guide (10/14)]

Contract rents will be adjusted annually by HUD’s operating cost adjustment factor (OCAF) at each anniversary of the HAP contract, subject to the availability of appropriations for each year of the contract term. As such, section 8(o)(13)(I) of the 1937 Act, and 24 CFR 983.301 and 983.302, concerning rent determinations, do not apply when adjusting rents. The rent to owner may at no time exceed the reasonable rent charged for comparable unassisted units in the private market, as determined by the contract administrator in accordance with 24 CFR 983.303.

Contract rents may not exceed the reasonable rent, with the exception that the contract rent for each unit may not be reduced below the initial contract rent under the initial HAP contract.

However, the rent to owner may fall below the initial contract rent in the following situations:

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

The contract rent adjustment will be the lesser of:

- The current contract rent increased by the operating cost adjustment factor (OCAF), which is published annually in the Federal Register; or
- The reasonable rent

OCHA (or independent entity, if the project is OCHA-owned) is responsible for processing rent adjustments, at each contract anniversary date, in accordance with the prevailing OCAF.

At least one hundred twenty (120) days before the contract anniversary date, HUD recommends that the owner submit the OCAF rent adjustment worksheet (Form HUD-9625) to OCHA administering the PBV assistance (or the independent entity). OCHA will validate the data on the form and determine whether the rent exceeds the reasonable rent charged for comparable unassisted units in the private market, in accordance with 24 CFR 983.303. If rents would be unreasonable following application of the requested OCAF, then the rent can only be increased up to the reasonable rent. The approved rent adjustment will go into effect and the new rents to owner will take effect on the date of the contract anniversary.

Rent Decrease

Rents must not be reduced below the initial rent except to correct errors, for additional subsidy to the property, or to realign utility responsibilities.

18-VII.C. UTILITY ALLOWANCES [Notice PIH 2012-32, REV-3; PBV Quick Reference Guide (10/14)]

When contract rent amounts are set initially, the amount does not include a utility allowance. In general, the utility allowances that are used on the initial HAP contract at closing are the public housing utility allowances that are in effect prior to conversion. The CHAP must be updated prior to conversion to reflect current public housing utility allowances. At its discretion, OCHA may use the FMRs and utility allowances in effect during the 30-day period immediately before the beginning date of the HAP contract. OCHA may request a waiver from HUD in order to establish a site-specific utility allowance schedule.

After conversion, unless a waiver is requested and approved by HUD, OCHA must maintain a utility allowance schedule for tenant-paid utilities in accordance with standard PBV and HCV utility allowance regulations at 24 CFR 983.301(f)(2)(ii) and 24 CFR 982.517 respectively. These utility allowances are effective for in-place families at recertification.

OCHA will establish a site-specific utility allowance schedule for the RAD developments, based on the waiver request and approval of HUD.
18-VII.D. REASONABLE RENT [24 CFR 983.303]

At the time the initial rent is established and all times during the term of the HAP contract, the rent to owner for a contract unit may not exceed the reasonable rent for the unit as determined by OCHA, except rents must not be reduced below the initial rent except to correct errors, for additional subsidy to the property, or to realign utility responsibilities.

**How to Determine Reasonable Rent**

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

**Comparability Analysis**

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

**OCHA-Owned Units**

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

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**PART VIII: PAYMENTS TO OWNER**

18-VIII.A. HOUSING ASSISTANCE PAYMENTS

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

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

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

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

18-VIII.B. VACANCY PAYMENTS [24 CFR 983.352]

If an assisted family moves out of the unit, the owner may keep the housing assistance payment for the calendar month when the family moves out. However, the owner may not keep the payment if OCHA determines that the vacancy is the owner’s fault.
If OCHA determines that the owner is responsible for a vacancy and as a result is not entitled to the keep the housing assistance payment, OCHA will notify the landlord of the amount of housing assistance payment that the owner must repay. OCHA will require the owner to repay the amount owed in accordance with the policies in Section 16-IV.B.

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

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

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

If an owner’s HAP contract calls for vacancy payments to be made, and the owner wishes to receive vacancy payments, the owner must have properly notified OCHA of the vacancy in accordance with the policy in Section 18-V.G. regarding filling vacancies.

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

18-VIII.C. TENANT RENT TO OWNER [24 CFR 983.353]

The tenant rent is the portion of the rent to owner paid by the family. The amount of tenant rent is determined by OCHA in accordance with HUD requirements. Any changes in the amount of tenant rent will be effective on the date stated in OCHA’s notice to the family and owner.

The family is responsible for paying the tenant rent (total tenant payment minus the utility allowance). The amount of the tenant rent determined by OCHA is the maximum amount the owner may charge the family for rental of a contract unit. The tenant rent covers all housing services, maintenance, equipment, and utilities to be provided by the owner. The owner may not demand or accept any rent payment from the tenant in excess of the tenant rent as determined by OCHA. The owner must immediately return any excess payment to the tenant.

Tenant and OCHA Responsibilities

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

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

Utility Reimbursements

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

OCHA will make utility reimbursements directly to the family.
18-VIII.D. PHASE-IN OF TENANT RENT INCREASES [Notice PIH 2012-32, REV-3]
For in-place tenants, if a tenant’s monthly rent increases by more than the greater of ten (10%) percent or twenty-five ($25) dollars purely as a result of conversion, the rent increase will be phased in over three years. To implement this provision, HUD is waiving section 3(a)(1) of the 1937 Act, as well as 24 CFR 983.3 (definition of total tenant payment (TTP)) only to the extent necessary to allow for the phase-in of tenant rent increases. For families who were on EID at the time of conversion to RAD PBV, upon the expiration of the EID, the rent adjustment is not subject to rent phase-in.

OCHA will implement a three-year phase-in for in-place families whose rent increases by more than the greater of ten (10%) percent or twenty-five ($25) dollars as a result of the conversion as follows:

- **Year 1:** Any recertification (interim or annual) performed prior to the second annual recertification after conversion: thirty-three (33%) percent of the difference between the most recently paid TTP and the calculated PBV TTP
- **Year 2:** Year 2 annual recertification (AR) and any interim recertification (IR): fifty (50%) percent of the difference between the most recently paid TTP and the calculated PBV TTP
- **Year 3:** Year 3 AR and all subsequent recertifications: Full calculated TTP

Once the standard TTP is equal to or less than the previous TTP, the phase-in ends and tenants will pay full TTP from that point forward.

18.VIII.E. OTHER FEES AND CHARGES [24 CFR 983.354]

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

In assisted living developments receiving PBV assistance, the owner may charge for meals or supportive services. These charges may not be included in the rent to owner, nor may the value of meals and supportive services be included in the calculation of the reasonable rent. However, non-payment of such charges is grounds for termination of the lease by the owner in an assisted living development.

**Other Charges by Owner**
The owner may not charge extra amounts for items customarily included in rent in the locality or provided at no additional cost to unsubsidized tenants in the premises.
## GLOSSARY

### ACRONYMS USED IN THE HOUSING CHOICE VOUCHER (HCV) PROGRAM

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>AAF</td>
<td>Annual adjustment factor (published by HUD in the <em>Federal Register</em> and used to compute annual rent adjustments)</td>
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<td>ACC</td>
<td>Annual contributions contract</td>
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<td>ADA</td>
<td>Americans with Disabilities Act of 1990</td>
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<td>AIDS</td>
<td>Acquired immune deficiency syndrome</td>
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<td>BR</td>
<td>Bedroom</td>
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<tr>
<td>CDBG</td>
<td>Community Development Block Grant (Program)</td>
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<tr>
<td>CFR</td>
<td>Code of Federal Regulations (published federal rules that define and implement laws; commonly referred to as “the regulations”)</td>
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<td>CPI</td>
<td>Consumer price index (published monthly by the Department of Labor as an inflation indicator)</td>
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<td>FDIC</td>
<td>Federal Deposit Insurance Corporation</td>
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<td>FHA</td>
<td>Federal Housing Administration (HUD Office of Housing)</td>
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<td>FHEO</td>
<td>Fair Housing and Equal Opportunity (HUD Office)</td>
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<td>FICA</td>
<td>Federal Insurance Contributions Act (established Social Security taxes)</td>
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<td>FMR</td>
<td>Fair market rent</td>
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<td>FR</td>
<td>Federal Register</td>
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<td>FSS</td>
<td>Family Self-Sufficiency (Program)</td>
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<td>FY</td>
<td>Fiscal year</td>
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<td>FYE</td>
<td>Fiscal year end</td>
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<td>GAO</td>
<td>Government Accountability Office</td>
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<td>GR</td>
<td>Gross rent</td>
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<td>HA</td>
<td>Housing authority or housing agency</td>
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<td>HAP</td>
<td>Housing assistance payment</td>
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<td>HCV</td>
<td>Housing choice voucher</td>
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<td>HQS</td>
<td>Housing quality standards.</td>
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<td>HUD</td>
<td>Department of Housing and Urban Development</td>
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<td>HUDCLIPS</td>
<td>HUD Client Information and Policy System</td>
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<td>IG</td>
<td>(HUD Office of) Inspector General</td>
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<td>IPA</td>
<td>Independent public accountant</td>
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<td>IRA</td>
<td>Individual Retirement Account</td>
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<td>IRS</td>
<td>Internal Revenue Service</td>
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<td>JTPA</td>
<td>Job Training Partnership Act</td>
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<td>LBP</td>
<td>Lead-based paint</td>
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<td>LEP</td>
<td>Limited English proficiency</td>
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<td>MSA</td>
<td>Metropolitan statistical area (established by the U.S. Census Bureau)</td>
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<td>Abbreviation</td>
<td>Definition</td>
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<td>MTCS</td>
<td>Multi-family Tenant Characteristics System (now the Form HUD-50058 submodule of the PIC system)</td>
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<td>NOFA</td>
<td>Notice of funding availability</td>
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<td>OGC</td>
<td>HUD's Office of General Counsel</td>
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<td>OMB</td>
<td>Office of Management and Budget</td>
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<td>PASS</td>
<td>Plan to Achieve Self-Support</td>
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<td>PHA</td>
<td>Public housing agency</td>
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<td>PHRA</td>
<td>Public Housing Reform Act of 1998 (also known as the Quality Housing and Work Responsibility Act)</td>
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<td>PIC</td>
<td>PIH Information Center</td>
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<td>PIH</td>
<td>(HUD Office of) Public and Indian Housing</td>
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<td>PS</td>
<td>Payment standard</td>
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<td>QC</td>
<td>Quality control</td>
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<tr>
<td>REAC</td>
<td>(HUD) Real Estate Assessment Center</td>
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<td>RFP</td>
<td>Request for proposals</td>
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<td>RFTA</td>
<td>Request for tenancy approval</td>
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<td>RIGI</td>
<td>Regional inspector general for investigation (handles fraud and program abuse matters for HUD at the regional office level)</td>
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<td>SEMAP</td>
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B. **GLOSSARY OF SUBSIDIZED HOUSING TERMS**

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

**Accessible**- The facility or portion of the facility can be approached, entered, and used by individuals with physical handicaps.

**Adjusted Income**- Annual income, less allowable HUD deductions.

**Adjusted Annual Income**- Same as Adjusted Income.

**Administrative fee**- Fee paid by HUD to the PHA for administration of the program. See §982.152.

**Administrative fee reserve** (formerly “operating reserve”)- Account established by PHA from excess administrative fee income. The administrative fee reserve must be used for housing purposes. See §982.155. Administrative fee reserves from FY 2004 and 2005 funding are further restricted to activities related to the provision of tenant-based rental assistance authorized under Section 8.

**Administrative plan**- The plan that describes PHA policies for administration of the tenant-based programs. The Administrative Plan and any revisions must be approved by the PHA’s board and included as a supporting document to the PHA Plan. See §982.54.

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

**Affiliated individual**- With respect to an individual, a spouse, parent, brother, sister, or child of that individual, or an individual to whom that individual stands in loco parentis (in the place of a parent), or any individual, tenant, or lawful occupant living in the household of that individual.

**Amortization payment**- In a manufactured home space rental: The monthly debt service payment by the family to amortize the purchase price of the manufactured home.

**Annual**- Happening once a year.

**Annual contributions contract (ACC)**- The written contract between HUD and a PHA under which HUD agrees to provide funding for a program under the 1937 Act, and the PHA agrees to comply with HUD requirements for the program.

**Annual Income**- The anticipated total income of an eligible family from all sources for the twelve (12) month period following the date of determination of income, computed in accordance with the regulations.

**Applicant (applicant family)**- A family that has applied for admission to a program but is not yet a participant in the program.

**Area Exception Rent**- An amount that exceeds the published FMR. See §982.504(b).

**“As-paid” States**- States where the welfare agency adjusts the shelter and utility component of the welfare grant in accordance with actual housing costs.

**Assets**- (See Net Family Assets.)

**Auxiliary aids**- Services or devices that enable persons with impaired sensory, manual, or speaking skills to have an equal opportunity to participate in, and enjoy the benefits of, programs or activities receiving Federal financial assistance.

**Biennial**- Happening every two years.

**Budget authority**- An amount authorized and appropriated by the Congress for payment to HAs under the program. For each funding increment in a PHA program, budget authority is the maximum amount that may be paid by HUD to the PHA over the ACC term of the funding increment.

**Child**- A member of the family other than the family head or spouse who is under eighteen (18) years of age.
**Child care expenses**: Amounts anticipated to be paid by the family for the care of children under thirteen (13) years of age during the period for which annual income is computed, but only where such care is necessary to enable a family member to actively seek employment, be gainfully employed, or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for child care. In the case of child care necessary to permit employment, the amount deducted shall not exceed the amount of employment income that is included in annual income.

**Citizen**: A citizen or national of the United States.

**Co-head**: An individual in the household who is equally responsible for the lease with the head of household. A family may have a co-head or spouse but not both. A co-head never qualifies as a dependent. The co-head must have legal capacity to enter into a lease.

**Common space**: In shared housing: Space available for use by the assisted family and other occupants of the unit.

**Computer match**: The automated comparison of data bases containing records about individuals.

**Confirmatory review**: An on-site review performed by HUD to verify the management performance of a PHA.

**Consent form**: Any consent form approved by HUD to be signed by assistance applicants and participants to obtain income information from employers and SWICAs; return information from the Social Security Administration (including wages, net earnings from self-employment, and retirement income); and return information for unearned income from the IRS. Consent forms expire after a certain time and may authorize the collection of other information to determine eligibility or level of benefits.

**Congregate housing**: Housing for elderly persons or persons with disabilities that meets the HQS for congregate housing. A special housing type: see §982.606 to §982.609.

**Contiguous MSA**: In portability (under subpart H of part 982): A MSA that shares a common boundary with the MSA in which the jurisdiction of the initial PHA is located.

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

**Contract**: (See Housing Assistance Payments Contract.)

**Contract authority**: The maximum annual payment by HUD to a PHA for a funding increment.

**Cooperative**: (term includes mutual housing). Housing owned by a nonprofit corporation or association, and where a member of the corporation or association has the right to reside in a particular apartment, and to participate in management of the housing. A special housing type: see §982.619.

**Covered families**: Statutory term for families who are required to participate in a welfare agency economic self-sufficiency program and who may be subject to a welfare benefit sanction for noncompliance with this obligation. Includes families who receive welfare assistance or other public assistance under a program for which federal, state or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for the assistance.

**Dating violence**: Violence committed by a person who is or has been in a social relationship of a romantic or intimate nature with the victim; and where the existence of such a relationship shall be determined based on a consideration of the following factors:

- The length of the relationship;
- The type of relationship;
- The frequency of interaction between the persons involved in the relationship.

**Dependent**: A member of the family (except foster children and foster adults) other than the family head or spouse, who is under eighteen (18) years of age, or is a person with a disability, or is a full-time student.

**Disability assistance expenses**: Reasonable expenses that are anticipated, during the period for which annual income is computed, for attendant care and auxiliary apparatus for a disabled family member and that are necessary to enable a family member (including the disabled member) to be employed, provided that the expenses are neither paid to a member of the family nor reimbursed by an outside source.

**Disabled family**: A family whose head, spouse, or sole member is a person with disabilities; or two or more persons with disabilities living together; or one or more persons with disabilities living with one or more live-in aides.
**Disabled person**- See Person with Disabilities.

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

**Domestic violence**- Felony or misdemeanor crimes of violence committed by a current or former spouse of the victim, by a person with whom the victim shares a child in common, by a person who is cohabitating with or has cohabitated with the victim as a spouse, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies, or by any other person against an adult or youth victim who is protected from that person’s acts under the domestic or family violence laws of the jurisdiction.

**Domicile**- The legal residence of the household head or spouse as determined in accordance with state and local law.

**Drug-related criminal activity**- The illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute, or use the drug.

**Economic Self-Sufficiency Program**- Any program designed to encourage, assist, train or facilitate the economic independence of assisted families, or to provide work for such families. Can include job training, employment counseling, work placement, basic skills training, education, English proficiency, Workfare, financial or household management, apprenticeship, or any other program necessary to ready a participant to work (such as treatment for drug abuse or mental health treatment). Includes any work activities as defined in the Social Security Act (42 U.S.C. 607(d)). Also see §5.603(c).

**Elderly family**- A family whose head, spouse, or sole member is a person who is at least 62 years of age; or two (2) or more persons who are at least sixty-two (62) years of age living together; or one or more persons who are at least 62 years of age living with one or more live-in aides.

**Elderly Person**- An individual who is at least sixty-two (62) years of age.

**Eligible Family**- A family that is income eligible and meets the other requirements of the Act and Part 5 of 24 CFR. See also family.

**Employer Identification Number (EIN)**- The nine-digit taxpayer identifying number that is assigned to an individual, trust, estate, partnership, association, company, or corporation.

**Evidence of citizenship or eligible status**- The documents which must be submitted to evidence citizenship or eligible immigration status. (See 24 CFR §5.508(b)).

**Extremely Low Income Family**- A family whose annual income does not exceed the federal poverty level or thirty (30%) percent of the median income for the area, whichever number is higher. Area median income is determined by HUD, with adjustments for smaller and larger families. HUD may establish income ceilings higher or lower than thirty (30%) percent of median income if HUD finds such variations are necessary due to unusually high or low family incomes. (See 24 CFR 5.603)

**Facility**- All or any portion of buildings, structures, equipment, roads, walks, parking lots, rolling stock or other real or personal property or interest in the property.

**Fair Housing Act**- means title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988

**Fair market rent (FMR)**- The rent, including the cost of utilities (except telephone), as established by HUD for units of varying sizes (by number of bedrooms), that must be paid in the housing market area to rent privately owned, existing, decent, safe and sanitary rental housing of modest (non-luxury) nature with suitable amenities. See periodic publications in the Federal Register in accordance with 24 CFR part 888.

**Family**- Includes but is not limited to the following, regardless of actual or perceived sexual orientation, gender identity, or marital status, and can be further defined in PHA policy:
• A family with or without children (the temporary absence of a child from the home due to placement in foster care is not considered in determining family composition and family size);
• An elderly family or a near-elderly family;
• A displaced family;
• The remaining member of a tenant family;
• A single person who is not an elderly or displaced person, or a person with disabilities, or the remaining member of a tenant family.

**Family rent to owner** - In the voucher program, the portion of rent to owner paid by the family.

**Family self-sufficiency program** (FSS program) - The program established by a PHA in accordance with 24 CFR part 984 to promote self-sufficiency of assisted families, including the coordination of supportive services (42 U.S.C. 1437u).

**Family share** - The portion of rent and utilities paid by the family. For calculation of family share, see §982.515(a).

**Family unit size** - The appropriate number of bedrooms for a family, as determined by the PHA under the PHA subsidy standards.

**Federal agency** - A department of the executive branch of the federal government.

**Foster Child Care Payment** - Payment to eligible households by state, local, or private agencies appointed by the State, to administer payments for the care of foster children.

**Full-time Student** - A person who is attending school or vocational training on a full-time basis (carrying a subject load that is considered full-time for day students under the standards and practices of the educational institution attended). (See 24 CFR 5.603)

**Funding increment** - Each commitment of budget authority by HUD to a PHA under the consolidated annual contributions contract for the PHA program.

**Gender Identity** - Actual or perceived gender-related characteristics.

**Gross rent** - The sum of the rent to owner plus any utility allowance.

**Group home** - A dwelling unit that is licensed by a State as a group home for the exclusive residential use of two (2) to twelve (12) persons who are elderly or persons with disabilities (including any live-in aide). A special housing type: see §982.610 to §982.614.

**Handicap** - Any condition or characteristic that renders a person an individual with handicaps. See 24CFR 8.3.

**Handicap Assistance Expense** - See “Disability Assistance Expense.”

**HAP contract** - Housing assistance payments contract. (Contract). A written contract between the PHA and an owner for the purpose of providing housing assistance payments to the owner on behalf of an eligible family.

**Head of household** - The adult member of the family who is the head of the household for purposes of determining income eligibility and rent.

**Housing assistance payment** - The monthly assistance payment by a PHA, which includes: (1) A payment to the owner for rent to the owner under the family's lease; and (2) An additional payment to the family if the total assistance payment exceeds the rent to owner.

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

**Housing Quality Standards** - The HUD minimum quality standards for housing assisted under the voucher program.

**HUD** - The Department of Housing and Urban Development.

**Imputed Asset** - Asset disposed of for less than Fair Market Value during two (2) years preceding examination or reexamination.

**Imputed Asset Income** - The OCHA-established passbook rate multiplied by the total cash value of assets. Calculation used when net family assets exceed $5,000.
**Imputed welfare income**- An amount of annual income that is not actually received by a family as a result of a specified welfare benefit reduction, but is included in the family’s annual income and therefore reflected in the family’s rental contribution.

**Income**- Income from all sources of each member of the household, as determined in accordance with criteria established by HUD.

**Income For Eligibility**- Annual Income.

**Income information**- means information relating to an individual's income, including:

- All employment income information known to current or previous employers or other income sources;
- All information about wages, as defined in the state's unemployment compensation law, including any Social Security Number; name of the employee; quarterly wages of the employee; and the name, full address, telephone number, and, when known, Employer Identification Number of an employer reporting wages under a state unemployment compensation law;
- Whether an individual is receiving, has received, or has applied for unemployment compensation, and the amount and the period received;
- Unearned IRS income and self-employment, wages and retirement income;
- Wage, social security, and supplemental security income data obtained from the Social Security Administration.

**Individual with handicaps**- Any person who has a physical or mental impairment that substantially limits one or more major life activities; has a record of such an impairment; or is regarded as having such an impairment.

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

**Initial payment standard**- The payment standard at the beginning of the HAP contract term.

**Initial rent to owner**- The rent to owner at the beginning of the HAP contract term.

**Jurisdiction**- The area in which the PHA has authority under state and local law to administer the program.

**Landlord**- Either the owner of the property or his/her representative or the managing agent or his/her representative, as shall be designated by the owner.

**Lease**- A written agreement between an owner and a tenant for the leasing of a dwelling unit to the tenant. The lease establishes the conditions for occupancy of the dwelling unit by a family with housing assistance payments under a HAP contract between the owner and the PHA.

**Live-in aide**- A person who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who:

- Is determined to be essential to the care and well-being of the persons;
- Is not obligated for the support of the persons; and
- Would not be living in the unit except to provide the necessary supportive services.

**Living/Sleeping Room**- A living room may be used as sleeping (bedroom) space, but no more than two persons may occupy the space. A bedroom or living/sleeping room must have at least one window and two electrical outlets in proper operating condition. See HCV GB p. 10-6 and 24 CFR 982.401.

**Local preference**- A preference used by the PHA to select among applicant families.

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

**Manufactured home**- A manufactured structure that is built on a permanent chassis, is designed for use as a principal place of residence, and meets the HQS. A special housing type: see §982.620 and §982.621.
Manufactured home space- In manufactured home space rental: A space leased by an owner to a family. A manufactured home owned and occupied by the family is located on the space. See §982.622 to §982.624.

Medical expenses- Medical expenses, including medical insurance premiums, that are anticipated during the period for which annual income is computed, and that are not covered by insurance. (A deduction for elderly or disabled families only.) These allowances are given when calculating adjusted income for medical expenses in excess of three (3%) percent of annual income.

Merger Date- October 1, 1999.

Minor- A member of the family household other than the family head or spouse, who is under eighteen (18) years of age.

Mixed family- A family whose members include those with citizenship or eligible immigration status, and those without citizenship or eligible immigration status.

Monthly adjusted income- One twelfth of adjusted income.

Monthly income- One twelfth of annual income.

Mutual housing- Included in the definition of "cooperative."

National- A person who owes permanent allegiance to the United States, for example, as a result of birth in a United States territory or possession.

Near-elderly family- A family whose head, spouse, or sole member is a person who is at least fifty (50) years of age but below the age of sixty-two (62); or two(2) or more persons, who are at least fifty (50) years of age but below the age of sixty-two (62), living together; or one (1) or more persons who are at least fifty (50) years of age but below the age of sixty-two (62) living with one (1) or more live-in aides.

Net family assets- (1) Net cash value after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of capital investment, excluding interests in Indian trust land and excluding equity accounts in HUD homeownership programs. The value of necessary items of personal property such as furniture and automobiles shall be excluded.

- In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the value of the trust fund will not be considered an asset so long as the fund continues to be held in trust. Any income distributed from the trust fund shall be counted when determining annual income under §5.609.

- In determining net family assets, PHAs or owners, as applicable, shall include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two (2) years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received therefore. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives important consideration not measurable in dollar terms.

Noncitizen- A person who is neither a citizen nor national of the United States.

Notice of Funding Availability (NOFA)- For budget authority that HUD distributes by competitive process, the Federal Register document that invites applications for funding. This document explains how to apply for assistance and the criteria for awarding the funding.

Office of General Counsel (OGC)- The General Counsel of HUD.

Overcrowded- A unit that does not meet the following HQS space standards: (1) Provide adequate space and security for the family; and (2) Have at least one bedroom or living/sleeping room for each two persons.

Owner- Any person or entity with the legal right to lease or sublease a unit to a participant.

PHA Plan- The annual plan and the 5-year plan as adopted by the PHA and approved by HUD.

PHA's quality control sample- An annual sample of files or records drawn in an unbiased manner and reviewed by a PHA supervisor (or by another qualified person other than the person who performed the original work) to determine if the work documented in the files or records conforms to program requirements. For minimum sample size see CFR 985.3.
**Participant (participant family)-** A family that has been admitted to the PHA program and is currently assisted in the program. The family becomes a participant on the effective date of the first HAP contract executed by the PHA for the family (first day of initial lease term).

**Payment standard-** The maximum monthly assistance payment for a family assisted in the voucher program (before deducting the total tenant payment by the family).

**Persons With Disabilities-** A person who has a disability as defined in 42 U.S.C. 423 or a developmental disability as defined in 42 U.S.C. 6001. Also includes a person who is determined, under HUD regulations, to have a physical or mental impairment that is expected to be of long-continued and indefinite duration, substantially impedes the ability to live independently, and is of such a nature that the ability to live independently could be improved by more suitable housing conditions. For purposes of reasonable accommodation and program accessibility for persons with disabilities, means and “individual with handicaps” as defined in 24 CFR 8.3. Definition does not exclude persons who have AIDS or conditions arising from AIDS, but does not include a person whose disability is based solely on drug or alcohol dependence (for low-income housing eligibility purposes). See “Individual with Handicaps”

**Portability-** Renting a dwelling unit with Section 8 housing choice voucher outside the jurisdiction of the initial PHA.

**Premises-** The building or complex in which the dwelling unit is located, including common areas and grounds.

**Private space-** In shared housing: The portion of a contract unit that is for the exclusive use of an assisted family.

**Processing entity-** The person or entity that, under any of the programs covered, is responsible for making eligibility and related determinations and any income reexamination. In the Section 8 program, the “processing entity” is the “responsible entity.”

**Project owner-** The person or entity that owns the housing project containing the assisted dwelling unit.

**Public Assistance-** Welfare or other payments to families or individuals, based on need, which are made under programs funded, separately or jointly, by federal, state, or local governments.

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

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

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

**Recertification-** Sometimes called reexamination. The process of securing documentation of total family income used to determine the rent the tenant will pay for the next twelve (12) months if there are no additional changes to be reported.

**Remaining Member of Tenant Family-** Person left in assisted housing who may or may not normally qualify for assistance on own circumstances (i.e., an elderly spouse dies, leaving widow age forty-seven (47) who is not disabled).

**Rent to owner-** The total monthly rent payable to the owner under the lease for the unit (also known as contract rent). Rent to owner covers payment for any housing services, maintenance and utilities that the owner is required to provide and pay for.

**Residency Preference-** A PHA preference for admission of families that reside anywhere in a specified area, including families with a member who works or has been hired to work in the area (“residency preference area”).

**Residency Preference Area-** The specified area where families must reside to qualify for a residency preference.

**Responsible entity-** For the public housing and the Section 8 tenant-based assistance, project-based voucher assistance, and moderate rehabilitation programs, the responsible entity means the PHA administering the program under an ACC with HUD. For all other Section 8 programs, the responsible entity means the Section 8 owner.

**Secretary-** The Secretary of Housing and Urban Development.

**Section 8-** Section 8 of the United States Housing Act of 1937.
**Section 8 covered programs** - All HUD programs which assist housing under Section 8 of the 1937 Act, including Section 8 assisted housing for which loans are made under Section 202 of the Housing Act of 1959.

**Section 214** - Section 214 of the Housing and Community Development Act of 1980, as amended

**Section 214 covered programs** - is the collective term for the HUD programs to which the restrictions imposed by Section 214 apply. These programs are set forth in §5.500.

**Security Deposit** - A dollar amount (maximum set according to the regulations) which can be used for unpaid rent or damages to the owner upon termination of the lease.

**Set-up charges** - In a manufactured home space rental: Charges payable by the family for assembling, skirting and anchoring the manufactured home.

**Sexual assault** - Any nonconsensual sexual act proscribed by Federal, tribal, or State law, including when the victim lacks capacity to consent (42 U.S.C. 13925(a)).

**Sexual Orientation** - Homosexuality, heterosexuality or bisexuality.

**Shared housing** - A unit occupied by two (2) or more families. The unit consists of both common space for shared use by the occupants of the unit and separate private space for each assisted family. A special housing type: see §982.615 to §982.618.

**Single person** - A person living alone or intending to live alone.

**Single room occupancy housing (SRO)** - A unit that contains no sanitary facilities or food preparation facilities, or contains either, but not both, types of facilities. A special housing type: see §982.602 to §982.605.

**Social Security Number (SSN)** - The nine-digit number that is assigned to a person by the Social Security Administration and that identifies the record of the person's earnings reported to the Social Security Administration. The term does not include a number with a letter as a suffix that is used to identify an auxiliary beneficiary.

**Special admission** - Admission of an applicant that is not on the PHA waiting list or without considering the applicant's waiting list position.

**Special housing types** - See subpart M of part 982. Subpart M states the special regulatory requirements for: SRO housing, congregate housing, group homes, shared housing, cooperatives (including mutual housing), and manufactured homes (including manufactured home space rental).

**Specified Welfare Benefit Reduction** - Those reductions of welfare benefits (for a covered family) that may not result in a reduction of the family rental contribution. A reduction of welfare benefits because of fraud in connection with the welfare program, or because of welfare sanction due to noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program.

**Spouse** - The marriage partner of the head of household.

**Stalking** - To follow, pursue, or repeatedly commit acts with the intent to kill, injure, harass, or intimidate; or to place under surveillance with the intent to kill, injure, harass, or intimidate another person; and in the course of, or as a result of, such following, pursuit, surveillance, or repeatedly committed acts, to place a person in reasonable fear of the death of, or serious bodily injury to, or to cause substantial emotional harm to (1) that person, (2) a member of the immediate family of that person, or (3) the spouse or intimate partner of that person.

**State Wage Information Collection Agency (SWICA)** - The state agency, including any Indian tribal agency, receiving quarterly wage reports from employers in the state, or an alternative system that has been determined by the Secretary of Labor to be as effective and timely in providing employment-related income and eligibility information.

**Subsidy standards** - Standards established by a PHA to determine the appropriate number of bedrooms and amount of subsidy for families of different sizes and compositions.

**Suspension** - The term on the family’s voucher stops from the date the family submits a request for PHA approval of the tenancy, until the date the PHA notifies the family whether the request has been approved or denied in writing. This practice is also called “tolling”.

**Tenancy Addendum** - For the Housing Choice Voucher Program, the lease language required by HUD in the lease between the tenant and the owner.

**Tenant** - The person or persons (other than a live-in aide) who executes the lease as lessee of the dwelling unit.
Tenant rent to owner- See “Family rent to owner”.

Term of Lease- The amount of time a tenant agrees in writing to live in a dwelling unit.

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

Unit- Residential space for the private use of a family. The size of a unit is based on the number of bedrooms contained within the unit and generally ranges from zero (0) bedrooms to six (6) bedrooms.

Utilities- Water, electricity, gas, other heating, refrigeration, cooking fuels, trash collection, and sewage services. Telephone service is not included.

Utility allowance- If the cost of utilities (except telephone) and other housing services for an assisted unit is not included in the tenant rent but is the responsibility of the family occupying the unit, an amount equal to the estimate made or approved by a PHA or HUD of the monthly cost of a reasonable consumption of such utilities and other services for the unit by an energy-conservative household of modest circumstances consistent with the requirements of a safe, sanitary, and healthful living environment.

Utility reimbursement- In the voucher program, the portion of the housing assistance payment which exceeds the amount of rent to owner.

Utility hook-up charge- In a manufactured home space rental: Costs payable by a family for connecting the manufactured home to utilities such as water, gas, electrical and sewer lines.

Vacancy Loss Payments- (Applies only to pre-10/2/95 HAP Contracts in the Rental Certificate Program). When a family vacates its unit in violation of its lease, the owner is eligible for eighty (80%) percent of the contract rent for a vacancy period of up to one additional month, (beyond the month in which the vacancy occurred) if s/he notifies the PHA as soon as s/he learns of the vacancy, makes an effort to advertise the unit, and does not reject any eligible applicant except for good cause.

Very Low Income Family- A low-income family whose annual income does not exceed fifty (50%) of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD may establish income limits higher or lower than fifty (50%) percent of the median income for the area on the basis of its finding that such variations are necessary because of unusually high or low family incomes. This is the income limit for the housing choice voucher program.

Veteran- A person who has served in the active military or naval service of the United States at any time and who shall have been discharged or released therefrom under conditions other than dishonorable.

Violence Against Women Act (VAWA) of 2013- Prohibits denying admission to the program to an otherwise qualified applicant or terminating assistance on the basis that the applicant or program participant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking.

Violent criminal activity- Any illegal criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force against the person or property of another.

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

Voucher holder- A family holding a voucher with an unexpired term (search time).

Voucher program- The housing choice voucher program.

Waiting list- A list of families organized according to HUD regulations and PHA policy who are waiting for a unit to become available.

Waiting list admission- An admission from the PHA waiting list.

Welfare assistance- Income assistance from Federal or State welfare programs, including assistance provided under TANF and general assistance. Does not include assistance directed solely to meeting housing expenses, nor programs that provide health care, child care or other services for working families. FOR THE FSS PROGRAM (984.103(b)), “welfare assistance” includes only cash maintenance payments from Federal or State programs designed to meet a family’s ongoing basic needs, but does not include food stamps, emergency rental and utilities assistance, SSI, SSDI, or Social Security.
Welfare-to-work (WTW) family- A family assisted by a PHA with Voucher funding awarded to the PHA under the HUD welfare-to-work voucher program (including any renewal of such WTW funding for the same purpose).