



**HOUSTON**  
HOUSING AUTHORITY

**FY 2020  
ADMINISTRATIVE PLAN  
FOR  
SECTION 8 HOUSING PROGRAMS**

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## **STATEMENT OF POLICIES AND OBJECTIVES**

The Section 8 Existing Housing (or Certificate) Program was created by the Housing and Community Development Act of 1974 and amended by the Housing & Community Development Act of 1981, the Housing Urban-Rural Recovery Act of 1983, and the Technical Amendments Act of 1984. In 1987 the Housing & Community Development Act created the Housing Voucher Program, and the Quality Housing & Work Responsibility Act of 1998 merged the certificate and voucher programs to create the Housing Choice Voucher Program, which has features of both its predecessor programs.

The Houston Housing Authority (the Authority), administers and manages the Housing Choice Voucher Program, Moderate Rehabilitation Program, Single Room Occupancy (SRO), Disaster Voucher Program, and other Houston Housing Authority Section 8 special programs. In its administration of these programs HHA complies with all Federal, State and local housing laws including all Fair Housing and Civil Rights Law and Regulations.

The primary objectives of the Housing Choice Voucher Program are:

- To provide eligible low-income families access to decent, safe, sanitary, and affordable rental housing;
- To provide these eligible households with housing choices; and
- To provide the opportunity to access neighborhoods which do not have concentrations of families by race, ethnicity or low income.

## **PURPOSE OF THE ADMINISTRATIVE PLAN**

The Administrative Plan establishes policies for those functions and operations that are not required by Federal regulations for the Housing Choice Voucher Program, the Moderate Rehabilitation Program and other special programs administered by the Authority. Moderate Rehabilitation Program policies are the same as those for the Housing Choice Voucher Program unless otherwise noted in this Administrative Plan. Policies related to the Authority's Family Self Sufficiency (FSS) Program are included in a separate document, the FSS Action Plan, and are not part of this document.

The Administrative Plan, hereinafter referred to as the "Plan", covers both admission to and continued participation in the abovementioned programs.

Only the Board of Commissioners of the Houston Housing Authority is authorized to approve changes to the Plan. The Authority is responsible for complying with all subsequent changes in HUD regulations pertaining to the programs administered by the Authority. If such changes conflict with this Plan, HUD regulations will take precedence. When circumstances arise and are not addressed by provisions in this Plan they will be reviewed on a case-by-case basis. If a conflict arises between or among the regulations identified in this Plan, the regulations specifically promulgated for the applicable program will take precedence.

## **MISSION OF THE HOUSTON HOUSING AUTHORITY**

**The Mission of the Houston Housing Authority is:** To improve lives by providing quality, affordable housing options and promoting education and economic self-sufficiency.

The Mission of the Authority's Section 8 Housing Choice Voucher Program is to provide access to safe, decent and sanitary housing for lower-income persons through efficient management of the Program. The Program promotes economic upward mobility through the Family Self Sufficiency Program to help clients transition from subsidized to non-subsidized housing.

## **STATEMENT OF LOCAL OBJECTIVES**

The Authority's objective is to provide a vehicle for prospective tenants who have a need for decent, safe and affordable housing, and property owners who have available units to come together in a manner beneficial to both parties.

### **I. FAIR HOUSING AND EQUAL OPPORTUNITY**

#### **A. Nondiscrimination**

The Authority affirmatively furthers Fair Housing in the administration of the program by complying fully with all federal, state, and local nondiscrimination laws and administers programs in accordance with the rules and regulations governing Fair Housing and Equal Opportunity in housing, and marketing the program to members of protected classes who are "least likely to apply".

The Authority will not discriminate against any applicant, participant, or landlord because of race, color, creed, national or ethnic origin or ancestry, religion, sex, age, disability, source of income, sexual orientation, gender identity, marital status or presence of children in a household (protected classes); nor will any criteria be applied, or information be considered pertaining to attributes or behavior that may be imputed by some to a particular group or category. The Authority will not deny any family the opportunity to apply for housing (when its waiting list is open) or deny any eligible applicant the opportunity to lease a housing unit that meets family needs and program requirements.

#### **Applicable Federal Laws and Regulations**

The HHA will comply with all federal, state, and local nondiscrimination laws, and with rules and regulations governing fair housing and equal opportunity in housing and employment, including:

1. Title VI of the Civil Rights Act of 1964
2. 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)
3. Executive Order 11063
4. Section 504 of the Rehabilitation Act of 1973
5. The Age Discrimination Act of 1975
6. Title II of the Americans with Disabilities Act (to the extent that it applies, otherwise Section 504 and the Fair Housing Amendments govern)
7. Violence Against Women Reauthorization Act of 2013 (VAWA)
8. When more than one civil rights law applies to a situation, the laws will be read and applied together.
9. Any applicable state laws or local ordinances and any legislation protecting individual rights of

tenants, applicants, or staff that may subsequently be enacted

The HHA will not use membership in any protected class to:

1. Deny to any family the opportunity to apply for housing, nor deny to any qualified applicant the opportunity to participate in the housing choice voucher program.
2. Provide housing that is different from that provided to others.
3. Subject anyone to segregation or disparate treatment.
4. Restrict anyone's access to any benefit enjoyed by others in connection with the housing program.
5. Treat a person differently in determining eligibility or other requirements for admission.
6. Steer an applicant or participant toward or away from a particular area based any of these factors.
7. Deny anyone access to the same level of services.
8. Deny anyone the opportunity to participate in a planning or advisory group that is an integral part of the housing program.
9. Discriminate in the provision of residential real estate opportunities.
10. Discriminate against someone because they are related to or associated with a member of a protected class.
11. 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

1. The HHA will ensure that families and owners are aware of all applicable civil rights laws. As part of the briefing process, the HHA will provide information to HCV applicant families about civil rights requirements and the opportunity to rent in a broad range of neighborhoods.
2. 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

1. If an applicant or participant believes that any family member has been discriminated against by HHA or an owner, the family should advise HHA.
2. HUD requires HHA to make every reasonable attempt to determine whether the applicant's or participant's assertions have merit and take any warranted corrective action.
3. In addition, the Authority will provide information to applicants and participants regarding housing discrimination complaints in the family briefing session and program packets. Information includes referrals to the City of Houston's Fair Housing Office, the Texas Human Rights Commission, the HUD Office of Fair Housing & Equal Opportunity, and low cost legal service provided through the Gulf Coast Legal Foundation and the Harris County Dispute Resolution Center.
4. All applicable Fair Housing Information and Discrimination Complaint Forms will be made available to applicants and participants, including form HUD-903 or form HUD-903A.

## **II. GENERAL ADMINISTRATIVE PROVISIONS**

### **A. Program Integrity and Ethics**

#### General Principles:

1. HHA anticipates that the vast majority of families, owners, and HHA employees intend to and will comply with program requirements and make reasonable efforts to avoid errors.

2. To ensure that the HHA's HCV program is administered effectively and according to the highest ethical and legal standards, the HHA will employ a variety of techniques to ensure that both errors and intentional program abuse are rare.
3. In addition to taking steps to prevent errors and program abuse, the HHA will use a variety of activities to detect errors and program abuse.

#### Quality Control and Analysis of Data

1. Under the Section 8 Management Assessment Program (SEMAP), HUD requires the HHA 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.
2. HHA will use the results reported in any IPA or HUD monitoring reports to identify potential program abuses as well as to assess the effectiveness of the HHA's error detection and abuse prevention efforts.
3. HHA 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 the HHA to investigate, the allegation must contain at least one independently-verifiable item of information, such as the name of an employer or the name of an unauthorized household member.
4. HHA will investigate inconsistent information related to the family that is identified through file reviews and the verification process.

#### Definitions

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

1. Whether the incorrect subsidy determination is an overpayment or underpayment of subsidy, the HHA must promptly correct the HAP, family share, and any utility reimbursement prospectively.

#### Timing of Corrections

1. Increases in the family share will be implemented only after the family has received 30 days advanced notice.
2. Any decreases in family share will become effective the first of the month following the discovery of the error.

#### Family Repayment

1. In the case of family-caused errors or program abuse, the family will be required to repay any excess subsidy received.
2. HHA may, but is not required to, offer the family a repayment agreement.
3. The family may neither move within the HHA's jurisdiction nor port out of its jurisdiction until HHA is repaid in full;
4. HHA will not reimburse the family for any underpayment of assistance when the underpayment is caused by the family.
5. If the participant refuses to enter into a repayment agreement with HHA, if HHA has agreed

to this option, or if the amount owed exceeds Twenty-Five Hundred Dollars (\$2,500.00), the HCV housing assistance will be terminated.

#### Applicant or participant fraud and program abuse

An applicant or participant in the HCV program must not knowingly:

1. Make a false statement to the HHA [Title 18 U.S.C. Section 1001].
2. 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 applicant/participant fraud or program abuse:

1. Voluntary payment to the owner in excess of amounts authorized by the HHA for rent, security deposit, and additional services.
2. Offering bribes or illegal gratuities to the HHA Board of Commissioners, employees, contractors, or other HHA representatives.
3. Offering payments or other incentives to the owner or a third party as an inducement for the third party to make false or misleading statements to the HHA on the family's behalf.
4. Use of a false name or the use of falsified, forged, or altered documents.
5. Intentional misreporting of family information or circumstances (e.g. income, family composition).
6. Omitted facts that were obviously known by a family member (e.g., not reporting employment income).
7. Admission of program abuse by an adult family member.
8. HHA may determine other actions to be program abuse based upon a preponderance of the evidence, as defined earlier in this chapter.

#### Owner Fraud or Program Abuse

1. An incorrect subsidy determination caused by an owner may 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).
2. Another type of owner program abuse is demanding a payment from a program participant that is greater than, or in addition to, the HHA's calculated participant payment.
3. It also includes accepting duplicate housing assistance payments for the same unit in the same month, or after a family no longer resides in the unit.

#### Owner Reimbursement to the HHA

1. In all cases of overpayment of subsidy caused by the owner, the owner must repay to the HHA any excess subsidy received. HHA may recover overpaid amounts by withholding housing assistance payments due for subsequent months.
2. If the debt is large, the HHA 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:

1. Make any false statement to the HHA [Title 18 U.S.C. Section 1001].
2. Commit fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program.
3. Any of the following will be considered evidence of owner program abuse:

- a. Charging the family rent above or below the amount specified by the HHA;
- b. Charging a security deposit other than that specified in the family's lease;
- c. Charging the family for services that are provided to unassisted tenants at no extra charge;
- d. Knowingly accepting housing assistance payments for any month(s) after the family has vacated the unit;
- e. Knowingly accepting incorrect or excess housing assistance payments;
- f. Offering bribes or illegal gratuities to the HHA Board of Commissioners, employees, contractors, or other HHA representatives;
- g. Offering payments or other incentives to an HCV family as an inducement for the family to make false or misleading statements to the HHA; or
- h. Residing in the unit with an assisted family.

Expectations about Staff Behavior

1. The responsibilities and expectations of HHA staff with respect to normal program administration are discussed throughout this plan.
2. HHA-caused incorrect subsidy determinations due to errors include:
  - a. Failing to correctly apply HCV rules regarding family composition, income, assets, and expenses,
  - b. Assigning the incorrect voucher size to a family, and
  - c. Errors in calculation of Annual Income, Adjusted Income or rent.
3. Any of the following will be considered evidence of program abuse by HHA staff:
  - a. Failing to comply with any HCV program requirements for personal gain;
  - b. Failing to comply with any HCV program requirements as a result of a conflict of interest relationship with any applicant, participant, or owner;
  - c. Seeking or accepting anything of material value from applicants, participating families, vendors, owners, contractors, or other persons who provide services or materials to the HHA;
  - d. Disclosing confidential or proprietary information to outside parties;
  - e. Gaining profit as a result of insider knowledge of HHA activities, policies, or practices;
  - f. Misappropriating or misusing HCV funds;
  - g. Destroying, concealing, removing, or inappropriately using any records related to the HCV program; or
  - h. Committing any other corrupt or criminal act in connection with any federal housing program.

Repayment to the HHA because of HHA Error

Neither a family nor an owner is required to repay an overpayment of subsidy if the error or program abuse is caused by HHA staff.

HHA must 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. Funds for this reimbursement must come from the HHA's administrative fee reserves.

Fraud Recoveries

1. HHA may retain a portion of program fraud losses that the HHA recovers from a family or owner through litigation, court order, or a repayment agreement.
2. HHA must be the principal party initiating or sustaining the action to recover amounts due



from tenants that are due as a result of fraud and abuse. In such cases, the HHA is permitted to retain the greater of:

- a. 50 percent of the amount it actually collects from a judgment, litigation (including settlement of a lawsuit) or an administrative repayment agreement, or
- b. Reasonable and necessary costs that the HHA incurs related to the collection, including, but not limited to costs of investigation, legal fees, and agency collection fees.

The family must be afforded the opportunity for an informal hearing in accordance with requirements in 24 CFR 982.555.

If HUD incurs costs on behalf of the HHA related to the collection, these costs must be deducted from the amount retained by the HHA.

#### **B. Privacy Rights of Clients**

All adult members of applicant and participant families are required to sign the Federal Privacy Act Statement, HUD form 9886 at admission and every recertification thereafter, in conjunction with the HUD 50058 form, which states the conditions under which HUD will release information. Requests for information must be accompanied by a written Release of Information Request signed by the applicable party in order for the Authority to release any information involving an applicant or participant, unless disclosure is authorized under federal or state law. The Authority may release information requested by court subpoena.

Client information is confidential. Current and forwarding address information, and family members claimed in the household, will be released to police officials upon the Authority obtaining official identification. To the extent permitted by law, owner information regarding program participation is confidential.

HHA is required to verify information on income, qualification for deductions from income and preferences.

#### **C. Legal Jurisdiction of the HHA's Programs**

The Authority's area of operation is the area geographically defined as the Houston City limits and any area within five (5) miles of the territorial boundaries of the Houston City limits that is not within the territorial boundaries of another municipality with a Housing Agency that administers a Housing Choice Voucher Program.

#### **D. Compliance with Federal Rules and Regulations**

Issues not addressed in this document related to applicants, participants and owners are governed by the Department of Housing and Urban Development Code of Federal Regulations, HUD handbooks, memoranda, circulars and notices, or other applicable law.

#### **E. Records Retention**

Files for past participants leaving the program will be retained in accordance with HHA Record Retention Policy.

#### **F. Eligible Types of Housing**

The following types of rental housing units may be assisted in the Housing Choice Voucher program (unless designated otherwise) depending on the needs of applicants and participants:

1. Single family detached homes, duplexes, multi-plexus, garden apartments, condominiums, townhouses, high-rises, and other multi-family rental housing structures;
2. Manufactured homes in which the tenant leases the mobile home and the pad;
3. Manufactured homes in which the tenant owns the mobile home and leases the pad;
4. Independent Group Residences;
5. Congregate Housing;
6. Single Room Occupancy Facilities.

Hotels, motels, nursing homes, college or school dormitories, other types disallowed by HUD regulations, or a unit occupied by its owner or a person with any interest in the dwelling unit (other than units in the HCV homeownership program), are not eligible types of housing in the HCV program.

Certain housing units with medical services are eligible housing units under the Veterans' Administration Supporting Housing (VASH) program.

#### **G. Continuously Assisted Families**

An applicant is continuously assisted under the 1937 Housing Act if the family is already receiving assistance or was receiving assistance in the past 90 days under any 1937 Housing Act program when the family is admitted to the Housing Choice Voucher program. As noted below, families being relocated from the Authority's public housing have first priority for vouchers and qualify as continually assisted. In addition, families assisted under the U.S. Housing Act (including all families occupying units in properties receiving Section 8 project-based assistance) are considered continually assisted. All such families are treated in the regulations (at 24 CFR § 982.203) as "special (non-waiting list) admissions".

Applicant households who applied for more than one Federal assistance program administered by HHA, who are determined eligible for one form of assistance and who remain in good standing, also retain their eligibility to be served with another form of Federal assistance when their name comes to the top of that program waiting list. At that time, the household's eligibility for another form of housing assistance is based on their eligibility at the time they applied for, and received, Federal housing assistance in the first program.

When continuously assisted families face loss of housing assistance either because the owner of the property in which they live chooses not to renew a subsidy contract or because the property must be vacated for demolition, sale or total rehabilitation, such families may receive vouchers as continuously assisted families (and special non-waiting list admissions).

If a low-income public housing resident who was to be relocated using housing assistance under the housing choice voucher program moves temporarily to a shelter because of domestic abuse, the family could be deemed over-income and therefore ineligible when it was ready to be issued a housing choice voucher. However, the HHA's policy includes temporary residence in a shelter in its definition of "continuously assisted" and as a result the family would be eligible to receive the voucher despite its income.

#### **H. Management Assessment Objectives**

The Authority operates its housing assistance program with efficiency and uses resources in a manner that reflects commitment to quality and service. The Authority's policies and practices

are consistent with the goals and objectives of the following HUD SEMAP indicators.

1. Selection from the Waiting List
2. Rent Reasonableness
3. Determination of Adjusted Income
4. Utility Allowance Schedule
5. HQS Quality Control Inspections
6. HQS Enforcement
7. Expanding Housing Opportunities
8. FMR/Exception Rent & Payment Standards
9. Annual Re-certifications
10. Correct Tenant Rent Calculations
11. Pre-Contract HQS Inspections
12. Annual (Biennial) HQS Inspections
13. Lease-up
14. Family Self-Sufficiency Enrollment and Escrow
15. Deconcentration Bonus Indicator

In order to demonstrate compliance with HUD and other pertinent regulations, the Authority will maintain records, reports and other documentation for a time that is in accordance with HUD requirements and in a manner that will allow an auditor, housing professional or other interested party to monitor the Authority's operational procedures and practices objectively and accurately.

In addition to the SEMAP factors above, to ensure quality control, supervisory staff performs random audits of all Housing Choice Voucher actions.

**I. Affirmative Marketing & Outreach to Eligible Families**

The Authority reserves the right to open or close the lottery pool based on the supply of available vouchers and applicants. The Authority publicizes and disseminates information concerning the availability and nature of housing assistance to income eligible families.

Equal Opportunity Housing/Affirmative Marketing: To reach families from all backgrounds, the Authority advertises through a wide variety of sources including: daily and local newspapers, minority media, service agencies, and broadcast media. An effort will be made to notify elected officials, government agencies, and agencies that specifically address the needs of individuals with disabilities and any other members of protected classes who may be proportionally underserved by the Program. The Authority will continuously monitor and evaluate outreach activities to ensure that the widest possible audience is reached.

**J. Owner Outreach**

Outreach to property owners is conducted on an ongoing basis to develop interest in the program and to increase the number of units available in low-poverty areas. On a continuing basis, the Authority welcomes the participation of owners of decent, safe, and sanitary housing units.

The Authority continually makes personal contact with private property owners, property managers, and real estate agencies. Program requirements are explained and printed material is offered to acquaint the owner with opportunities available through the program. The Authority maintains a list of interested property owners and units available for the program, and prospective owners are sent an information packet. Upon receipt of an owner listing, the unit

information is recorded in an automated database and made available to all applicants and participants.

The Authority will make an effort to contact and encourage local property owners with units specially designed or adapted for persons with mobility impairments and other disabilities and those who may be willing to adapt units to participate in the program. Whenever a property owner makes a unit available for the program, the Authority will inquire as to whether the unit is accessible and the extent of the accessibility.

#### **K. Owner Outreach in Low Poverty Areas**

The Authority encourages program participation by owners of units located outside areas of poverty or minority concentration. The Authority periodically evaluates the demographic distribution of assisted families as it relates to HUD and Census data to identify areas within the jurisdiction where owner outreach should be targeted. The purpose of these activities is to provide better housing opportunities to families. Voucher holders are informed of the full range of areas within the Authority's jurisdiction where they may lease units and are given a list of owners who are willing to lease units outside areas of poverty or minority concentration.

HHA clearly delineates areas within its jurisdiction that HHA considers areas of poverty, minority concentration and high opportunity areas through periodic map reviews, production of new maps, and analysis of its jurisdiction. These documents are available at HHA's main office upon request.

The Authority provides the following to Housing Choice Voucher holders:

1. Information on general locations and characteristics of neighborhoods including: shopping centers, bus lines, etc.
2. A listing of available rental properties. The list, updated monthly, states: address, amenities, deposit information, etc. as provided by owners.
3. A list of properties/owners who accept Section 8 Vouchers.
4. A description of portability provisions available in the Housing Choice Voucher program.
5. A map that identifies areas within the City of Houston and the Greater Houston Metropolitan Area that are areas of low poverty and minority concentrations.

#### **L. The Family Self Sufficiency Program**

The Family Self Sufficiency (FSS) program coordinates the delivery of assisted housing with existing supportive services such as medical assistance, education, job counseling, job training, childcare and transportation. (For further information, please see the Authority's FSS Action Plan.)

#### **M. The Homeownership Program**

Policies related to the Authority's Home Ownership Program are included in a separate document, entitled, **HOMEOWNERSHIP PLAN**.

### **III. ELIGIBILITY FOR PROGRAM ADMISSION**

#### **A. Eligibility**

To be eligible for admission, an applicant must meet HUD's criteria, as well as criteria established by the Authority.

HUD criteria for eligibility require that an applicant must:

1. Be a family, as defined at 24 CFR 982.201, and further in this Administrative Plan;

2. Be income eligible;
3. Provide Social Security numbers for every family and household member who has a Social Security number or certify that a family member has no social security number;
4. Have at least one member who is a US Citizen or an Eligible Immigrant; and
5. Pass HUD's and the HHA's requirements related to the criminal history of adult family members, including:
  - a. No drug-related or violent criminal history during the past three years;
  - b. No one who is subject to a lifetime registration requirement under a state sex offender registration program;
  - c. No family member convicted of the manufacture of methamphetamines on the premises of assisted housing;
  - d. No other criminal activity which may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents or persons residing in the immediate vicinity; and
  - e. No other criminal activity which may threaten the health or safety of the owner, property management staff, or persons performing a contract administration function or responsibility on behalf of HHA (including, a HHA employee or a PHA contractor, subcontractor or agent).
  - f. The authority may consider all relevant circumstances in evaluating a decision to terminate or deny assistance.

The Authority's additional criteria for an applicant to be eligible for the Housing Choice Voucher Program can be found in Section IV Part J.

#### **B. Definition of family and household**

Participation in the Housing Choice Voucher program requires the head of household to have the legal capacity to enter into a lease under State or Local laws. Applicants under the age of 18 must present court documents that demonstrate status as an "emancipated minor" at time of application.

The applicant must qualify as a family. A **"family"** consists of:

1. In a family with one individual, that person is the head of household. When there are two adults, the family determines the head of household and the second adult may be the spouse of the head or co-head, or, if the other adult is not the spouse of the head or co-head can be a dependent, but only if that adult is a full-time student or a person with a disability.
2. A single pregnant woman is considered a two-person family for purposes of this program.
3. Children who are subject to a joint custody agreement and live in the unit at least 51% of the time will be considered family members. ("51% of the time" is defined as 184 days of the year, which do not have to run consecutively).
4. In a joint custody arrangement, if the minor is residing in the assisted unit less than 184 days per year, the minor will be considered an eligible visitor and not a family member (not on the lease). This means the minor may spend the amount of time in the home authorized in the custody arrangement.
5. A child who is temporarily away from the home because of placement in Foster Care is considered a member of the Family, if it can be verified that the child will be returned to the home.
6. Children who are away from home because they are attending school out of town will be considered family members, if it can be documented that they will be living in the household

over summers and holidays.

#### Live-in Aide

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. 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.

#### Family Break-Ups

The HHA has discretion to determine which members of an assisted family continue to receive assistance if the family breaks up. However, if a court determines the disposition of property between members of the assisted family in a divorce or separation decree, the HHA is bound by the court's determination of which family members continue to receive assistance.

1. 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.
2. If a family breaks up into two otherwise eligible families while receiving assistance, the Vice President of the Voucher Program may in limited circumstances, including matters consistent with the VAWA policy, issue a second voucher if removing a voucher would be detrimental to a family.
3. In the absence of a judicial decision, or an agreement among the original family members, the HHA will determine which family retains its placement on the waiting list, or which will continue to receive assistance taking into consideration the following factors:
  - a. The interest of any minor children, including custody arrangements;
  - b. The interest of any ill, elderly, or disabled family members;
  - c. Any possible risks to family members as a result of domestic violence or criminal activity; and
  - d. The recommendations, if any, of social service professionals.
4. 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, HHA reserves the right to admit an individual who is willing to assume the responsibilities of the head of household and who passes criminal history screening so that the dependents will not be forced to leave their home.

#### Household Members (who are not Family Members)

An assisted household may include both family members (as described above) and household members, who do not meet the definition above but who are permitted to live in the unit, if approved by the Authority. Household members would include:

1. Live-in Aide, as defined in Part XII of this Administrative Plan;
2. Foster child or foster children;
3. Foster adult as defined in Part XII of this Administrative Plan;

When determining the unit size (number of bedrooms) for which a family qualifies, the Authority takes into account both family members and approved household members.

### **C. Income Eligibility**

To be income eligible, the family must qualify for any of the following categories:

1. Families admitted from the waiting list must be Very-Low Income or Extremely Low Income Families;

2. Low Income families who are continuously assisted in Public, Indian, or Section 8 housing;
3. Low Income families being relocated from the Authority's public housing pursuant to revitalization or redevelopment;
4. Low-Income non-purchasing families participating in a homeownership program; (lease-purchase);
5. Low-Income or Moderate-Income families displaced as the result of pre-payment of the mortgage or voluntary termination of an insurance contract on a project-based HUD-assisted development or a displaced family residing in a project subject to a resident homeownership program; or
6. Low income families/individuals being displaced from project-based Section 8 housing at the end of the term of the assistance contract.

For admission to the Housing Choice Voucher Program, a family must be income eligible in the area where the family initially leases a unit with housing assistance. A family porting into Houston must be eligible in Houston. A family porting out of Houston must be income eligible in the area where the family leases an assisted unit.

#### **D. Income Targeting**

Each fiscal year, not fewer than 75 percent of the Authority's new admissions must have incomes at or below what constitutes Extremely Low-Income (ELI). For the Moderate Rehabilitation Program, not less than 40 percent of new admissions to a specific project must have incomes at or below what constitutes ELI.

Definition of Extremely Low-Income: The FY 2014 Consolidated Appropriations Act changed the definition of extremely low-income to be the greater whose incomes do not exceed the higher of—

- '(i) the poverty guidelines updated periodically by the Department of Health and Human Services under the authority of section 673(2) of the Community Services Block Grant Act applicable to a family of the size involved (except that this clause shall not apply in the case of public housing agencies or projects located in Puerto Rico or any other territory or possession of the United States); or
- "(ii) 30 percent of the median family income for the area, as determined by the Secretary, with adjustments for smaller and larger families (except that the Secretary may establish income ceilings higher or lower than 30 percent of the median for the area on the basis of the Secretary's findings that such variations are necessary because of unusually high or low family incomes)."

#### **E. Definition of Income**

Annual Income, a family's total income less certain excluded categories of income, is a term defined in Part 5.6 of Title 24 of the Code of Federal Regulations. Although the definition listed in Section VIII of this Administrative Plan is current at the time of adoption, the Authority will always use the federally prescribed definition, rather than the definitions in this Administrative Plan.

Income deductions prescribed by Federal law are granted when verified. The specific deductions granted are covered in Section VIII, Income and Rent.

#### **F. Family Social Security Numbers**

Families are required to provide Social Security Numbers for all family members ages 6 and older prior to admission, or to certify that members have no Social Security Numbers. Failure to furnish verification of social security number is grounds for denial/termination of assistance. A valid Social Security card issued by the Social Security Administration or an original letter to the family from the Social Security Administration in which the number is indicated is acceptable verification. If a family member has applied for, but not yet received a Social Security Card, official verification from the Social Security Administration of the application for a social security card that lists the social security number will be accepted. The family must provide the Authority with the social security card at the time of receipt or at the next annual re-certification. Any family members that do not have social security numbers will be required to certify to that fact.

#### **G. Citizenship and/or Eligible Immigration Status**

To receive assistance, a family member must be a U.S. citizen or eligible immigrant. Eligible immigrants are persons who are in one of the immigrant categories specified by HUD. Every family member must provide sufficient information to enable the Authority to determine citizenship or eligible immigration status in accordance with HUD regulations. Citizens may certify to their status, but the HHA is required to verify through the United States Citizenship and Immigration Service (USCIS) the status of all persons claiming to be eligible immigrants. The status of each member of the family is considered individually before the family's status is defined for this reason. A family is eligible for assistance as long as at least one member is a citizen or eligible immigrant. Families that include eligible and ineligible individuals are "mixed families" and assistance is pro-rated by dividing the number of eligible members by the total number of members.

For this eligibility requirement only, the applicant is entitled to a hearing if they are denied housing assistance based on their citizenship status.

#### **H. Suitability of Participant**

As required by HUD, the Authority screens all applicants for criminal history that is a threat to others, for drug related criminal history and for current use of illegal drugs or alcohol abuse that interferes with lease compliance.

The Authority does not screen for factors related to the suitability of the applicant family as tenants. Such factors include (but are not limited to) prior rent paying history, outstanding debts owed to previous owners (unless owed to the Authority), ability to get utilities connected in the tenant's name, etc. The Authority encourages potential owners to screen applicants to determine suitability as a tenant utilizing credit history investigation, reviewing previous rental references, and/or performing a home visit. The owner may not discriminate on the basis of race, religion, sex, color, national origin, disability or familial status.

### **IV. ADMISSION**

#### **A. Introduction**

HHA administers and manages the Housing Choice Voucher Program, Moderate Rehabilitation Program, Single Room Occupancy (SRO) Program, and other Section 8 Special Programs. HHA may admit a participant to these programs either as a waiting list admission or a special admission.

#### **B. Local Preferences for Admission**

All local preferences for admission are contingent upon HUD funding.



### Homeless Preference for Admission

Each year HHA gives a preference to no more than 250 applicant households meeting all of the following criteria:

1. Meet the federal definition of homeless;
2. Are referred to HHA by a homeless service provider with whom HHA has executed a Memorandum of Understanding (MOU) outlining the provider's responsibilities with respect to the provision of housing search assistance and supportive services for the referred household;
3. Have received a written commitment from the referring homeless service provider for housing search assistance;
4. Have received a written commitment from the homeless service provider for supportive services to help the household's transition from homelessness to permanent housing; and
5. Have received a written commitment from the homeless service provider for supportive services to help the household comply with Housing Choice Voucher program rules.

This preference shall be limited to applicants who have been certified as meeting the criteria for this preference by the homeless service providers noted above. Applicants shall first be referred to these providers who will then provide a certified referral to HHA. If it is determined that an applicant referred by a homeless service provider, as described in B. above, does not meet the criteria described therein, the applicant is removed from the waiting list, but retains their place on any HHA waiting lists they were on prior to their referral by the service provider.

Effective June 1, 2014, HHA increased the Homeless Preference for Admission by 450 units, to a total of 650 units. The authority for the increase does not expire and will continue until the additional 450 are leased.

Persons transitioning out of Shelter Plus Care/Supportive Housing Programs/Supported Housing Programs/Rapid Re-Housing/HOME TBRA other federal or local programs into permanent housing will be included as a priority group as part of this preference.

If the HHA denies an applicant's preference claim, HHA notifies the applicant and referring service provider in writing, including the reason(s) for the preference denial.

### Transition Age Youth (TAY) Aging out of Foster Care Preference for Admission

Each year HHA gives a preference to no more than 75 Transition Age Youth (TAY) applicant households who have aged out of Foster Care.

Each year HHA gives a preference of up to 75 applicants meeting all of the following criteria:

1. Applicant must be TAY Aging out of Foster Care;
2. Are referred to HHA by a service provider with whom HHA has executed a Memorandum of Understanding (MOU) outlining the provider's responsibilities with respect to the provision of supportive services for the referred household; and
3. Have received a written commitment from the service provider for supportive services for a minimum of one-year to help the household's transition from foster care to permanent housing.

Applicants shall first be referred to these providers who will then provide a certified referral to HHA.

Mainstream Preference for Admission

On September 4, 2018, HUD awarded HHA with 99 Mainstream vouchers, provided through the HUD's Section 811 Mainstream Housing Choice Voucher Program. These Mainstream vouchers assist non-elderly persons with disabilities who are transitioning out of institutional or other separated settings; at serious risk of institutionalization; homeless; or at-risk of becoming homeless.

The Mainstream Housing Opportunities for Persons with Disabilities (Mainstream) Program is a targeted voucher program for families with disabilities to allow such persons to rent affordable private housing.

This preference is specifically for non-elderly persons with disabilities who are transitioning out of institutional or other segregated settings, at serious risk of institutionalization, homeless, or at risk of becoming homeless. For this preference, HHA adheres to the definitions of transitioning out of institutional or other segregated settings, at serious risk of institutionalization, homeless, or at risk of becoming homeless that is outlined in the FR-6100-N-43.

In the context of eligibility under this preference Non-elderly person with disabilities with be defined as follows:

A person 18 years of age or older and less than 62 years of age, and who:

1. Has a disability, as defined in 42 U.S.C. 423;
2. Is determined, pursuant to HUD regulations, to have a physical, mental, or emotional impairment that:
  - a. Is expected to be of long-continued and indefinite duration;
  - b. Substantially impedes his or her ability to live independently, and
  - c. Is of such a nature that the ability to live independently could be improved by more suitable housing conditions; or
3. Has a developmental disability as defined in 42 U.S.C. 6001.

In the context of eligibility under this preference HHA defines an Eligible household as: A household composed of one or more non-elderly person with disabilities, which may include additional household members who are not non-elderly persons with disabilities. A household where the sole members is an emancipated minor is not an eligible household.

Each year HHA gives a preference to no more than 100 applicant households meeting all of the following criteria:

1. Households who meet the definition of Non-elderly person with disabilities as described above;
2. Households who have been certified by a service provider with whom HHA has executed a Memorandum of Understanding (MOU) as transitioning out of institutional or other segregated settings, at serious risk of institutionalization, homeless, or at risk of becoming homeless;
3. Are referred to HHA by a service provider with whom HHA has executed a Memorandum of Understanding (MOU) outlining the provider's responsibilities

with respect to the provision of housing search assistance and supportive services for the referred household;

4. Have received a written commitment from the referring homeless service provider for housing search assistance;
5. Have received a written commitment from the service provider for supportive services to help the household's transition from homelessness and/or housing instability (as defined above) to permanent housing; and
6. Have received a written commitment from the service provider for supportive services to help the household comply with Housing Choice Voucher program rules.

This preference shall be limited to applicants who have been certified as meeting the criteria for this preference by the service providers noted above. Applicants shall first be referred to these providers who will then provide a certified referral to HHA. If it is determined that an applicant referred by a service provider, as described above, does not meet the criteria described therein, the applicant is removed from the waiting list, but retains their place on any HHA waiting lists they were on prior to their referral by the service provider.

If the HHA denies an applicant's preference claim, HHA notifies the applicant and referring service provider in writing, including the reason(s) for the preference denial.

*Families who are Involuntarily Displaced by Government Action*

An applicant qualifies for this preference on the basis of involuntary permanent displacement if the applicant has been or will be involuntarily permanently displaced within no more than six months from the date of preference status certification or verification.

An applicant is or will be involuntarily and permanently displaced if the applicant has vacated or will have to vacate a unit owned by HHA or another unit where the applicant lives because of activities carried on by Houston Housing Authority in connection with public improvements or development program.

*Under Housed Families Currently Living in Public Housing*

Eligible Families include under-housed public housing families that have not been or will not be transferred to an appropriately sized unit within a reasonable time. Generally, reasonable time to wait for a transfer would be less than one year. Priority will be given to under housed families in the largest units (5 Bedrooms) first and then to Four bedrooms and continuing to progressively smaller units.

**C. Tenant-Based Assistance Waiting List Admissions**

Except for special admissions, all voucher program participants will be selected from the Tenant-Based Assistance Housing Choice Voucher Program waiting list.

The Authority utilizes a lottery system for admission to the Program. Applications for the Program are taken only when the lottery pool is open. To reach potentially eligible families, the Authority will advertise the opening and closing of the lottery pool through a wide variety of sources including daily and local newspapers, minority media, service agencies, and broadcast media. Once the pool has closed, applicants will be selected from the pool by lottery and placed

on the waiting list in order of their selection.

Order of Selection from the Tenant-Based Assistance Waiting List

Lottery applicants are randomly assigned a lottery number and placed on the waiting list in number order. Lottery applicants are selected from the waiting list in numerical order from lowest to highest.

**D. Special Admissions**

Admission to Special Programs with Separate Waiting Lists

Since HUD has awarded HHA program funding that is targeted for families living in Mod. Rehab., VASH and SRO units, HHA uses the assistance only for the families qualifying for these programs.

**HHA maintains separate waiting lists** for the following special programs:

1. Moderate Rehabilitation: HHA uses a separate waiting list for admission to its Moderate Rehabilitation program.
2. Project-Based Vouchers: HHA uses a separate waiting list for admission to its Project-Based Voucher Program. To establish the PBV waiting list, HHA offered to place applicants who were listed on the tenant-based assistance waiting list on the project-based assistance waiting list.
  - a. The HHA may establish separate waiting lists for PBV units in individual projects or buildings (or for sets of such units) or may use a single waiting list for the whole PBV program. In either case, the waiting list may establish criteria or preferences for occupancy of particular units.
  - b. In selecting families, the HHA will give preference to disabled families who need services offered at a particular project in accordance with HUD regulations.
  - c. In selecting families for PBV units that serve for homeless individuals, the HHA will give preference for families who qualify as homeless as described above in Section B. HHA may utilize other preferences for individual PBV developments, including homeless preferences other than those described in Section B, provided that these preferences are approved by HHA as part of the review and approval of the projects tenant selection plan. HHA may accept referrals directly from PBV project owners and may, subject to inclusion in the project's tenant selection plan, require applicants to have their eligibility for a PBV project's preference reviewed and certified by the project owner or other authorized representative. In such cases, the applicant will be referred to the PBV project for initial determination of preference status. The PBV owner will provide documentation to HHA of the applicant's preference eligibility determination for PBV applicants.

The waiting list for families eligible to participants in any of these special programs (Moderate Rehab, Family Unification, Mainstream Program, Project-Based Vouchers) may be opened by the Authority following a public notice.

If the HHA's waiting list for tenant-based assistance is open when an applicant is placed on the waiting list for the PHA's public housing program, project-based voucher program or moderate rehabilitation program, the HHA will offer to place the applicant on its waiting list for tenant-based assistance.

Similarly, if HHA's waiting list for its public housing program, project-based voucher program or moderate rehabilitation program is open when an applicant is placed on the waiting list for its tenant-based program, and if the other program includes units suitable for the applicant, the HHA will offer to place the applicant on its waiting list for the other program.

#### Non-Waiting List Special Admissions

Non-Waiting List admissions are permitted under certain specific circumstances.

#### Assistance Targeted by HUD

HHA will admit a family that is not on the waiting list, or without considering the family's waiting list position in the circumstances described below. HHA will maintain records showing that the family was admitted with HUD-targeted assistance.

HHA will consider special admission for families that:

1. Are displaced because of demolition or disposition of a public housing project; or
2. Are residing in a multifamily rental housing project when HUD sells, forecloses, or demolishes the project; or
3. Are residing in housing covered by the Low Income Housing Preservation and Resident Homeownership Act of 1990 (41 U.S.C. 4101 et seq.):
  - a. A non-purchasing family residing in a project subject to a homeownership program (under 24 CFR 248.173); or
  - b. Family displaced because of mortgage prepayment or voluntary termination of a mortgage insurance contract (as provided in 24 CFR 248.165);
  - c. A family residing in a project covered by a project-based Section 8 HAP contract at or near the end of the HAP contract term; and
  - d. A non-purchasing family residing in a HOPE 1 or HOPE 2 Project.

#### Continuously Assisted Families

HHA will also consider special admission for families that:

1. Are being relocated from the Authority's public housing properties or Low Income Housing Tax Credit properties in which HHA is participating that are being demolished, undergoing substantial capital improvements, modernization, or rehabilitation or who are being relocated pursuant to agreements already in place between HHA and the tax credit property ownership entity; or
2. Have lost assisted housing or are about to lose assisted housing because a private owner receiving project-based Section 8 assistance opts out of, chooses not to renew the HAP contract or fails quality inspections, requiring that the HAP contract be cancelled; or
3. Are receiving assistance in a Section 8 SRO or Mod Rehab program and the owner of the program intends to opt out, not renew, or reduce the program size.

A family qualifies for special admission when they receive notice that they will have to move for one of the three reasons cited above. These categories have equal weight and eligible families will be issued vouchers in an order based on the date on which they receive notice to move.

#### Special Purpose/Targeted Vouchers

When HUD awards HHA assistance for a specified category of families on the waiting list, HHA will select families in the specified categories. HHA will carefully observe the tenant selection and eligibility requirements for targeted vouchers as indicated in the Notice of Funding Available (NOFA),

HUD award letter, and HUD regulations.

Depending on funding awards and agency designation, HHA's special purpose/targeted vouchers may include:

1. Family Unification Program Vouchers: HHA will select from the Tenant-based Assistance Waiting List. The Family Unification Program (FUP) is a program under which housing assistance is provided under the Housing Choice Voucher (HCV) program in partnership with Public Child Welfare Agencies (PCWAs) to two groups:

1. Families for whom the lack of adequate housing is a primary factor in the imminent placement of the family's child, or children, in out-of-home care; or the delay in the discharge of the child, or children, to the family from out-of-home care; and

2. Youth at least 18 years and not more than 24 years of age (have not reached their 25th birthday), who left foster care, or will leave foster care within 90 days, in accordance with a transition plan described in Section 475(5)(H) of the Social Security Act, and are homeless or are at risk of becoming homeless at age 16 or older. As required by statute, a FUP voucher issued to such a youth may only be used to provide housing assistance for the youth for a maximum of 36 months.

At Risk of Becoming Homeless refers to the population included in the definition of the term "At Risk of Becoming Homeless." at 24 CFR 578.3

Lack of Adequate Housing means:

- A family or youth is living in dilapidated housing;
- A family or youth is homeless;
- A family or youth is living in an overcrowded unit;
- A family or youth is living in a unit where the presence of a household member with certain characteristics (i.e., conviction for certain criminal activities) would result in the imminent placement of the family's child, or children, in out-of-home care; or the delay in the discharge of the child, or children, to the family from out-of-home care; or
- A family or youth is living in housing not accessible to the family's disabled child or children, or to the youth, due to the nature of the disability.

Each year HHA gives a preference to no more than 100 applicant households meeting all of the following criteria:

1. Families and youths who have been certified by the PCWA as eligible for the FUP program stated above;
2. Are referred to HHA by a service provider with whom HHA has executed a Memorandum of Understanding (MOU) outlining the provider's responsibilities with respect to the provision of housing search assistance and supportive services for the referred household;
3. Have received a written commitment from the referring homeless service provider for housing search assistance;

4. Have received a written commitment from the service provider for supportive services to help the household's transition from homelessness and/or housing instability (as defined above) to permanent housing; and
5. Have received a written commitment from the service provider for supportive services to help the household comply with Housing Choice Voucher program rules.

This preference shall be limited to applicants who have been certified as meeting the criteria for this preference by the service providers noted above. Applicants shall first be referred to these providers who will then provide a certified referral to HHA. If it is determined that an applicant referred by a service provider, as described above, does not meet the criteria described therein, the applicant is removed from the waiting list, but retains their place on any HHA waiting lists they were on prior to their referral by the service provider.

If the HHA denies an applicant's preference claim, HHA notifies the applicant and referring service provider in writing, including the reason(s) for the preference denial.

#### FUP Youth 36 Month Agreement

Each FUP eligible youth applicant will be required to sign the FUP 36-month agreement prior to leasing a unit under the program. This agreement states to the participant that their Housing Choice Voucher Program voucher has a maximum time period of 36 months. By signing the agreement, the participant agrees that voucher rental assistance will end at the end of the 36-month time period.

2. Veterans Affairs Supportive Housing (VASH): HHA accepts VASH applicants as referrals in the order received from the Veterans Affairs administration.
3. Money Follows the Person (MFP) Vouchers: In keeping with the Secretary of HUD's *Money Follows the Person* initiative, HHA has a preference for up to 100 vouchers plus 20 new vouchers per year to persons with disabilities who are currently living in institutional settings (e.g. nursing homes or assisted living facilities) who wish to return to the community.
  - a. Because this is a targeted initiative, HHA will issue vouchers to MFP applicants (1) until 100 individuals are housed, or (2) when a MFP designated voucher preference is not in use. To be eligible, the individual must be able (with or without assistance and reasonable accommodation) to comply with the family obligations of the Housing Choice Voucher Program.
  - b. This initiative does not limit access for other applicants with disabilities.
4. Non-Elderly Disabled: HHA has an allocation of 50 Non-Elderly Disabled (NED) vouchers which enable non-elderly disabled families to lease affordable private housing of their choice. Only income eligible families whose head of household, spouse or co-head is non-elderly (under age 62) and disabled may receive a NED voucher. Families with only a minor child with a disability are not eligible. HHA will select from the Tenant-based Assistance Waiting List.

#### Order of Selection – Special Purpose Vouchers

When HHA resumes voucher issuance after a funding shortfall, HHA will first issue vouchers to special purpose families (FUP, NED, and HUD-VASH) until HHA is assisting the required number of

special purpose families.

#### **E. Outreach to Potential Applicants before Opening the Waiting List**

Outreach to potential applicants may be conducted via:

1. Notice in newspapers of general and specific circulation;
2. Posting such notice in common areas in the Authority's Housing Choice Voucher Intake office;
3. Notice in minority media publications and other outlets in the Authority's jurisdiction;
4. Radio station announcements; or
5. Special advertising techniques designed to attract those members of protected classes determined to be least likely to apply.

The notice will state:

1. The date the lottery pool will open;
2. When and where to participate;
3. The submission method(s) for applications,
4. The date the lottery pool will close; and
5. The targeted group for the opening, if applicable; or
6. Selection preferences, if any, that will be used to select applicants from the list.

The lottery pool will be opened periodically based upon the sole discretion of the Authority and the need for program applicants. The pre-application to be completed and submitted by the applicant will contain the following information:

1. Name, age, gender, and relationship of all family members;
2. Current address and home, work and mobile telephone numbers of head of household, co-head and/or spouse;
3. Amount family income;
4. Whether the family contains a member with a disability;

It is expected that pre-applications will be accepted by one or more of the following methods: telephone, online, or by mail. Applicants with disabilities who might need assistance in applying may apply in person at the location and on the dates specified by the HHA. Applicants with disabilities may also request a reasonable accommodation.

#### **F. Updating the Waiting List**

Applicants who have completed a preliminary application or are in the eligibility process must inform the Authority of changes in family circumstances, including, changes in income, source of income, household composition and address, and are responsible for responding to requests from the Authority to update information. Failure to provide information within the specified timeframe may result in the applicant being withdrawn from the waiting list.

#### **G. Application Procedures**

1. Families will be admitted both from the waiting list and as special, non-waiting list admissions in accordance with all applicable HUD regulations.
2. The application process is accessible to those people who might have difficulty complying with the normal, standard HHA application process. This could include people with disabilities, certain elderly individuals, as well as persons with limited English proficiency (LEP).



- HHA will provide reasonable accommodations to the needs of individuals with disabilities.
3. No applicant has a right or entitlement to be listed on the waiting list, or to any particular position on the waiting list.
  4. The HHA will conduct the lottery and assign lottery numbers within 15 business days of the closing of the lottery pool.
  5. Placement on the waiting list does not confirm that the family is, in fact, eligible for assistance. A final determination of eligibility will be made at the time the family is selected from the waiting list.

#### **H. Removal from the Waiting List**

Applications may be removed from the waiting list only if:

1. The applicant receives a Housing Choice Voucher;
2. The applicant does not respond within the required timeframe; or
3. HHA determines that the applicant is ineligible for the HCV program and either the informal review has been completed or the time to request an informal review has expired.

Applicants whose failure to respond to notices is verified to be related to a disability will be reinstated on the waiting list.

#### **I. Policy on Verification**

For the purpose of verifying income reported in HUD's Enterprise Income Verification (EIV) system, the program participant will not need to provide third party documentation (e.g., paystubs, payroll summary report, unemployment monetary benefit notice) unless there has been a change in circumstances for a tenant, or a tenant disputes the EIV reported income information.

In that case, the HHA will request written third-party verification.

HHA will verify income from sources not available in EIV, for both wage and non-wage income.

Upfront Income Verifications (UIV), i.e. the Work Number, and third-party verifications obtained directly from the family (check stubs, award letters, etc.) are preferred. Traditional Written Third-Party Form verification (sent by mail, fax or email directly to the Authority by the verification source) and oral Third Party verifications are acceptable as a third and fourth choice if they are properly documented.

Documents will be photocopied when not prohibited by law. When documents cannot be photocopied, staff certification forms noting the document viewed will be used by recording the source of information, the information obtained and signed/dated by the staff person who viewed the document.

If both written third party form and oral third-party verification are impossible to obtain, the Authority may review tenant (family) declared information. The Authority will document the file describing why a method other than third party written, third party written form, or oral verification was used.

<b>Verification Type in Order of Preference</b>
Upfront Income Verification
Written Third Party
Written Third Party Form
Oral Third Party
Tenant Declaration

For income that is completely excluded pursuant to 24 CFR 5.609(c), HHA will rely only on self-certified information for verification.

**J. Denial of Admission**

The Authority may consider all relevant circumstances in evaluating a decision to terminate or deny assistance, the Authority may deny program assistance for an applicant for any of the following grounds:

1. The family does not meet eligibility requirements.
2. Any household member refuses to sign or submit consent forms.
3. Any adult member of the family has been evicted from federally assisted housing in the past 5 years, except that they would retain their eligibility in cases where they were evicted for non-payment of rent or utilities but they subsequently paid off their debt owed in its entirety,
4. If any member of the family has engaged in drug-related criminal activity or violent criminal activity within three (3) years of application processing.
5. Any adult member of the family commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.
6. Any adult family member has committed fraud in connection with this program or any other Federal housing assistance program.
7. The family currently owes rent or other amounts to the Authority or to another HHA in connection with Section 8 or Public Housing Assistance under the 1937 Act.
8. The family has engaged in or threatened abusive or violent behavior toward Authority personnel.
9. Any adult household member illegally possesses weapons.
10. The Authority will immediately and permanently deny admission to the Housing Choice Voucher program; persons convicted of manufacturing or producing methamphetamine or any other narcotic in violation of any federal, state or local law in federally assisted housing.
11. Any family member is or becomes subject to a lifetime registration requirement under a state sex offender registration program.
12. Any adult family member engages in behavior in connection with the abuse of alcohol that would constitute a lease violation in current housing.
13. That an applicant is or has been the victim of domestic violence, dating violence, sexual assault, or stalking is not an appropriate basis for denial of program assistance or for denial of admission of an otherwise qualified applicant

**K. Income Targeting Requirements**

HUD requires that extremely low-income (ELI) families make up at least 75% of the families admitted to the HCV program during the HHA's fiscal year. To ensure this requirement is met,

HHA may skip non-ELI families on the waiting list in order to select an ELI family.

Low income families admitted to the program that are “continuously assisted” under the 1937 Housing Act, as well as low-income or moderate-income families admitted to the program that are displaced as a result of the prepayment of the mortgage or voluntary termination of an insurance contract on eligible low-income housing, are not counted for income targeting purposes.

**L. HHA Unit Size Subsidy Standards**

1. The following requirements apply when determining the unit size for which vouchers will be approved: The subsidy standards must provide for the smallest number of bedrooms needed to house a family without overcrowding.
2. The subsidy standards must be consistent with space requirements under the Housing Quality Standards (HQS). The existence of a sleeping/living room would be considered for purposes of meeting HQS, but is not counted as a bedroom for purposes of issuing the voucher.
3. A child who is temporarily away from the home because of placement in foster care is considered a member of the family in determining the family’s unit size, if it can be verified that the child will be returned to the family when suitable housing is available.
4. A family that consists solely of a pregnant woman must be treated as a two-person family.
5. Any live-in aide must be counted in determining the family unit size.

The general guidelines below are used in determining Voucher size:

Standards Used to Issue Housing Choice Vouchers	
HCV Voucher Size (Subsidy Standards)	No. of Persons in Household
0-BR	1
1-BR	1
2-BR	2 or 3
3-BR	4 or 5
4-BR	6 or 7
5-BR	8 or 9
6-BR	10 or 11

Circumstances which might dictate a larger size unit than the Subsidy Standards:

1. A reasonable accommodation to a person with a disability;
2. An elderly or disabled person who requires a live-in attendant.

The Vice President of the HCV program may make exceptions to the established subsidy standards if the Vice President determines the exception is justified by the family's circumstances.

**M. Unit Size Selected by Voucher Holder**

The family may select a dwelling unit of a different size than that listed on the voucher; however, the unit must meet housing quality standards and have a reasonable rent that results in the family paying no more than 40% of their monthly adjusted income towards rent and utilities. The unit must provide adequate space so that there are no more than two family members for each living or sleeping room in the unit.

The Housing Assistance Payment (HAP) is calculated using the lowest of the following: the Payment Standard for the voucher size issued to the family, the Payment Standard for the unit size leased by the family, and the lower of the utility allowance for the Voucher or the utility allowance for the actual unit, and dwelling's actual approved rent.

**N. Updating Unit Size/Subsidy Standards Based on Changes in Family Circumstances**

Annually, at the family's recertification, the Authority will review the voucher size assigned to the family. If the current voucher size is larger than the family is entitled to, the Authority will issue a voucher of the appropriate smaller size to the family, and will use the lower payment standard to compute the family's housing assistance payment. If the current voucher size is smaller than the family is entitled to, the Authority will issue a voucher of the appropriate larger size to the family. The Authority will then determine the HAP.

**O. Applicant Briefings and Voucher Issuance**

All families are required by both Federal Regulations and this Administrative Plan to attend a briefing before they are initially issued a Voucher. The Authority provides eligible households with information on all of the subjects required under 24 CFR §982.301. An applicant's intake briefing may only be rescheduled after the submission of a written request prior to his/her scheduled briefing, which must be approved by the Intake Department supervisor. An applicant's failure to participate in the scheduled briefing will result in withdrawal of his/her application. The applicant will be notified of such withdrawal and determination of ineligibility and of his/her right to an informal review.

**V. REQUEST FOR TENANCY APPROVAL, INSPECTIONS, AND LEASING**

**A. Term of the Voucher and Extensions**

Once a Voucher has been issued, it is the family's responsibility to locate suitable housing. The rental housing unit must fall within the rent reasonableness limitations set by the Housing Choice Voucher Program; must meet HQS requirements; and the family share for rent and utilities may not exceed 40 percent of its adjusted income at the time of lease-up.

The initial voucher term will be 60 calendar days. The family must submit a Request for Tenancy Approval that is complete and contains consistent information and a proposed lease within the 60-day period unless the Authority grants an extension. The Vice President of the HCV program may make exceptions to the voucher term if the Vice President determines the exception is justified by the family's circumstances.

The Authority will approve extensions in the following circumstances:

1. It is necessary as a reasonable accommodation for a person with disabilities.

2. It is due to reasons beyond the family's control, as determined by the Authority. The following are examples of extenuating circumstances that the Authority may consider in making its decision: (i) serious illness or death in the family, (ii) occurrence of a natural disaster, and (iii) whether the family size or other special requirement makes it difficult to find a unit. The presence of these circumstances does not guarantee that an extension will be granted. The authority reserves any and all rights to make decisions on extenuating circumstances as they are presented and based on a case by case basis.
3. The request for an extension to the voucher term has been made in writing and submitted to the Authority prior to the expiration date of the voucher (or extended term of the voucher). Any request for an extension must include the reason(s) an extension is necessary, as well as documentation to support the request.

The Authority will decide whether to approve or deny an extension request within 10 business days of the date the request is received and will provide the family written notice of its decision.

It is the Authority's policy to suspend the term of the voucher, otherwise known as "freezing" and "tolling" the time from the date a Request for Tenancy Approval and proposed lease is accepted by the Authority until the date the Authority makes a final determination with respect to the Request for Tenancy Approval. At the time of the Authority's final determination, the amount of time of "tolling" gets tacked on to the voucher for voucher holders' remaining amount of time to search for housing.

## **B. Portability and Moves**

Portability is a feature of the HCV program under which voucher holders may use their vouchers in jurisdictions other than those that issued the voucher. Eligible families are permitted to port to another jurisdiction that runs an HCV program, subject to the following policy:

### Outgoing Vouchers:

1. Nonresident applicants (24 CFR § 982.353). If neither the household head nor spouse of an assisted family already had a "domicile" (legal residence) in the jurisdiction of the initial PHA – HHA - at the time when the family first submitted an application for participation in the program to the initial PHA. Nonresident applicants at the time of application must lease within HHA's jurisdiction for 12 months before becoming eligible for portability.
  - a) This does not apply when the family or a member of the family is or has been the victim of domestic violence, dating violence, sexual assault, or stalking, as provided in 24 CFR part 5, subpart L (Protection for Victims 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, or any family member who has been the victim of a sexual assault that occurred on the premises during the 90-calendar-day period preceding the family's request to move.
2. Families whose head of household and spouse lived in Houston on the date of application are eligible for portability as soon as they receive their voucher as long as they hold a valid housing voucher, have not violated any Family Obligations, and/or do not owe the Authority money.
3. In the case of an HHA projected shortfall of funding, HHA may limit portability to a location where their housing assistance payment would not be greater than it would be in Houston based on its payment standards and occupancy standards, if the receiving PHA cannot absorb the voucher.
4. Families that are new admissions to the program must meet the income eligibility

- requirements applicable to the area where the family initially leases a unit with assistance.
5. Families must notify the Authority in writing when they want to move out of the Authority's jurisdiction using the portability feature.
  6. Voucher Extensions and Expiration (outgoing portable families)
    - a. HHA will not approve an extension for a voucher issued to an applicant or participant family porting out of HHA's jurisdiction, except under the following circumstances:
      - i. The initial term of the voucher will expire before the portable family will be issued a voucher by the receiving PHA;
      - ii. The family decides to return to HHA's jurisdiction and search for a unit; or
      - iii. The family decides to search for a unit in a third PHA's jurisdiction.
  7. Freedom of choice. The PHA may not directly or indirectly reduce the family's opportunity to select among available units, The Authority provides families the information required in §982.301 for both the oral briefing and the information packet to ensure that they have the information they need to make an informed decision on their housing choice.

Incoming Vouchers:

Eligible Families are permitted to port into HHA, subject to the following policy:

1. HHA will absorb all incoming portable vouchers when it is below 95 percent leasing and is below 95 percent budget utilized on a year-to-date basis. Otherwise, when the Authority reaches lease-up or budget utilization rates beyond these thresholds (or when there are questions about the availability of HUD HAP payments), the Authority may or may not absorb incoming portable vouchers but may bill the sending housing authority for the family's costs under the program. If after residing in the Authority's jurisdiction for 12-months or more, HHA will absorb the voucher.
2. Voucher Extensions (incoming portable families): HHA may provide additional search time to the family beyond the expiration date of the initial PHA's voucher; however, if it does so, it must inform the initial PHA of the extension. It must also bear in mind the billing deadline provided by the initial PHA. HHA will consider an exception to this policy as a reasonable accommodation to a person with disabilities.

**C. Request for Tenancy Approval**

1. After the family is issued a voucher, the family must locate an eligible unit, with an owner or landlord willing to participate in the voucher program. Once a family finds a suitable dwelling and the owner is willing to lease the unit under the program, the owner and the family must request the HHA to approve the assisted tenancy in the selected unit.
2. The owner and the family must submit the following documents to the HHA:
  - a. Completed Request for Tenancy Approval (RTA) – Form HUD-52517;
  - b. Copy of the proposed lease, including the HUD-prescribed Tenancy Addendum – Form HUD-52641-A;
  - c. Proof of ownership of the unit to be leased (warranty deed and management agreement, if applicable);
  - d. The Owner's EIN or social security number (SSN); in the case where the "owner" is a commercial tenant of property, provide SSN and valid copy of Driver's License of the commercial tenant. If the commercial tenant is NOT an individual, provide Driver's License & SSN of the requestor and all controlling interest in the commercial tenant entity.
  - e. A W-9 form completed by the owner.
3. The RTA contains important information about the rental unit selected by the family,

including, the unit address, number of bedrooms, structure type, year constructed, amenities, utilities included in the rent, and the requested beginning date of the lease. This information is necessary for the HHA to determine whether to approve the assisted tenancy in this unit.

4. 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.
5. Owners must certify that they are not the parent, child, grandparent, grandchild, sister or brother of any member of the family, unless the HHA has granted an exception due to an approved request for reasonable accommodation for a person with disabilities who is a member of the tenant household.
6. For units constructed prior to 1978, owners must either
  - a. Certify that the unit, common areas, and exterior have been found to be free of lead-based paint by a certified inspector; or
  - b. Attach a lead-based paint disclosure statement.
7. The RTA, proposed lease, proof of ownership, proof of the owner's EIN or social security number, and a W-9 form completed by the owner must be submitted no later than the expiration date stated on the voucher.
8. When the family submits the RTA, the HHA will review the RTA for completeness.
  - a. If the RTA is incomplete (including lack of signature by family, owner, or both), or if the dwelling lease is not submitted with the RTA, the HHA will notify the family and the owner of the deficiencies.
  - b. Missing information and/or missing documents will only be accepted as hard copies, in-person or by mail. The HHA will not accept missing information over the phone or fax.
9. When the family submits the RTA and the accompanying documents listed above, the HHA will also review the RTA and supporting documents for consistency with the terms of the proposed lease.
  - a. If the terms of the RTA are not consistent with the terms of the proposed lease, the HHA will notify the family and the owner of the discrepancies.
  - b. Corrections to the terms of the RTA and/or the proposed lease will only be accepted as hard copies, in-person or by mail. The HHA will not accept corrections by phone or fax.
10. Due to the time sensitive nature of the tenancy approval process, the HHA will attempt to communicate with the owner and family by phone, fax, or email. The HHA will use mail when the parties can't be reached by phone, fax, or email.

#### **D. RTA Limitation**

The family may submit one Request for Tenancy Approval (RTA) at a time. The family may only submit another RTA if the previously submitted RTA is voided.

#### **E. Relocation of Witnesses and Victims of Crime**

HHA will provide Housing Choice Voucher assistance for the relocation of witnesses in connection with efforts to combat crime in public and assisted housing. The Authority will accept written referrals from HUD for such cases. All referred applicants must meet Housing Choice Voucher eligibility requirements before admission to the program.

#### **F. Restrictions on Renting to Relatives**

Owners must certify that they are not the parent, child, grandparent, grandchild, sister or brother of any member of the family, unless the HHA has granted an exception due to an approved request for

#### **G. Security Deposit Requirements**

Owners may collect a security deposit that is reasonable and comparable to security deposits collected for similar, unassisted units in the area. The Authority prohibits security deposits in excess of private market practice or in excess of amounts charged to unassisted tenants.

#### **H. Leasing Policies**

1. The Lease form must be the standard form used by the owner in the locality. The lease must contain terms consistent with state and local law, and that apply generally to unassisted tenants in the same property.
2. The HUD Addendum to the lease must be used in conjunction with the owner lease and HAP contract. If the owner uses the Texas Apartment Association Lease or his/her own lease, the Authority will review the documents to determine if they are consistent with state law.
3. The owner may be required to make changes to his/her lease agreement. If the lease does not meet HUD requirements, the Authority will explain the problems to the owner and suggest how they may be corrected by a specific date. If the lease cannot be approved for any reason, the owner and the family will be notified in writing and the reasons provided. The Authority does provide a sample lease agreement that owners may use.

#### **I. Non-housing Agreements**

1. Owners and tenants may execute agreements for services (i.e. parking, furniture, late charges, pets, community rules, and covenants) and appliances (other than range and refrigerator) and other items in addition to those that are provided under the lease, if the agreement is in writing and approved by the Authority. Separate agreements must be attached to the Lease as a Lease Addendum. A copy of the agreement must be provided to the Authority at the time when the RTA is submitted.
2. Any appliance, service or other item(s) that is routinely provided to non-subsidized tenants as part of the lease agreement (such as air conditioning, dishwasher, garbage disposal or garage) or that is permanently installed in the unit cannot be put under separate agreement and must be included in the lease without additional charges. For an item to be covered by a separate agreement, the tenant must have the option of not utilizing the service, appliance or other item.
3. The Authority is not liable for unpaid charges for items covered by separate agreements and nonpayment of these separate agreements cannot be cause for eviction.
4. The following types of separate agreements are not acceptable: agreements for altered security deposit, altered rent amounts, excess utilities, meals, supportive services, or any item customarily included in rent in the locality or provided at no additional cost to unsubsidized tenants on the premises.

#### **J. Inspections Policy**

##### Housing Quality Standards and Inspections

1. The Authority is required by HUD regulations to inspect the unit to ensure it meets Housing Quality Standards, (HQS).
2. Units may be initially be placed under contract in the Housing Choice Voucher Program if there are no existing emergency fails. Units must also continue to meet HQS as long as the family continues to receive housing assistance in the assisted unit. HQS takes precedence over local housing codes and other codes.
3. The family must allow the Authority and the owner to inspect the unit at reasonable times with reasonable notice and grant access to the unit in emergencies. Failure to allow access for



inspection or an emergency is a violation of the family obligations and grounds for termination from the program.

4. Modifications to Provide Accessibility

- a. 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.
- b. 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 35.15 1(c) and Notice 2003-3 1] See Chapter 2 of this plan for additional information on reasonable accommodations for persons with disabilities.
- c. 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.
- d. 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.
- e. The interest in any such account accrues to the benefit of the tenant and 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.
- f. If a family member with a disability requires extensive modifications to a unit, the family, owner and HHA may agree that the owner will make the modifications and HHA will grant an exception rent because of the unit modifications. The difference between this exception rent and the payment standard will be paid by HHA, not passed on to the family.

5. Owner and Family Responsibilities

a. Family Responsibilities

The family is responsible for correcting the following HQS deficiencies:

- i. Tenant-paid utilities not in service
- ii. Failure to provide or maintain family-supplied appliances
- iii. 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.

b. Owner Responsibilities

- i. The owner is responsible for all HQS violations not listed as a family responsibility above.

6. Special Requirements for children with elevated blood-lead levels

- a. If a HHA 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 6 years of age, living in an HCV-assisted unit has been identified as having an environmental intervention blood lead level, the HHA must complete a risk assessment of the dwelling unit.
- b. The risk assessment must be completed in accordance with program requirements, and the result of the risk assessment 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.
- c. Within 30 days after receiving the risk assessment report from the HHA, 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.

- d. If the owner does not complete the “hazard reduction” as required, the dwelling unit is in violation of HQS and the HHA will take action in accordance with regulations.

7. Violation of HQS Space Standards

If a unit does not meet the HQS space standards because of an increase in family size or a change in family composition, at the family’s next annual reexamination, the HHA will authorize the issuance of a new voucher at the expiration of the family’s lease, and the family must try to find an acceptable unit as soon as possible.

Additional Inspection Requirements

1. HHA uses the acceptability criteria in HUD program regulations, interpretative guidance of acceptability criteria in Form HUD 52580-A Inspection Checklist, and the HUD Housing Inspection Manual.
2. Where these documents instruct, that guidance should be sought from local codes/practice, HHA has issued instructive guidance in the form of Inspection Policy and Procedure maintained in the Authority’s Inspections Office.
3. In addition to HQS standards, the Authority adheres to the following:
  - a. Units that are not provided with refrigerated air by the owner must have screens installed at each opening of the building.
  - b. If screens are not provided, provide and maintain in good operating condition refrigerated air equipment capable of maintaining a maximum inside temperature that is 20 degrees Fahrenheit lower than the outside temperature or 85 degrees Fahrenheit, whichever is warmer, in each room intended for habitation.
  - c. Provide and maintain heating equipment in good operating condition that is capable of maintaining a minimum inside temperature of 70 degrees Fahrenheit, when it is no less than 20 degrees Fahrenheit outside. Inside temperature is to be measured at a point three (3) feet above the floor in each room intended for habitation.
  - d. Hot water will be provided at the kitchen sink, bathroom lavatory, tub or shower at a minimum temperature of 120 degrees Fahrenheit.
  - e. Each dwelling unit will contain at least 150 square feet of habitable floor space for the first resident and at least 100 square feet of additional habitable floor space for each additional resident. Each room occupied for sleeping purposes by one resident will contain at least 70 square feet of habitable floor space and each room occupied for sleeping purposes by more than one will contain at least 50 square feet of habitable floor space for each resident. Children under 12 months are not considered residents and children under six years of age are considered as one-half of one resident for purposes of this definition.
  - f. Unvented fuel burning portable space heaters, such as kerosene units or other open flame portable heating units, are strictly prohibited in all dwelling units. An unvented heating appliance designed for stationary installation and utilized to provide comfort heating as required by HQS will be allowed in dwelling units provided:
    - i. A manual shut off valve is installed at the connection to the stationary gas piping serving the heating equipment,
    - ii. The system appears in good repair as determined by the HQS inspector; and
    - iii. No work has/is being completed on the gas system for the dwelling under Codes and conditions.

### Types of Inspections

HHA conducts the following types of inspections as needed:

1. Initial Inspections: The HHA conducts initial inspections in response to a request from the family to approve a unit for participation in the HCV program. Units may be initially be placed under contract in the Housing Choice Voucher Program if there are no existing emergency fails.
2. Biennial Inspections: HUD requires the HHA to inspect each unit under lease at least every 24 months 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.
3. 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.
4. 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.
5. Reinspection Fee: A fee may be charged; i) if an owner stated that a deficiency had been fixed and the deficiency is found during reinspection to persist or ii) if a reinspection conducted after the expiration of the timeframe for repairs reveals that the deficiency persists.
6. No-Show Charges: Owners who fail to make their units available for scheduled initial inspections are charged a fee.
  - a. The No-Show charge is waived for owners who give at least 24 hours written notice to HHA that they are unable to make their unit available for a scheduled initial inspection.
7. Alternate Inspections: HHA may accept an alternate inspection in accordance with 24CFR982.406 if HHA can reasonably determine from the result of that inspection that the unit would meet Housing Quality Standards.

### Emergency Fail Items

The following items are considered emergency fails (subject to correction in 24 hours or less):

1. No electricity;
2. No running water;
3. No hot water;
4. Natural gas fumes from fuel burning appliances/equipment or inoperable or deficient fuel burning appliances or equipment.
5. Major plumbing leaks or flooding, (such as sewer back-up or water line breakage);
6. Any electrical fixture or equipment that smokes, sparks, or short circuits that could create a fire hazard;
7. Uninhabitable units due to fire, tornado, flood, or destroyed/vandalized units that prevent a tenant from using the bathroom or kitchen;
8. Any life-threatening condition as determined by the Inspector and approved by the Inspection Supervisor;
9. Waterlogged ceiling or floor in imminent danger of falling/collapsing;
10. Absence of a working heating system when outside temperature has fallen below 60 degrees Fahrenheit on one of the previous seven days before the inspection. (The National Weather Service's measurement of temperature at Houston Hobby Airport will be utilized);
11. Presence of a non-working air conditioner when the outside temperature has reached above 85 degrees Fahrenheit on one of the previous seven days before the inspection. (The

National Weather Service's measurement of temperature at Houston Hobby Airport will be utilized);

12. Conditions that present the imminent possibility of injury;
13. Obstacles that prevent safe entrance or exit from the unit;
14. Absence of a functioning toilet in the unit;
15. Absence of or inoperable smoke detectors;

#### **K. Inspection Owner Compliance**

If the owner fails to maintain the dwelling unit in accordance with HQS, HHA will take prompt and vigorous action to enforce the owner obligations. The Authority will provide two HQS inspections, regardless of the reason for the inspection. At HHA's sole discretion, HHA will either complete a re-inspection or allow the landlord and client to submit a Certification of Work Completed Notice. If HHA cannot verify that deficiencies have been corrected or a dwelling fails, both HQS inspections due to the owner and/or program participant then the unit will enter failed-HQS status. Failed HQS status will result in the termination of the HAP contract and either voucher issuance to the client (owner-related failed HQS) or the termination of the client (client-related or owner and client-related failed HQS).

##### **1. HAP Abatement**

- a. If an owner fails to correct HQS deficiencies by the time specified by the HHA, HUD requires the HHA to abate housing assistance payments no later than the first of the month following the specified correction period (including any approved extension). [If the owner's unit remains in extended non-compliance](#), 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.
- b. During any abatement period, the family continues to be responsible for its 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.

##### **2. HAP Contract Termination**

- a. The maximum length of time that HAP may be abated is 90 days. However, if the owner completes corrections and notifies the HHA before the termination date of the HAP contract, the HHA 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. If the owner would like a 3<sup>rd</sup> and final inspection, the owner must submit a written request, signed by the tenant, for another inspection to HHA within 90 days of the abatement.
- b. Reasonable notice of HAP contract termination by the HHA is 30 days.

#### **L. Inspection Family Compliance**

Enforcing Family Compliance with HQS. Families are responsible for correcting any HQS violations listed in paragraph V.J.5.

1. If the family fails to correct a violation within the period allowed by the HHA (and any extensions), the HHA will terminate the family's assistance. However, if the tenant completes the corrections, the tenant may submit a written request for another inspection. The request must be received by HHA before the date of the scheduled Informal Hearing and the unit must pass inspection. 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.

#### **M. Rent Reasonableness**

Before HHA can enter into a HAP contract with an owner, HHA must verify that the rent the owner proposes to charge is reasonable.

Rent reasonableness determinations must be determined:

1. At initial lease up,
2. Owner-requested rent increase, or
3. If the published FMR is decreased by 10% or more to take effect 60 days before the contract anniversary (for the unit size rented by the family) as compared with the FMR in effect 1 year before the contract anniversary (24 CFR § 982.507).

As required by HUD regulations, before executing a HAP contract, HHA makes a determination that the proposed rent is reasonable in relation to comparable units in the private unassisted market. The market area for rent reasonableness comparability is the City of Houston, Texas, that area five miles beyond the City of Houston, or the nearest and most appropriate comps considering the factors listed in 4, below.

Rent must be reasonable in relation to rents charged by other owners for comparable unassisted units in the private market. The owner must not change the rent during the initial lease term. Subsequent requests for rent adjustments must be consistent with the lease between the owner and the family. Rent increases will not be approved unless any failed items identified by the most recent HQS inspection have been corrected.

4. HHA will consider some or all of the following factors in making a determination of reasonable rent:
  - a. Size
  - b. Location
  - c. Type
  - d. Quality
  - e. Amenities
  - f. Age
  - g. Maintenance Services
  - h. Housing Services
  - i. Non-housing Services (if any)
  - j. Utilities
5. If the owner does not agree on a contract rent that is reasonable, after the Authority has tried and failed to negotiate a revised rent, the Authority will inform the tenant that the lease cannot be approved. The tenant should continue to locate eligible housing if his/her Voucher has not expired.
6. If the unit's rent is determined to be reasonable or if the owner accepts the offer of a revised rent that is reasonable, the Authority will continue processing the Request for Tenancy Approval and Lease.
7. By accepting each monthly HAP payment from the Authority, the owner certifies that the rent to owner is not more than the rent charged by the owner for comparable unassisted units on the premises.
8. The owner must give the Authority information (if requested by the Authority) on rents charged by the owner for other units on the premises or elsewhere. The Authority will maintain records that include comparable data on unassisted units in the market.

## **N. Disapproval of an Owner**

The Authority will not approve a unit if the Authority has been informed (by HUD or otherwise) that the owner is debarred, suspended, or subject to a limited denial of participation.

### HUD Requirements

When directed by HUD, the Authority will not approve an owner if:

1. The federal government has instituted an administrative or judicial action against the owner for violation of the Fair Housing Act or other federal equal opportunity requirements, and such action is pending; or
2. A court or administrative agency has determined that the owner violated the Fair Housing Act or other federal equal opportunity requirements.

### HHA Decision to Refuse to Enter into Contracts with Certain Owners

In its administrative discretion, the Authority may elect not to enter into new contracts or may deny approval to lease a unit from an owner for any of the following reasons:

1. The owner refused or has a history of refusing to evict tenants who engage in drug-related or violent criminal activity or who have threatened the health, safety, or peaceful enjoyment of other tenants, employees, or residences of neighbors;
2. The owner has violated obligations under a Housing Assistance Payments Contract under Section 8 of the 1937 Act;
3. The owner has committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;
4. The owner has engaged in drug trafficking;
5. 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;
6. The owner has a history or practice of renting units that fail to meet state or local housing codes; or
7. The owner has not paid state or local real estate taxes, fines or assessments. Nothing in this rule is intended to give any owner any right to participate in the program.
8. If the owner is a commercial tenant, and the owner has not made its timely lease payment, or is in default of its commercial lease with the land owner.
9. If the owner fails to provide any and all documents requested by HHA for approval of the selected unit.
10. HHA reserves the right to refuse to enter into any contract with certain owners or prospective landlords if it is not in the best interest of HHA's Voucher Program Operations.

## **O. Tenancy Approval**

1. After receiving the family's Request for Tenancy Approval, with proposed dwelling lease, the HHA must promptly notify the family and owner whether the assisted tenancy is approved.
2. Prior to approving the assisted tenancy and execution of a HAP contract, the HHA must ensure that all required actions and determinations, discussed in Part I of this chapter have been completed.
3. These actions include ensuring that:
  - a. The unit is eligible;
  - b. The unit has been inspected by the HHA and meets HQS;

- c. The lease offered by the owner is approved and includes the required Tenancy Addendum;
- d. The rent to be charged by the owner for the unit is reasonable;
- e. Where the family is initially leasing a unit and the gross rent of the unit exceeds the applicable payment standard for the family, the family's rent and utilities does not exceed 40 percent of the family's monthly adjusted income;
- f. The owner is an eligible owner, not disapproved by the HHA, with no conflicts of interest;
- g. The family and the owner have executed the lease, including the Tenancy Addendum, and the lead-based paint disclosure information.

**P. HAP Contract Execution**

- 1. The HAP contract is a written agreement between the HHA and the owner of the dwelling unit occupied by a housing choice voucher assisted family. Under the HAP contract, the HHA 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.
- 2. The HAP contract format is prescribed by HUD.
- 3. If the HHA has given approval for the family of the assisted tenancy, the owner and the HHA execute the HAP contract.
- 4. The term of the HAP contract must be the same as the term of the lease.
- 5. The HHA is permitted to execute a HAP contract even if the funding currently available does not extend for the full term of the HAP contract.
- 6. The HHA must make a best effort to ensure that the HAP contract is executed before the beginning of the lease term. Regardless, the HAP contract must be executed no later than 60 calendar days from the beginning of the lease term.
- 7. The HHA 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 60 calendar days from the beginning of the lease term, the HHA will pay housing assistance payments after execution of the HAP contract (in accordance with the terms of the HAP contract), to cover the portion of the lease term before execution of the HAP contract (a maximum of 60 days).
- 8. Any HAP contract executed after the 60-day period is void, and the HHA may not pay any housing assistance payment to the owner.
- 9. The HHA may call the Owners to come into the office to sign documents, the contracts may be mailed, or inspectors may take contracts and leases to the initial inspection for tenant and owner signatures. HHA pursuant to HUD policy will also accept HAP contracts that contain electronic signatures as well as documents faxed or submitted via email.

**Q. Changes in the HAP Contract**

- 1. 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 the HHA a copy of such changes. The lease, including any changes, must remain in accordance with the requirements of this chapter.
- 2. Generally, HHA approval of tenancy and execution of a new HAP contract are not required for changes in the lease. However, under certain circumstances, voucher assistance in the unit will not be continued unless the HHA has approved a new tenancy in accordance with program requirements and has executed a new HAP contract with the owner. These circumstances include:
  - a. Changes in lease requirements governing tenant or owner responsibilities for utilities or appliances;

- b. Changes in lease provisions governing the term of the lease; and
  - c. The family moves to a new unit, even if the unit is in the same building or complex
3. In these cases, if the HCV assistance is to continue, the family must submit a new Request for Tenancy Approval (RTA) along with a new dwelling lease containing the altered terms. A new tenancy must then be approved in accordance with this chapter.
  4. If the owner intends to increase the rent, the owner must notify the HHA at least 60 days before any such changes would go into effect. The HHA will agree to such an increase only if the amount of the rent to owner is considered reasonable according to the Rent Reasonableness standards. 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.
  5. No rent increase is permitted during the initial term of the lease [24 CFR 982].

#### **R. Owner Payment**

1. The maximum subsidy in the Housing Choice Voucher programs is the lower of the Payment Standard *minus* the Total Tenant payment, or Gross Rent *minus* the Total Tenant Payment.
2. The Housing Assistance Payment to the Owner is the lesser of the Actual Housing Voucher Subsidy described above or Rent to Owner.
3. Once the HAP Contract is executed, the Authority begins processing payments to the owner. Checks are disbursed by the Authority to the owner or owner's agent each month. The Authority will make every effort to make timely HAP payments to owners.
4. If housing assistance payments are not paid promptly when due after the first two calendar months of the HAP contract term, the Authority will pay the owner penalties in accordance with generally accepted practices and law, as applicable in the local housing market, governing penalties for late payment by a tenant. However, the Authority will not be obligated to pay any late payment penalty if HUD determines the late payment by the Authority is due to factors beyond the Authority's control, including inaccurate information about the unit or utility payment in the RTA. The Authority will not be obligated to pay any late payment penalty if housing assistance payments by the Authority are delayed or denied as a remedy for owner breach of the HAP contract (including, any of the following of the Authority's remedies: recovery of over-payments, suspension of housing assistance payments, abatement or reduction of housing assistance payments, termination of housing assistance payments, and termination of the contract).
5. The submitted claim must include a copy of the owner's lease stating the late fee amount and late fee deadlines applicable to renters, the amount requested, and documentation that similar amounts have customarily been collected from other tenants. The Authority is only liable for the amounts and dates stated in the owner's lease. The Authority will review the claim, the client file and payment records. The Authority will make a determination on each claim and respond to the claimant accordingly. Claims that are approved for payment will be paid within 30 days. Owners will receive written notification of claims that are approved or denied, including reason(s) that the claim is denied.
6. The Authority is not responsible for payment of late fees caused by: the tenant's late payment of rent; late HUD fund transfer; HAP payments on hold (HQS, etc.), or for any other reason permitted by HUD.
7. Owner payments will be placed on hold if:
  - a. The unit fails two consecutive HQS inspections;
  - b. Ownership of the unit has changed;
  - c. Unit ownership is in question; or



- d. Any other reason the Authority determines that the HAP contract has been breached.

#### **S. Termination of the HAP Contract**

All terminations of a HAP contract initiated by the Authority will be sent in writing to the owner and family. Automatic termination of HAP payments results when:

1. A family vacates the unit either in violation of the lease or by mutual agreement with the owner before termination of the lease/contact;
2. The lease is terminated by the owner or the family;
3. The owner will not renew the HAP contract or extend the current lease;
4. The sole participant dies;
5. In instances where a household is over-income and the Authority provides no HAP to the owner but the tenant retains a voucher for 180 days;
6. The Authority terminates assistance for the family;
7. The unit failed HQS and has not been repaired in the required timeframe;
8. The owner violates the HAP contract; or
9. The family violates any of its obligations under the Housing Choice Voucher Program(s).

#### **a. Payment Standards and Exceptions to the Payment Standards**

1. HHA will review the payment standard schedule annually and set its payment standards in accordance with current HUD requirements.
2. Exception area payment standards may be allowed to help families find housing outside areas of high poverty, or because voucher holders have trouble finding housing for lease under the program within the term of the voucher so long as HUD will fund the exception rents.
3. Exception standards will be approved by the Vice President or Director of the Housing Choice Voucher Program.

The Payment Standard applicable for the family will be the lower of:

1. The Payment Standard for the voucher size approved for the family; **or**
2. The Payment Standard for the unit rented by the family.

A family may rent a unit with more bedrooms than stated on the voucher, but the family's subsidy will be based on the Payment Standard for the size for which the family is eligible. Under 24 CFR §982.517, the Authority must also use the appropriate utility allowance for the lesser of the size of dwelling unit actually leased by the family or the family unit size as determined under HHA's subsidy standards.

If for example, the family rents a unit with fewer bedrooms than their authorized voucher size under the Authority's occupancy standards, the subsidy will be based on the payment standard for the unit size the family has rented.

In terms of the Authority's Total Tenant Payment calculation and HAP determination, a family may rent a unit with more bedrooms than stated on the voucher, but their TTP and HAP amount will be based on the Payment Standard and utility allowance for the size for which the family is eligible. In terms of determining rent reasonableness, the Authority will also use a payment standard and utility allowance based on the number of rooms authorized on their voucher according to HHA's occupancy standards.

In cases where the unit size leased exceeds the family unit size as determined under HHA subsidy

standards as a result of a reasonable accommodation, the Authority's must use the appropriate utility allowance for the size of the dwelling unit actually leased by the family. On request from a family that includes a person with disabilities, the PHA must approve a utility allowance which is higher than the applicable amount on the utility allowance schedule if a higher utility allowance is needed as a reasonable accommodation in accordance with 24 CFR part 8 to make the program accessible to and usable by the family member with a disability.

**b. Tenant Rent**

A family renting a unit at or below the payment standard pays the highest of:

1. 30% of monthly adjusted income;
2. 10% of monthly gross income;
3. Houston Housing Authority minimum rent, which is \$50.00 per month.

A family renting a unit above the payment standard pays the highest of the amounts listed above, plus any amount over the payment standard.

A first-time participant entering the program, or a participating family moving to a new unit, cannot pay more than 40% of their monthly-adjusted income towards rent and utilities.

**c. Utility Allowances and Utility Reimbursements**

1. The utility allowance used to calculate the gross rent is based on the lower of the bedroom size of the voucher or the actual size of the unit the family selects. If the family pays for some or all utilities, the Authority will provide the family with a utility allowance. The Utility Allowance Schedule is based on actual rates and average consumption estimates, as approved by HUD. The Utility Allowance Schedule is not based upon a family's actual energy consumption. The Authority will review the Utility Allowance Schedule on an annual basis. If a revision is needed, the Utility Allowance Schedule will be revised in accordance with HUD requirements.
2. If families provide their own ranges and refrigerators, the Authority will establish an allowance adequate for the family to purchase or rent a range or refrigerator, even if the family already owns either appliance. The Utility Allowance Schedule for ranges and refrigerators will be based on the lesser of the cost of leasing or purchasing the appropriate appliance, based on factors provided by HUD.
3. If the Utility Allowance exceeds the Total Tenant Payment of the family, the Authority will provide a Utility Reimbursement Payment to the family each month. The payment will be made out directly to the tenant. - This ensures that the amount will be applied to the tenant's utility bill and service will not be disrupted.
4. If a family is granted a utility allowance because the family is responsible for paying some or all utility bills directly to the utility supplier, failure to pay the utility bill, including amounts that exceed the utility allowance is grounds for terminating the family from the program.

**d. Utility Allowance Exception**

As a reasonable accommodation for families with a disabled member, the Authority may approve a utility allowance that is higher than the applicable amount on the utility allowance schedule, e.g., an increase to the electric allowance to accommodate additional appliances or services verified to be necessary because of the family member's disability.

**e. Earned Income Disallowance for Qualified Participants with Disabilities**

Qualified disabled family members may be eligible for an earned income disallowance as prescribed by applicable HUD regulations. For these qualified disabled families, the Authority will disregard for 12 months the:

1. Incremental earned income of family members who were unemployed for a year or more and became employed (A person is considered to have been unemployed if he/she was employed, but earned less in the previous 12 months than would be earned by a person working 10 hours per week making minimum wage working 50 weeks);
2. Incremental earned income of Family members' income whose employment income increases during participation in a family self-sufficiency program or job training program, or
3. Incremental earned income of family members whose employment income has increased AND who, within the last six months have received either any amount of cash grant from TANF or in-kind services funded through the TANF agency worth at least \$500.

An additional 12 months of 50% earned income disallowance is allowed after the 12 months of 100% earned income disallowance has been exhausted.

The family has 48 months to take advantage of the full 24 month earned income disallowance from the date they are initially eligible to take advantage of the disallowed income allowance.

## VI. ONGOING PROGRAM OPERATIONS

### A. Rent Increases to Owners

On or after the anniversary of the first year or term of the lease and HAP contract, owners may request a rent adjustment. All adjustment requests submitted to the Authority must be requested in writing in the format prescribed by the Authority. The owner must provide a 90-day advance notice to the family and supply a copy to the Authority. ***Owner rent adjustments, if determined reasonable by the Authority, are effective the first day of the first month commencing on or after the contract anniversary date or 60 days from the first of the month following receipt of the owner request, whichever is later.*** In order for the tenant to remain on the Housing Choice Voucher program in the unit, the new rent must meet rent reasonableness. If it does not, the Authority will attempt to negotiate the rent with the owner to an amount acceptable. If the Authority is unsuccessful and the owner proceeds with the rent increase, the tenant will be issued a voucher to move to a program acceptable unit.

The Authority reserves the right to suspend processing of owner requests for rent adjustments for no more than six months, whenever funds are not sufficient to cover the cost of such adjustments.

### B. Annual Recertification

1. Families are required to provide information on income, assets greater than \$5,000, deductions, and family composition at least annually.
2. Recertification dates may change when a family moves.
3. Recertification packets will be mailed 90-120 days in advance of the scheduled annual recertification effective date.
4. The head of household will be notified that she/he is required to attend a recertification interview on a specified date and must complete the included information packet, including, providing signatures on any third-party verification forms needed.
5. The Authority may conduct face-to-face or mail-in annual recertifications. Exceptions will be

granted if required to provide a reasonable accommodation to participants with disabilities or to assist elderly clients.

6. If an in-person recertification is to be performed, the head of household or spouse must attend the interview and bring the completed packet and all required documentation.
7. If the family fails to bring all the required documentation to the interview, the interview will be conducted and the family will be allowed 10 additional days to submit the required data. If the data is not then submitted, the family will be terminated for violation of family obligations.
8. An interview may be rescheduled once, based upon approval of extenuating circumstances, i.e. medical or disability-related reasons, etc.
9. If the family fails to attend two (2) scheduled recertification appointments, the family will be terminated for failure to comply with program requirements.
10. Upon completion of the recertification, the Authority will notify the owner and tenant in writing of the new rent to be paid by the tenant and of the new Housing Assistance Payment, if applicable.
11. If there is any increase in tenant income that increases the tenant portion of rent, the tenant will be given 30 days' notice of the increase in rent. If re-certification completion was delayed by the tenant, the increase will be made retroactive to the original effective date of the recertification.
12. If there is any decrease in tenant rent, the decrease will become effective on the scheduled effective re-certification date.
13. During the annual reexamination process, the HHA 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 based on the policies in Sections 3-II.E and 7-II.E, the parents' income will not be reviewed.
14. 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.
15. If the student continues to be income eligible based on his/her own income and the income of his/her parents (if applicable), the HHA will process a reexamination in accordance with the policies in this chapter.

### **C. Interim Changes in Income and Family Composition or Status**

#### Reporting Requirements

The family is required to report the following in writing to the Authority within 10 days of the change:

1. A family member is added by birth, adoption or court-awarded custody, with or without increased income;
2. The family wants permission to add a member by any method other than birth, adoption or court-awarded custody;
3. The family loses a member; or
4. Other changes and increases, including cost of living adjustments to recipients of Social Security, TANF, and Veterans Assistance, and new or increased amounts of unearned income need not be reported until the next annual re-certification.

#### Interim Rent Decreases

The tenant may report any of the following changes, which would result in HHA conducting an interim

adjustment to decrease the tenant's rent:

1. Decrease in earned or unearned income;
2. Increase in allowances or deductions;
3. With regard to Required Interim Redeterminations for families claiming zero income, a recertification will be scheduled every 120 days.
4. For families whose annual income cannot be projected with any reasonable degree of accuracy, re-certification may be scheduled more often than annually.

#### Interim Rent Increases

Interim increases in Tenant Rent will be made only when:

1. The tenant has misrepresented any facts related to income or deductions from income; or
2. The tenant has claimed zero income and has been verified to have cash or non-cash income; or charitable contributions; or
3. The tenant's household composition has changed for allowable reasons (as described in VI. Ongoing Program Operations - Interim Changes in Income and Family Composition on page 48)

#### Timing of Interim Rent Adjustments

1. Interim rent increases will be effective 30 days after the first of the month following the increase in income.
2. Decreases in the tenant rent will be effective the first of the month following the month a valid change was reported.
3. If a family's rent is increased due to unreported income, overstated deductions, or unreported changes in household composition, the increase will be effective retroactive to the date when the rent should have increased.
4. If the family's rent is decreased due to unreported change in income, understated deductions, or unreported changes in household composition, the decrease will be effective the first date of the month after completion of the re-certification. No retroactive rent decreases will be granted.
5. Participants must report changes in income before the 15<sup>th</sup> of the month in order to have the decreased rent effective for the first of the following month.
6. If paperwork to process the reduction is not received by the 15<sup>th</sup> of the month, the decreased rent may not be effective by the first of the following month, but the family will be credited retroactively because its request was timely.
7. If the family causes delays in completing an interim re-certification, the Authority may terminate assistance.
8. The owner and tenant will be sent a notification letter informing them of any change in Rent, Tenant Rent, and HAP, and the effective date of the changes.
9. Interim re-certifications do not affect regularly scheduled re-certification effective dates.

#### Interim Changes in Family Composition

1. HHA is required to approve the admission of other children as household members to the family of children by birth, adoption, or court-awarded custody, and
2. HHA may permit the admission of other household members who were not a party to the lease, with written owner approval, based on the following criteria and provided the member is program eligible:
  - a. Marriage
  - b. Temporary custody foster children

- c. Other family member additions
3. Other than for children added by birth, adoption or court-awarded custody, addition of family members will not be approved by HHA, if the addition disqualifies the family for the unit size it was approved for at the time they sought to add a new member or members. The living room is permitted to be used as a living/sleeping room.  
The only exception to the rule requiring that the unit size not be increased will be for persons who are verified to need live-in aides because of a family member's disability.
  4. Before persons' age 18 or older will be added to the family, they will be subject to the same criminal history screening used for all applicants.
  5. Additional family members must be authorized by the Authority and approved by the owner through an amendment to the lease agreement.
  6. Failure on the part of the owner to approve an additional Family Member to the assisted unit does not constitute automatic grounds for termination of the lease agreement or automatic grounds for the Authority to issue a new Housing Voucher to the family to facilitate moving to another unit. Instead, it means that addition of the requested family member is a lease violation and may subject the family to termination of assistance.
  7. A family member who has been removed from the lease at the family's request may not re-enter the household until the next annual recertification, and then, only with HHA's permission.
  8. A family that includes a member with a disability may receive authorization to relocate to an accessible unit.
  9. All requests to remove a household member must be accompanied by supporting documentation that the member that the family seeks to remove has another verifiable address. Examples of such documentation could include utility bills in the name of the subject, canceled checks verifying payment of rent, driver's license indicating an address at a location corresponding to the utility billing or lease, or lease agreement in his/her name at another location.
  10. The Authority will increase or decrease a family's voucher to the appropriate bedroom size only at the time of annual recertification or at the time of a move.
  11. Failure of the family to report an over-housed situation may result in a Houston Housing Authority requirement for repayment of excess HAP payments and/or termination from the program.

**Adjusting Rent between Regular Reexaminations**

1. Residents are required to report all changes in household composition or status to the housing manager within 10 business days of the occurrence. Failure to report within the 10 business days may result in a retroactive rent increase, but not a retroactive credit or rent reduction. In order to qualify for rent reductions, residents must report income decreases promptly.
2. **Absent any changes in household composition or status**, HHA will process interim changes in rent and tenant-paid utilities **in between Regular Reexaminations** in accordance with the chart below:

<u>INTERIM INCOME CHANGE</u>	<u>INTERIM HHA ACTION</u>
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<p>(a) Decrease in income <u>except</u> for decrease that lasts less than 30 days or is subject to Imputed Welfare Incomerules<sup>12</sup>.</p>	<ul style="list-style-type: none"> <li>• HHA will process an interim reduction in tenant rent and tenant-paid utilities (i.e. Total Tenant Payment) if the household's income decreases.</li> </ul>
<p>(b) In between regular annual reexaminations or until their next certification period (e.g. annual recertification, transfer of unit/move to another unit, port-out, etc.) households are <u>not</u> required to report and document their income <b>increase</b>, except for instances involving households' reporting zero income and/or seasonal/sporadic income (described further below).</p>	<ul style="list-style-type: none"> <li>• In between regular annual reexaminations or until their next certification period (e.g. annual recertification, transfer of unit/move to another unit, port-out, etc.) households are <u>not</u> required to report and document their income <b>increase</b>, except for instances involving households' reporting zero income and/or seasonal/sporadic income (described further below). Accordingly, HHA will <u>not</u> conduct an Interim Redetermination and the Authority will <u>not</u> calculate household <b>increased</b> income until the effective date of their next certification period (e.g. annual recertification, transfer of unit/move to another unit, port-out, etc.).</li> </ul>
<p>(c) Increase in income.</p>	<ul style="list-style-type: none"> <li>• HHA will not conduct an Interim Redetermination, nor are households required to report and document their income increase, except for instances when a person with income (from any sources) joins the household which they are required to report.</li> </ul>
<p>(d) Increase in income (e.g. COLA adjustment for social security).</p>	<ul style="list-style-type: none"> <li>• HHA will not conduct an Interim Redetermination.</li> </ul>
<p>(e) Increase in income because a person with income (from any source) joins the household.</p>	<ul style="list-style-type: none"> <li>• HHA will conduct an Interim Redetermination of the household's income and process any change to rent and tenant-paid utilities.</li> </ul>
<p>(f) Increase in monetary or non-monetary income after Resident claimed zero income</p>	<ul style="list-style-type: none"> <li>• HHA will process an interim change to rent and tenant paid utilities.</li> </ul>
<p>(g) Residents with seasonal or sporadic income.</p>	<p>Residents with seasonal or sporadic income will have their circumstances examined every 90 days until they have stable income and/or will have their prior actual income over the previous twelve months annualized as current and anticipated income. Monetary or non-monetary contributions from persons not residing in the dwelling unit for any purpose other than the payment or reimbursement of medical expenses will be considered income. Increases in monetary or non-monetary income after resident claimed zero income HHA will process an interim change to rent.</p>

<p>(h) Any income change within 3 months prior to the scheduled recertification</p>	<ul style="list-style-type: none"> <li>• HHA may choose whether or not to conduct an Interim Redetermination within 3 months prior to the scheduled recertification.</li> </ul>
<p>(i) Interim Income Excluded from Rent Calculations Until a Household's Next Certification Period:</p> <p>Any time a household's income increases and/or their deductions / allowances change in annualized adjusted income, if the increases in household income corresponds to previous decreases resulting from the family's request for an interim reexamination(s), or for the purpose of estimating/calculating an increase in annualized adjusted income.</p> <p>Any similar change described immediately above, related to households with first-time admissions.</p>	<ul style="list-style-type: none"> <li>• Interim Income Excluded from Rent Calculations Until a Household's Next Certification Period:</li> </ul> <p>Any time a household's income increases and/or their deductions / allowances change in annualized adjusted income, their income increase must be excluded for rent and tenant-paid utility calculation purposes until their next certification period. However, a household's interim income increase may be considered for the purpose of estimating/calculating an increase in annualized adjusted income, if the increases in household income corresponds to previous decreases resulting from the family's request for an interim reexamination(s), or for the purpose of estimating/calculating an increase in annualized adjusted income. In other words, the Authority will take into account any redetermination of income, including reported household income decreases or increased allowances/deductions undertaken during the previous period(s) of change(s) in household rent and tenant-paid utilities not to exceed twelve months in length.</p> <p>The methodology described immediately above does not apply to first-time admission households. However, during the Authority's subsequent verification of household income for the time period of eligibility determinations and lease-up / leasing under the program(s), not to exceed the period of time for income eligibility determination, this income verification may be used both to redetermine whether a household would still have been income eligible for the programs(s) as well as whether the tenant rent and tenant-paid utilities (i.e. Total Tenant Payment) would have been higher than the annualized adjusted income provided by the household at that time.</p>

**D. Family Absences from the Unit**

The family may not be absent from the unit for a period of more than 180 consecutive days for any reason or the family will be terminated from the program.



The Houston Housing Authority is required to immediately terminate program assistance for deceased single member households which will result in termination of the HAP contract and HAP to the owner. The owner is not entitled to HAP for any month following the month in which the death occurred. There are no exceptions to this policy. When the Head of Household dies and the only remaining household member is the live-in aide, the live-in aide is not entitled or eligible for any rental assistance or continued occupancy in a subsidized unit. By definition, the live-in aide would not be living in the subsidized unit except to provide the necessary supportive services on behalf of the elderly or disabled Head of Household.

**E. Remaining Family Members**

A remaining family member is defined as a family member listed on the most recent recertification who is 18 years of age or older, who meets all other eligibility criteria, and is a member of an Authority tenant family, but not a signatory to the lease and who continues to live in the unit after all other family members have left. If the head of household leaves the Housing Choice Voucher program for any reason, any remaining adult in the household may be designated by the remaining family as the head of household. If there are no remaining adults in the household, the Authority may, at its discretion, allow another person related to the remaining tenant family by blood or marriage or court action to assume head of household responsibilities, even though that person was not previously listed on the lease.

**F. Family Moves**

**Moratorium on Family Moves**

HHA may enact a moratorium on all optional moves by the family. When such a moratorium is in effect, moves will still be permitted because of:

1. Relocation directed by the Authority;
2. Owner-caused failed HQS so long as the tenant is in compliance with program regulations;
3. Family need for an accessible unit to accommodate a member's disability;
4. Catastrophic disasters;
5. Family member is determined to be endangered from specific criminal activity directed at the family member, rather than simply crime encountered because of the location of the family's unit, as verified by a threat assessment; or
6. Family size exceeds voucher size by two or more persons.

*When moves are permitted*

A family is not permitted to move during the initial lease term. A family may only move once during any one-year period and only with advance written notice or mutual termination agreement of at least 30 days prior to the time that their lease expires at or after their annual recertification. Exceptions to restricting moves to the first term of the lease or within a twelve-month period are limited to the conditions listed above under paragraph A.

Unless otherwise approved by the Houston Housing Authority's Director of Section 8 or his/her designee, mutual rescissions of a lease between tenant and landlord are not allowed unless due to an approved request for reasonable accommodation. A participant who chooses to rescind a current lease with a landlord unilaterally prior to the last 30 days within the first twelve months of the initial lease, without Authority approval may be subject to termination of assistance. This applies even in instances when the tenant provides written notice to vacate at least 30 days from the effective of their move.

Moves within the Authority's jurisdiction

3. Other than the exceptions noted above, families will be eligible to move within the Authority's jurisdiction with continued assistance only if they:
  - a. Currently live in the Authority's jurisdiction;
  - b. Hold a valid Housing Voucher;
  - c. Are eligible to move; have not violated any Family obligations;
  - d. Do not owe the Authority (or any other Housing Authority) any money or have paid applicable Housing Authorities for monies owed in full; and
  - e. Are moving at the date that their lease expires.
4. A family that wants to move with continued assistance must vacate the unit in compliance with the lease and provide proper notice to the owner (as required under the lease) and to the Authority.
5. Failure to provide such notice will result in termination of assistance due to failure to comply with family obligations.
6. Families that want to move must request a moving packet and must attend a move briefing. Priorities for scheduling families for the move briefings are as follows:
  - a. Uninhabitable unit, including, catastrophic disasters, uncorrected owner-caused HQS failures, and overcrowding as defined in HQS.
  - b. Medical or disability-related need, as documented by a qualified medical practitioner's statement.
  - c. Reduction in the family's voucher size that results in the family paying excessive rent.
  - d. Upward change in the family's voucher size that allows the family to lease a larger unit.
  - e. Voluntary moves to coincide with the end of the first 12-months of occupancy.
  - f. All other moves.
5. The Authority may conduct a criminal background check of household members over the age of 17 prior to issuing a moving packet. If the family is eligible to move, has not violated their Program Obligations or Lease Agreement, and does not owe the Authority money, the family will be offered a new voucher to search for another unit.
6. At any time, the Authority may deny permission to move due to the following:
  - a. The family does not notify the Authority and the owner before the family moves out of the unit or terminates the lease.
  - b. The family does not allow the Authority and the owner to inspect/repair the unit at reasonable times and after reasonable notice.
  - c. The family is responsible for an HQS failure.
  - d. The family, or any member thereof, has committed any serious or repeated violations of the assisted dwelling lease and/or lease addendum. Mere allegations by the owner that lease violations have occurred are insufficient to invoke this requirement.
  - e. The family owes the Authority or any other housing authority money for any reason.
  - f. The Authority does not have sufficient funding for continued assistance.
  - g. The family, or any member thereof, has violated any Family Obligation.
  - h. For any other allowable reason.
7. Families who intentionally cause the assisted unit to fail Housing Quality Standards will not be eligible to receive another Housing Voucher to relocate to another unit and will be terminated from the program.

The Authority will not issue a voucher to a family who wishes to move due to an eviction action

initiated by the owner. Both the owner and the family are required to notify the Authority whenever an eviction is filed. Housing assistance payments will continue until the court date, unless payments have been abated for owner-caused HQS violations. If the court rules that the family was evicted for violating the terms of the lease, including, failure to pay rent, the family is ineligible for further assistance and **may** be terminated from the HCV program. If the court rules for the family, the family is eligible to receive another voucher.

If a family with permission to move does not locate a new dwelling unit, it will be required to submit an Agreement to Continue the Assisted Tenancy before the voucher expires. If a family submits the Agreement to Continue the Assisted Tenancy timely, the assisted tenancy may extend for any reasonable period of time mutually agreed upon by owner and tenant. If a family who does not locate a suitable unit does not submit the Agreement to Continue the Assisted Tenancy before their voucher expires, they will not be eligible to be issued another voucher for 12 months (except due to HQS failure, Reasonable Accommodation or VAWA).

### **G. Overlapping HAP Payments**

If a participant family moves from an assisted unit with continued assistance, the effective date of the assistance at the new assisted unit may begin during the month the family moves out of the first assisted unit. Overlap of Housing Assistance Payments (for the month when the family moves out of the old unit) and the first Housing Assistance Payment for the new unit is not considered duplicate housing subsidy. Overlapping HAP payments are not allowed if the owner of the new unit and old unit is the same.

### **H. Termination of Assistance to Participants**

#### Grounds for Termination

The Authority may terminate participant assistance if:

1. Any member of the family commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;
2. The family has not reimbursed the Authority for amounts paid to an owner under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease, or if the family breaches an agreement with the Authority to pay amounts owed to the Authority;
3. Any household member refuses to sign or submit consent forms;
4. Any family member is verified to have committed serious or repeated lease violation(s) or a family is evicted for serious or repeated lease violation(s);
5. Any family member or guest causes damage to the unit;
6. Any family member is subject to a lifetime registration requirement under a state sex offender registration program;
7. An adult family member is convicted of manufacturing methamphetamines in an assisted unit;
8. Any household member engages in drug-related or violent criminal activity;
9. Criminal activity directly relating to domestic violence, dating violence, sexual assault or stalking against a participant, an affiliated individual or other individual will not be considered cause for termination of assistance for any participant.
10. Any family member engages in illegal use of a controlled substance;
11. Any family member engages in abuse of alcohol in a manner that threatens the health, safety or peaceful enjoyment of the premises by other residents or neighbors.
12. Any household member illegally possesses weapons;

13. A family does not report a change of family composition as stipulated in this Administrative Plan within 10 days;
14. Any family members do not provide their Social Security information and documentation within the time required and specified by the Authority;
15. Any family does not comply with HQS;
16. Any family member violates any family obligations under the program;
17. The family currently owes rent or other amounts to the Authority or to another housing authority in connection with Section 8 or public housing assistance under the 1937 Act;
18. Any family member does not establish citizenship or eligible immigration status;
19. The family engages in or threatens abusive or violent behavior toward Authority personnel;
20. No Housing Assistance Payment has been paid on the family's behalf for six months;
21. Any other HUD allowed reason.

The Authority may impose, as a condition of continued assistance for other family members, a requirement that the family members who participated in, or were culpable for the action or failure, will not ever reside in the unit.

Termination Due to Funding Shortfall

HHA shall review current and projected funding levels for the Housing Choice Voucher program on an ongoing basis. If HHA determines there is a projected or actual shortage of Housing Assistance Payments (HAP) funding to support HAP costs for current program participants, HHA shall first determine if any other reasonable and feasible actions can be taken to reduce program costs. If after undertaking any such actions to reduce program costs, HHA determines that there is insufficient funding to support HAP costs for current participants, HHA shall terminate the minimum number of HAP contracts necessary to reduce HAP costs to within the available budget. HHA shall inform the local HUD office prior to terminating any HAP contracts for this purpose.

In identifying the HAP contracts to be terminated as a result of insufficient funding, HHA shall use the following criteria:

1. Elderly and disabled families shall not be terminated.
2. As an initial PHA, HHA will not terminate a portability voucher under a billing arrangement with a receiving PHA for insufficient funding, due to the fact that initial PHA is not a party to the HAP contract.
3. Families comprising the required number of special purpose vouchers (e.g. NED, VASH, FUP and MS5) shall be the last to be terminated.
4. HHA shall utilize a methodology whereby HAP contracts are terminated based on: i) over-income voucher-assisted households who have been at zero HAP for the longest period of time; and ii) the date of the family's initial participation in the HCV program with the participant(s) who have received housing assistance for the longest period of time are terminated.

Upon HHA's determination that sufficient funding is available to issue vouchers to some or all eligible families whose HAP contracts have previously been terminated due to insufficient funding, HHA shall use the following criteria to reinstate program participation to:

1. Over-income voucher-assisted households who have been at zero HAP (for the longest period of time; and
2. Households who received housing assistance for the longest period of time.

### Termination Notification

In any case where the Authority decides to terminate assistance to the family, except in the case of funding shortfall, the Authority will give both the family and the owner a 30-day written termination notice which states:

1. Specific reasons for the termination;
2. Effective date of the termination;
3. Family's right to request an informal hearing; and
4. Family's responsibility to pay the full rent to the owner if it remains in the assisted unit after the termination effective date.

## **I. Owner Termination of a Participant's Lease**

### Grounds for Lease Termination

The owner may terminate the lease for lease violations at any time. The owner must terminate the lease for any other reason at any time after the initial period of the lease. The owner must follow state and local laws and must provide the Authority with a copy of the termination notice immediately.

### Required Notice for Lease Termination

1. Depending upon the terms of the Lease Agreement, the owner may give the tenant a 30-day (or other period) notice to move.
2. Owners are required to follow eviction procedures consistent with their Lease, Addendum to the Lease and HAP contract and must comply with the requirements of federal, state, and local law.
3. Owners must give written notice to the Authority of any legal actions and are required to provide the Authority with copies of all court action papers regarding program participants.
4. Provided the owner initiates an eviction action in accordance with the lease, follows all pertinent laws, files all pertinent actions, and supplies the Authority with copies of all pertinent legal documents; the owner is entitled to HAP payments until the family voluntarily moves or is evicted.
5. The owner must use the termination proceedings as prescribed in the lease and contract:
  - a. The owner can institute court action, using the grounds for eviction cited in the lease;
  - b. The owner can try to obtain a mutual rescission of the lease with the tenant. (The mutual rescission must be signed by both parties and designate the reason for the agreement to mutually rescind the Lease).
  - c. The owner can issue proper notice not to renew the Lease Agreement.
6. The owner may not terminate tenancy for the Authority's failure to pay the housing assistance payment.

## **J. Owner Repayment Agreements**

1. Participating landlords or participants that owe a balance to the Authority must repay the debt to the Authority.
2. Repayment of debt to the Authority should be paid in full immediately or a repayment agreement executed.
3. Payments by check, certified check or money order are to be made payable to the "Houston Housing Authority".
4. If an owner owes the Authority for overpayment of housing assistance, the owner will be notified in writing of the overpayment amount.

5. If the owner has other current HAP contracts, and the owner does not repay the entire amount owed immediately upon notification of the amount owed, the amount will be recovered from amounts due under those contracts.
6. If the owner does not pay or otherwise satisfy the amount due the Authority, the HAP contract will be cancelled and the owner may be barred from future participation in the Housing Choice Voucher Program until the amount is paid in full.
7. The Authority reserves the right to turn owner amounts due over to an independent collection agency and/or to the HUD Office of Inspector General (HUD-OIG).

**K. Participant Repayment Agreements**

The Authority will make diligent and vigorous efforts to collect debts from any participant in full at the time a debt is incurred.

1. When it is not financially feasible for the debt to be paid in full, the Authority may offer the participant the opportunity to repay the debt over a period of time not to exceed twelve (12) months.
2. The agreement to repay the debt must be formalized through a written and executed Repayment Agreement.
3. Repayment Agreements are intended as a collection effort of last resort to ensure that the Authority can collect the balance due however the term of the repayment agreement will be limited to a short period of time.
4. In its sole discretion, and based upon the circumstances, the Authority may enter into a repayment agreement with a participant as long as the total amount owed by the participant is \$2,500 or less. For the purpose of this policy, twenty-five percent (25%) of the total amount owed must be paid by the participant up-front, in prompt fashion, and upon prompt receipt of the payment, the Authority may decide to enter into a repayment agreement for the remaining balance owed that includes the following terms: 1) remaining balances owed up to \$625.00 must be repaid within six (6) months; and 2) remaining balances owed that are greater than \$625.00 but not exceeding \$1,875 must be repaid within twelve (12) months. The Authority reserves the right to consider each situation on a case-by-case basis and decided whether to enter into a repayment agreement with a participant who meets the aforementioned prerequisites.
5. The Authority will not enter into a repayment agreement for more than \$2,500.00 or for a repayment term longer than twelve (12) months.
6. The Authority will terminate housing assistance in cases where the amount owed exceeds \$2,500. Cases may be referred to the HUDOIG for investigation and possible prosecution.
7. In all cases where the money owed by a participant is not due to any error on the Authority's part, the amount must be paid in full to preserve program participation unless a repayment agreement has been executed with the Authority for the amount due and the participant is not in default. Default is defined as stated in the executed Repayment Agreement.
8. The Authority will send a written notice of the termination of housing assistance to the family and owner if the family has failed to pay any amount owed, whether the total amount or, if a Repayment Agreement has been executed, the scheduled payment. The Authority may, at any time, turn repayment agreements over to an independent collection agency.
9. If the program participant experiences a rent increase due to changes in income, family composition, etc., in cases where the family was responsible to report such changes and failed to report the change, creating a situation where repayment of overpaid housing assistance is required and the tenant has refused to pay in full or agree to enter into a repayment agreement, the Authority will terminate housing assistance.

10. The Authority may also forward the case to the HUD-OIG or District Attorney for investigation. The tenant will be given an opportunity for informal hearing prior to the termination of assistance.

#### **L. Family Fraud/Misrepresentation**

1. The Authority is committed to assuring that the proper level of benefits is paid to all program participants, and that housing resources reach only eligible families so that program integrity is maintained.
2. If the family has committed fraud in connection with the Housing Choice Voucher Program, the Authority will terminate assistance and cancel the contract.
3. In addition, if the family has misrepresented income, assets, or allowances and deductions that have caused the Authority to pay more than the required amount of subsidy, the Authority will make every effort to recover any overpayments made as a result of tenant fraud or abuse.
4. To preserve participation in the Housing Choice Voucher program, tenants may be offered the opportunity to repay the Authority in full.
5. The Authority may take administrative action (including termination), refer the any amounts to a collection agency, take legal action, or refer the matter to the HUD Inspector General or District Attorney, or any combination thereof, as appropriate.
6. Criminal background checks are conducted on all adult household members at new admission and adult additions (age 18 or older) to the household. Criminal background checks may be conducted on all adult household members at moves, annual recertifications and reinstatements. Criminal background checks may also be conducted on a current tenant when there is an allegation of fraud or criminal/drug activity.
7. Any information discovered from these background checks that reveals a program violation may lead to termination.

#### **M. Owner Fraud/Misrepresentation**

1. If the owner has committed fraud or misrepresentation in connection with the Housing Choice Voucher Program, the Authority will give notice to terminate the contract, and review the circumstances and the family's involvement to determine if the family is eligible for continued assistance.
2. The Authority will make every effort to recover any overpayments made as a result of owner fraud or abuse. Possible action may include:
  - a. Administrative action, including termination;
  - b. Legal action;
  - c. Referral to the HUD Inspector General's Office or District Attorney;
  - d. Refusal to enter into other HAP contracts.
3. If the HAP contract is terminated but it is determined that the family is not involved in the owner's fraud or misrepresentation, the family will be eligible for continued assistance in a different owner's unit.

#### **N. Change in Ownership**

1. The Authority must receive a written request by the owner in order to make changes regarding who is to receive the Authority's rent payment and/or the address to which payment is to be sent.
2. The Authority will process a change of ownership only upon the written request and accompanied by documentation of the title transfer, i.e., recorded deed, legal documents of

sale, etc.

#### **O. Informal Review**

An applicant may request an informal review of the Authority's decision to deny the applicant's participation in the Housing Choice Voucher Program.

Families and eligible singles are considered "applicants" from the date of their completed pre-application submission until denial of assistance or execution of the lease and Housing Assistance Payments contract, at which time the applicant becomes a "program participant."

An applicant may request an informal review if the applicant:

1. Is denied a voucher;
2. Is denied participation in the Program;
3. Has assistance denied or delayed because of the immigration status of family member.

Informal reviews will not be granted to applicants who dispute:

1. Their lottery number;
2. The number of bedrooms stated on the voucher;
3. A determination that a unit does not meet or comply with Housing Quality Standards;
4. A determination that a proposed lease is unacceptable;
5. A decision to not approve a request for an extension of the term of the voucher;
6. General policy issues or class grievances.

Ineligible applicants will be promptly provided with a letter stating the reason for their ineligibility, and offering them an opportunity for an informal review. The notice will contain:

1. A brief statement of the reason(s) for the decision,
2. A statement that the applicant may submit a written request to the Authority for an informal review of the decision if he/she disagrees with the decision, and
3. A statement that the request must be made within fifteen (15) calendar days from the date of the notice,

A statement that the request must be made within fifteen (15) calendar days from the date of the notice.

Applicants must submit their request in writing to the Authority within fifteen (15) calendar days from the date of the letter of denial.

The Authority will conduct an informal review of the applicant's file, provided that the applicant submits a proper written request for an informal review within the time allowed. If the request is not submitted timely, it will mean that the applicant waived his/her right to request an informal review.

#### **Informal Review Officer**

The informal review will be conducted by a Hearing Officer or a person other than the one who made or approved the decision under review or a subordinate of this person.

#### **The Informal Review**

An informal review is not a hearing. It is a review of the material in the applicant's file to



ensure that a correct decision about the applicant's status (based upon the material submitted by the applicant) has been made.

#### The Decision

The informal review officer will decide whether the decision denying assistance to the applicant was justified and made according to the federal regulations and rules of the Authority. This final decision will be in writing and issued within a reasonable time frame. The decision notice will state the final decision and a brief statement of the reasons for the final decision.

### **P. Informal Hearings**

#### Situations in which HHA will offer informal hearings

An informal hearing is conducted based on the Authority's decision affecting participant family ("Participant") in the Housing Choice Voucher Program in accordance with the procedures described in the following section on Informal Hearings.

The Authority will give a participant an opportunity for an informal hearing in disputes involving the following cases:

1. A determination of the amount of the total tenant payment or tenant rent;
2. A decision to terminate assistance;
3. A decision to deny a family move;
4. A decision to deny a request for reasonable accommodation.

In a timely requested informal hearing regarding a decision to terminate assistance, HHA has to show by a preponderance of the evidence that the notice of termination is supported.

In a timely requested informal hearing regarding a decision to deny a family move, HHA has to show by a preponderance of the evidence that the denial of family move is supported.

In a timely requested informal hearing regarding the amount of the total tenant payment of rent, the participant has to show by a preponderance of the evidence that the change is not supported. The scheduling and/or occurrence of any informal hearing regarding the amount of the total tenant payment of rent does not affect the date upon which the change takes effect. If, in the informal hearing, the participant shows by a preponderance of the evidence that the change in the amount of the total tenant payment of rent is not supported, then a correction may be retroactively applied back to the effective date of the change in total tenant payment of rent.

In a timely requested informal hearing regarding a decision to deny a family a reasonable accommodation, HHA has to show by a preponderance of the evidence that the denial of the reasonable accommodation is supported.

#### Situations in which HHA will not offer informal hearings

The Authority is not required to provide an opportunity for an informal hearing to review Authority determinations:

1. That are administrative determinations by the Authority, or to consider general policy

issues or class grievances.

2. That a unit does not comply with the Authority's Housing Quality Standards, that the owner has failed to maintain or operate a contract unit to provide decent, safe, and sanitary housing in accordance with including all services, maintenance, and utilities required under the lease), or that the contract unit is not decent, safe, and sanitary because of an increase in family size or change in family composition.
3. When the Authority wishes to exercise any remedy against the owner under an outstanding contract, including, the termination of Housing Assistance Payments to the owner.
4. Not to approve a participant's request for an extension of the term of the Voucher issued to an assisted family that wants to move to another dwelling unit with continued participation in the Authority's Housing Choice Voucher Program.

#### Notice to Participant

1. The Authority will give the participant prompt written notice of the decision made regarding the above stated issues.
2. The written notice will contain a brief statement of the reasons for the decision and notice to the participant that she/he may request an informal hearing on the decision within fifteen (15) calendar days from the date of the notice, if the participant does not agree with the decision.
3. If the request is not submitted timely, the participant is deemed to have waived his/her right to request an informal hearing.
4. If an eligible informal hearing request is submitted within the required timeframe, the Authority will timely schedule the informal hearing and send written notice to the participant.
5. The written notice will contain the date, time, and place where the informal hearing will be conducted.

#### The Hearing Officer

1. The Authority will designate any person or persons as hearing officer(s) to conduct the informal hearing, and further delegates to each hearing officer the authority to (1) conduct all aspects of the informal hearing, (2) preside over all aspects of the informal hearing, and (3) issue a decision with respect to the issues and evidence presented at the informal hearing.
2. The hearing officer will be a person other than a person who made or approved the decision under review or a subordinate of such person.

#### Rights of the Participant

1. The participant may be represented by an attorney at his/her own expense.
2. The participant has the right to review and copy (at his/her expense) any relevant

information relied upon by the Authority. Any request to review documents must be submitted no later than five (5) calendar days prior to the scheduled hearing.

3. The participant has the right to present evidence, both oral and written.
4. The participant has the right to question any witnesses examined in the informal hearing and the right to argue his or her case prior to the hearing officer's decision.
5. The participant has the right to request an interpreter attend the hearing. HHA will provide an interpreter at no expense to the participant.
6. The participant has the right to have the hearing recorded by audiotape at the client's expense.
7. The participant has the right to seek redress directly through judicial procedures of the court.

#### Rights of the Houston Housing Authority

1. The Authority may be represented by an attorney at the informal hearing.
2. The Authority may introduce evidence, both oral and written.
3. The Authority has the right to question any witness examined in the informal hearing.
4. The Authority has the right and must be given the opportunity to pre-hearing discovery, at Authority offices, of any participant documents directly relevant to the hearing. The Authority must be allowed to copy any such document at the Authority's expense.
5. If the participant does not make the document available for examination on request of the Authority, the participant may not rely on the document at the hearing.

#### Requesting an Informal Hearing

1. A request for an informal hearing regarding a notice of termination, rent change notice, or move denial must be made in writing and delivered to HHA by close of business on the 15th calendar day after the date on the notice.
2. A request for an informal hearing regarding a denial of a request for reasonable accommodation must be made in writing and delivered to HHA by the close of business

on the 15th calendar day after the date on the notice.

3. Requests may be submitted in one of the following ways:
  - a. Via email to [informalhearing@housingforhouston.com](mailto:informalhearing@housingforhouston.com);
  - b. Via hand-delivery to HHA's office at 2640 Fountain View Dr.;
  - c. Via fax to (713) 260-0808; or
  - d. Via first class mail to:  
Houston Housing Authority  
Attn: Legal Department  
2640 Fountain View Dr.  
Houston, Texas 77057
4. Requests that are received after the deadline to submit a request will be denied unless the participant attaches documentation showing good cause for the late submission.

#### Scheduling an Informal Hearing

1. HHA will schedule and send written notice of the informal hearing to the participant. The notice will be sent to the participant at the address provided by them on the request form.
2. The participant may request to reschedule the hearing by submitting a written request via one of the methods provided above. The request should be submitted no later than three (3) business days before the scheduled hearing. Such request must be made in writing in one of the methods identified above (see "Requesting an Informal Hearing").
3. Participants may not request to reschedule a hearing more than once.

#### Conduct of the Informal Hearing

The hearing officer will regulate the conduct of the hearing in accordance with hearing procedures commonly accepted and followed.

#### Failure to Appear

1. If the participant fails to check in for their hearing within ten (10) minutes of their scheduled hearing time, they are considered to have failed to appear.
2. If a participant fails to appear for their scheduled hearing, the matter will be dismissed and the HHA's action will be upheld.
3. If the participant failed to 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 HHA in writing within 24 hours of the missed hearing, excluding holidays and weekends. Such request must be made in writing in one of the methods identified above (see "Requesting an Informal Hearing").
4. HHA will reschedule the hearing only if the participant can show good cause for failure

to appear. Good cause is defined as an unavoidable conflict which seriously affects the health, safety, or welfare of the participant.

5. The participant should attach any available documentation supporting that they had good cause for missing the scheduled hearing. If such documentation is not provided, HHA may either request documentation of the good cause prior to rescheduling the hearing or make a decision regarding the request to reschedule based solely on the available information.

#### The Decision

1. Factual determinations relating to the individual circumstances of the participant will be based on the evidence presented at the hearing.
2. The decision will be in writing and based on the facts established, HUD regulations, Authority policies and rules, and the applicable law.
3. The decision will clearly state the reasons on which the decision is arrived.
4. A copy of the decision will be sent to the participant no later than 15 calendar days from the date of the hearing.

#### Appeal of Hearing Officer Decision

1. Within 15 calendar days of the date the hearing decision is issued, either party may submit a written appeal of the decision through one of the methods provided above (see "Requesting an Informal Hearing").
2. Appeals are limited to written submissions by the requesting party and must demonstrate good cause, supported by specific references to the hearing decision.
3. After review of the written appeal, the reviewer may allow for rehearing for the following purposes:
  - a. Rectifying any obvious mistake of law in the hearing decision;
  - b. Rectifying any egregious errors in the hearing decision.
4. Any decision that is not timely appealed or any appeal that is upheld becomes final.

#### Situations in which Informal Hearing Decisions are not binding on the HHA

The Authority is not bound by a hearing decision on the following matters:

1. A matter for which the Authority is not required to provide an opportunity for an informal hearing or otherwise in excess of the authority of the person conducting the hearing under these hearing procedures.
2. A decision is rendered that is contrary to HUD regulations, requirements or otherwise contrary to federal, state, or local law.

If the Authority determines that it is not bound by a hearing decision, the Authority will promptly notify

the participant of the determination and the reasons for the determination.

**VII. MODERATE REHABILITATION PROGRAM**

Unless stated below, facets of the Moderate Rehabilitation Program (Mod Rehab) are the same as those listed in other areas of this Plan.

**A. Family Participation**

As previously mentioned, Mod Rehab applicants are not part of the Housing Choice Voucher lottery process. Applicants can gain access to the Mod Rehab waiting list either by applying specifically for that list or by written owner referral to the Authority. When an applicant is referred or selected from the Mod Rehab waiting list, a pre-application will be mailed to the applicant. Upon receipt of the completed pre-application, the Authority will schedule an interview with the applicant to determine eligibility. Families will be processed using the program rules listed in this Plan.

**B. Moves**

Families may move to another Mod Rehab unit only at the expiration of the lease, if there is another Mod Rehab unit available. A list of available Mod Rehab units housing will be made available to families wishing to relocate. Proper notice of their intent to vacate the unit must be submitted to the owner and the Authority. Families may not move to another unit if they owe the owner money under the current lease.

Mod Rehab families may elect to receive a Housing Choice Voucher only if:

1. The family participated in the lottery pool, was placed on the waiting list, and is selected to receive a Voucher by the Authority, or
2. The family meets the qualification requirements for Vouchers provided by HUD to serve a targeted population, and the Authority is accepting applications from qualified applicants.

When a Mod Rehab family is subject to involuntary displacement or the imposition of an excessive rent burden because the HAP Contract for their unit has been terminated by the Authority for reasons unrelated to the conduct of the family, the family will be permitted to:

1. Move to another Mod Rehab unit within the same property; or, if none is available,
2. Move to another Authority Mod Rehab unit; or, if none is available,
3. Receive a Housing Choice Voucher. The offer of a Housing Choice Voucher is subject to the availability of a voucher for which the family is otherwise qualified. Other provisions of this Plan regarding the order of selection will not apply.

When a Mod Rehab family is subject to involuntary displacement or the imposition of an excessive rent burden because the HAP contract for their unit or the project has been terminated or not been renewed by the owner for reasons unrelated to the conduct of the family, and the family still needs assisted housing, the family will receive a housing voucher as a continually assisted family and a special admission. A Mod Rehab family will not be permitted to receive a Voucher if they have been terminated from the Mod Rehab Program.

**C. Rent Increases**

Rent increases will be monitored on a per contract basis. The owner must give proper written notice to the tenant and the Authority. Annual increases will be calculated based on Mod Rehab program regulations. Properties that are not eligible for renewal are not eligible to receive rent

increases. Mod Rehab contracts that are still in the initial period of contract are eligible to request rent increases when requested in writing prior to the anniversary date of the contract.

**D. Vacancy Loss Claims**

Vacancy loss claims will be processed per HUD regulations in force at the time of the vacancy and the contract. Proper documentation of HHA verified vacancies must be submitted in the month following the vacancy in order for vacancy claims to be honored.

**E. Law Enforcement and Security Personnel**

Mod Rehab assistance may be offered to police officers and other security personnel who are otherwise eligible for assistance. The owner must apply to the HUD Field Office for authorization to house over-income police officers and other security personnel. The Authority will process such referrals from HUD.

**F. Criminal Background Checks and Policy regarding Denial of Admission and Termination of Assistance**

1. Criminal Background Checks

- a. Criminal background checks are conducted on all adult household members at new admission and adult additions (age 18 and older) to the household. Criminal background checks may be conducted on all adult household members at moves, annual recertifications and reinstatements. Criminal background checks may also be conducted on a current tenant where there is reasonable cause to believe the individual is involved in criminal activity.
- b. Criminal background records will be used in combination with all other reliable information in order to enforce the requirements regarding denial of admission and termination of assistance for drug offenders, sex offenders and for other offenses, as set forth below.
- c. If HHA obtains criminal record information from a Federal, State or local agency showing that a household member has been convicted of a crime relevant to admission or continued assistance, HHA will notify the household of the proposed action to be based on the information and will provide the subject of the record and applicant or tenant a copy of such information and an opportunity to dispute the accuracy and relevance of the information prior to any admission decision or termination action.

2. Prohibiting Admission of Drug Offenders

- a. HHA will prohibit admission to the Mod Rehab program of an applicant for three (3) years from the date of termination of tenancy of any household member's federally assisted housing tenancy if any household member's federally assisted housing tenancy has been terminated for drug-related criminal activity.
- b. HHA will prohibit admission to the program if any household member has ever been convicted of drug-related criminal activity for manufacture or production of methamphetamine on the premises of federally assisted housing.
- c. HHA will prohibit admission of a household to the program if HHA determines that any household member is currently engaging in illegal use of a drug or that it has reasonable cause to believe that a household member's pattern of illegal use of a drug may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.

3. Prohibiting Admission of Sex Offenders

HHA will prohibit admission to the Mod Rehab program if any member of the household is subject to a lifetime registration requirement under a State sex offender registration program. In order to enforce this requirement, HHA will perform criminal background checks in the state of Texas and in other states where household members are known to have resided.

4. Prohibiting Admission for Other Offenses

HHA will prohibit admission of a household to the Mod Rehab program if HHA determines that any household member is currently engaged in or has engaged in the past five (5) years the following activity:

- a. Drug-related criminal activity;
- b. Violent criminal activity; or
- c. Other criminal activity which may threaten the health, safety, or rights to peaceable enjoyment of the premises by other residents, or of the owner or any employee, contractor, subcontractor or agent of the owner who is involved in the owner's housing operations.

5. Prohibiting Admission of Alcohol Abusers

HHA will prohibit admission to the Mod Rehab program if HHA determines that it has reasonable cause to believe that a household member's abuse or pattern of abuse of alcohol may threaten the health, safety, or right to peaceable enjoyment of the premises by other residents.

6. Termination of Assistance for Drug Offenders

- a. HHA will terminate assistance if it determines, based upon a preponderance of the evidence, that any tenant, household member, guest, or any other person under the tenant's control, and engaged in drug-related criminal activity at or near the premises.
- b. HHA will terminate assistance if it determines, based upon a preponderance of the evidence, that a household member is illegally using a drug or has a pattern of illegal use of a drug that interferes with the health, safety, or right to peaceable enjoyment of the premises by other residents.
- c. HHA will terminate assistance for a family under the Mod Rehab program if it determines that any member of the household has ever been convicted of drug-related criminal activity manufacture or production of methamphetamine on the premises of federally assisted housing.

7. Termination of Assistance for Other Offenses

- a. HHA will terminate assistance for a family if it determines, based upon a preponderance of the evidence, that any household member is engaged in criminal activity that threatens the health, safety, or right of peaceable enjoyment of the premises by other residents or by persons residing in the immediate vicinity of the premises.
- b. HHA will terminate assistance for a family if it determines, based upon a preponderance of the evidence that a member of the household is:
  - i. Fleeing to avoid prosecution, or custody, or confinement after conviction, for a crime, or attempt to commit a crime, that is a felony under the laws of the place from that individual flees or that, in the case of the State of Texas, is a high misdemeanor, or
  - ii. Violating a condition of probation or parole imposed under Federal or State law.

8. Termination of Assistance for Alcohol Abusers



HHA will terminate assistance for a family if it determines, based upon a preponderance of the evidence, that a household member's abuse or pattern of abuse of alcohol threatens the health, safety, or right to peaceable enjoyment of the premises by other residents.

9. Termination of Offenders in Household Only

In appropriate cases, HHA may permit continued assistance for remaining household members and may impose a condition that the household members who engaged in the proscribed activity will neither reside in nor visit the dwelling unit.

**VIII. DETERMINING INCOME AND RENT**

**A. Annual Income**

HHA will use HUD's definition of Annual Income. Should this definition be revised, HUD's definition, rather than that presented below will be used.

Annual income is the total income from all sources, including, net income derived from assets, received by the family head and spouse (even if temporarily absent) and by each additional family member, including, all net income from assets based on anticipated income in the next 12 months, exclusive of income that is temporary, non-recurring, or sporadic as defined below, or is specifically excluded from income by other federal statute. Annual income includes but is not limited to:

1. The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;
2. The net income from operation of a business or profession, including, any withdrawal of cash or assets from the operation of the business. Expenditures for business expansion or amortization of capital indebtedness will not be used as deductions in determining the net income from a business. An allowance for the straight line depreciation of assets used in a business or profession may be deducted as provided in IRS regulations. Withdrawals of cash or assets will not be considered income when used to reimburse the family for cash or assets invested in the business;
3. Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness will not be used as deductions in determining net income. An allowance for the straight line depreciation of real or personal property is permitted. Withdrawals of cash or assets will not be considered income when used to reimburse the family for cash or assets invested in the property;
4. If the net family assets are less than \$5,000, the family may certify to the amount of the asset and amount of income expected from the asset. HHA will obtain third-party verification of all family assets every 3 years starting in year 2017. If the Family has Net Family Assets in excess of \$5,000, Annual Income will include the greater of the actual income derived from all Net Family Assets or a percentage of the value of such Assets based on the current passbook savings rate as determined by HUD;
5. The full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts [See B. 14. below for treatment of delayed or deferred periodic payment of social security or supplemental security income benefits.];
6. Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation, and severance pay (But see paragraph B. 3. below concerning treatment of lump-sum additions as Family assets.);

7. All welfare assistance payments (Temporary Assistance to Needy Families, General Assistance) received by or on behalf of any family member;
8. Periodic and determinable allowances, such as alimony and child support payments, and regular cash and non-cash contributions or gifts received from agencies or persons not residing in the dwelling made to or on behalf of family members; and
9. All regular pay, special pay, and allowances of a family member in the Armed Forces. (See paragraph B. 7. below concerning pay for exposure to hostile fire.)

## **B. Excluded Income**

Annual Income does not include the following:

1. Income from the employment of children (including foster children) under the age of 18 years;
2. Payments received for the care of foster children or foster adults (usually individuals with disabilities, unrelated to the resident family, who are unable to live alone);
3. Lump sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance, and worker's compensation), capital gains, one-time lottery winnings, and settlement for personal property losses (but see paragraphs 4 and 5 above if the payments are or will be periodic in nature);  
(See paragraph 14. below for treatment of delayed or deferred periodic payments of social security or supplemental security income benefits.)
4. Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;
5. Income of a live-in aide, provided the person meets the definition of a live-in aide (See Section XII of these policies);
6. The full amount of student financial assistance paid directly to the student or the educational institution;
7. The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
8. Certain amounts received that are related to participation in the following programs:
  - a. Amounts received under HUD funded training programs (e.g. Step-up program: excludes stipends, wages, transportation payments, child care vouchers, etc. for the duration of the training);
  - b. Amounts received by a person with disabilities that are disregarded for a limited time for purposes of Supplemental Security Income and benefits that are set aside for use under a Plan to Attain Self-Sufficiency (PASS);
  - c. Amounts received by a participant in other publicly assisted programs that are specifically for, or in reimbursement of, out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) to allow participation in a specific program;
  - d. A resident services stipend. A resident services stipend is a modest amount (not to exceed \$200/month) received by a public housing resident for performing a service for the HHA, on a part-time basis, that enhances the quality of life in public housing. Such services may include but are not limited to, fire patrol, hall monitoring, lawn maintenance, and resident initiatives coordination. No resident may receive more than one such stipend during the same period of time; and
  - e. Incremental earnings and/or benefits resulting to any family member from participation in qualifying state of local employment training program (including training programs not affiliated with the local government), and training of family members as resident

management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for a limited period as determined in advance by the HHA;

9. Temporary, non-recurring, or sporadic income (including gifts);
10. Reparation payments paid by foreign governments pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;
11. Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of the household and spouse);
12. Adoption assistance payments in excess of \$480 per adopted child;
13. The incremental earnings and benefits to any resident 1) whose annual income increases due to employment of a family member who was unemployed for one or more years previous to employment; or 2) whose annual income increases as the result of increased earnings by a family member during participation in any economic self-sufficiency or other job training program; or 3) whose annual income increases due to new employment or increased earnings of a family member during or within six months of receiving state-funded assistance, benefits or services, will not be increased during the exclusion period. For purposes of this paragraph, the following definitions apply:
  - a. State-funded assistance, benefits or services means any state program for temporary assistance for needy families funded under Part A of Title IV of the Social Security Act, as determined by the HHA in consultation with the local agencies administering temporary assistance for needy families (TANF) and Welfare-to-Work programs. The TANF program is not limited to monthly income maintenance, but also includes such benefits and services as one-time payments, wage subsidies and transportation assistance – provided that the total amount over a six-month period is at least \$500.
  - b. During the 12-month period beginning when the member first qualifies for a disallowance, the HHA must exclude from Annual Income any increase in income as a result of employment. For the 12 months following the exclusion period, 50% of the income increase will be excluded. After 24 months, no income will be excluded.
  - c. The disallowance of increased income under this section is only applicable to current residents and will not apply to applicants who have begun working prior to admission (unless their earnings are less than would be earned working ten hours per week at minimum wage, under which they qualify as unemployed).
14. Deferred periodic payments of supplemental security income and social security benefits that are received in a lump sum payment;
15. Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit;
16. Amounts paid by a State agency to a family with a developmentally disabled family member living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home;
17. Amounts specifically excluded by any other Federal Statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under the United States Housing Act of 1937. (A notice will be published by HUD in the Federal Register identifying the benefits that qualify for this exclusion. Updates will be published and distributed when necessary.)

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

- a. The value of the allotment provided to an eligible household for coupons under the Food Stamp Act of 1977;
- b. Payments to volunteers under the Domestic Volunteer Service Act of 1973; 42 USC 5044

(g), 5088

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

- i. the Retired Senior Volunteer Program (RSVP), Foster Grandparent Program (FGP), Senior Companion Program (SCP), and the Older American Committee Service Program;
  - ii. National Volunteer Antipoverty Programs such as VISTA, Peace Corps, Service Learning Program, and Special Volunteer Programs;
  - iii. Small Business Administration Programs such as the National Volunteer Program to Assist Small Business and Promote Volunteer Service to Persons with Business Experience, Service Corps of Retired Executives (SCORE), and Active Corps of Executives (ACE).
- c. Payments received under the Alaska Native Claims Settlement Act; 43 USC. 1626 (a)
  - d. Income derived from certain sub marginal land of the United States that is held in trust for certain Indian tribes; 25 USC. 459e
  - e. Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program; 42 USC 8624 (f)
  - f. Payments received under programs funded in whole or in part under the Job Training Partnership Act; 29 USC 1552 (b)
  - g. Income derived from the disposition of funds of the Grand River Band of Ottawa Indians; P. L. 94-540, 90 State 2503 -04
  - h. The first \$2000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the Court of Claims 25 USC 1407-08, or from funds held in trust for an Indian Tribe by the Secretary of Interior; and 25 USC 1 17b, 1407
  - i. Amounts of scholarships funded under Title IV of the Higher Education Act of 1965 including awards under the Federal work-study program or under the Bureau of Indian Affairs student assistance programs. 20 USC 1087 uu
    - i. Examples of Title IV programs include but are not limited to: Basic Educational Opportunity Grants (Pell Grants), Supplemental Opportunity Grants, State Student Incentive Grants, College Work Study, and Byrd Scholarships.
  - j. Payments received from programs funded under Title V of the Older Americans Act of 1965: 42 USC 3056 (f)
    - i. Examples of programs under this act include but are not limited to: Senior Community Services Employment Program (CSEP), National Caucus Center on the Black Aged, National Urban League, Association National Pro Personas Mayores, National Council on Aging, American Association of Retired Persons, National Council on Senior Citizens, and Green Thumb.
  - k. Payments received after January 1, 1989 from the Agent Orange Settlement Fund or any other fund established in the In Re Agent Orange product liability litigation;
  - l. Payments received under Maine Indian Claims Settlement Act of 1980; P.L. 96-420,94 Stat. 1785
  - m. 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 USC 9858q
  - n. Earned income tax credit refund payments received on or after January 1, 1991 26 USC 32 (j)
  - o. Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation;

- p. Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990;
- q. Any allowance paid under the provisions of 38 U.S.C. 1805 to a child suffering from spina bifida who is the child of a Vietnam veteran;
- r. 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; and
- s. Allowances, earnings, and payments to individuals participating in programs under the Workforce Investment Act of 1998.

### C. Adjusted Income

Adjusted Income (the income upon which income-based rent is based) means Annual Income less the following deductions:

#### For All Families

1. Child Care Expenses: A deduction of amounts to be paid by the family for the care of children under 13 years of age for the period for which Annual Income is computed, but only when such care is necessary to enable a family member to be gainfully employed, to seek employment, or to further his/her education. Amounts deducted must be unreimbursed expenses and will not exceed: (a) the amount of income earned by the family member released to work; or (b) an amount determined to be reasonable by HHA when the expense is incurred to permit education or to seek employment.
2. Dependent Deduction: An exemption of \$480 for each member of the family residing in the household (other than the head of household, or spouse, Live-in Aide, foster adult or foster child) who is under eighteen years of age or who is eighteen years of age or older and disabled, or a full-time student.
3. Work-related Disability Expenses/Disability Assistance Allowance: a deduction of unreimbursed amounts paid for attendant care or auxiliary apparatus expenses for family members with disabilities where such expenses are necessary to permit a family member(s), including the disabled member, to be employed. In no event may the amount of the deduction exceed the employment income earned by the family member(s) freed to work. Equipment and auxiliary apparatus may include but are not limited to: wheelchairs, lifts, reading devices for the visually impaired, and equipment added to cars and vans to permit their use by the disabled family member. Also included would be the annualized cost differential between a car and the cost of a van required by the family member with disabilities.
  - a. For non-elderly families and elderly or disabled families without medical expenses: the amount of the deduction equals the cost of all unreimbursed expenses for work-related disability expense less three percent of Annual Income, provided the amount so calculated does not exceed the employment income earned.
  - b. For elderly or disabled families with medical expenses: the amount of the deduction equals the cost of all unreimbursed expenses for work-related disability expense less three percent of Annual Income (provided the amount so calculated does not exceed the employment income earned) PLUS medical expenses as defined below.

For elderly and disabled families only

1. Medical Expense Deduction: A deduction of unreimbursed Medical Expenses, including insurance premiums, for the period for which Annual Income is computed. Medical expenses include but are not limited to: services of physicians and other health care professionals, services of health care facilities, health insurance premiums (including the cost of Medicare), prescription and non-prescription medicines, transportation to and from treatment, dental expenses, eyeglasses, hearing aids and batteries, attendant care (unrelated to employment of family members), and payments on accumulated medical bills. To be considered by HHA for the purpose of determining a deduction from income, the expenses claimed must be verifiable.
  - a. For elderly or disabled families without work-related disability expenses: The amount of the deduction will equal total medical expenses is three (3) percent of annual income.
  - b. For elderly or disabled families with both work-related disability expenses and medical expenses: the amount of the deduction is calculated as described in paragraph 3 (b) above.
2. Elderly/Disabled Household Exemption: an exemption of \$400 per household. See Definitions in the next section.

**D. Fixed Income Families**

1. For any family member with a fixed source of income, HHA will elect to determine that family member's income by a streamlined income determination. Streamline income determination will be conducted by applying, for each fixed-income source, the verified cost of living adjustment (COLA) or current interest to the previously verified or adjusted income amount.
2. Family member with a fixed income source- family members whose income includes periodic payment at reasonably predictable levels from one or more of the following sources:
  - a. Social Security, Supplemental Security Income, Supplemental Disability Insurance;
  - b. Federal, state, local or private pension plans
  - c. Annuities or other retirement benefits programs, insurance policies, disability or death benefits, or other similar types of periodic receipts;
  - d. Any other source of income subject to adjustment by a verifiable COLA or current rate of interest.
3. HHA will use a COLA or current rate of interest specific to the fixed source of income in order to adjust the income amount. HHA will verify the appropriate COLA or current rate of interest from a public source or through tenant provided, third party generated documentation. If not such verification of income amounts in order to calculate the change in income for the source. For Fixed Income Families HHA will obtain third party verification of all income amounts every 3 years starting in 2017.

**E. Computing Income-based Rent**

1. Total Tenant Payment (TTP)
  - a. The first step in computing income-based rent is to determine each family's Total Tenant Payment.
  - b. Then, if the family is occupying an apartment that has tenant-paid utilities, the Utility Allowance is subtracted from the Total Tenant Payment.
  - c. The result of this computation, if a positive number, is the Tenant Rent.
  - d. If the Total Tenant Payment less the Utility Allowance is a negative number, the result is the utility reimbursement.

2. Total Tenant Payment (income-based rent) is the higher of:
  - a. 30% of adjusted monthly income;
  - or
  - b. 10% of monthly income; but never less than the
  - c. Minimum Rent of \$50.
3. Tenant rent
  - a. Tenant rent is computed by subtracting the utility allowance for tenant supplied utilities (if applicable) from the Total Tenant Payment.
  - b. In developments where the landlord pays all utility bills directly to the utility supplier, Tenant Rent equals Total Tenant Payment.
4. Rent to Landlord
  - a. Rent to landlord is the greater of:
    - i. The Payment Standard less the landlord's Housing Assistance Payment; or.
    - ii. The Gross Rent less the landlord's Housing Assistance Payment
5. Minimum Rent- the Minimum Rent will be \$50 per month.
6. Minimum rent hardship exemption
 

A hardship exemption will be granted to residents who can document that they are unable to pay the \$50 because of a long-term hardship (over 90 days). Examples of situations under which residents would qualify for the hardship exemption to the minimum rent are limited to the following: The family has lost eligibility for or is applying for an eligibility determination for a Federal, State or local assistance program;

  - a. The family would be evicted as result of the imposition of the minimum rent requirements;
  - b. The income of the family has decreased because of changed circumstances, including loss of employment;
  - c. A death in the family has occurred;

Being exempted from paying minimum rent does not mean the family automatically pays nothing. Instead, the family is required to pay the greater of 30% of Adjusted Monthly Income or 10 percent of monthly income.

**IX. PROJECT-BASED VOUCHER (PBV) ASSISTANCE**

**PART 1: GENERAL REQUIREMENTS**

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

**Size of Project-Based Voucher Program**

HHA will operate a project-based voucher program using up to 20 percent of its authorized ACC units for project-based assistance. HHA may attach PBV assistance to existing housing, newly constructed or rehabilitated housing [24 CFR 983.52].

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

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

Only units that that are under a HAP contract that was first executed on or after April 18, 2017, may be covered by the 10 percent exception. [FR Notice 1/18/17; PIH Notice 2017-21]

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.

### **Applicability of Tenant-Based Voucher Regulations**

Except as otherwise noted in this chapter, or unless specifically prohibited by PBV program regulations, HHA's 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 program that do not apply to the PBV program are described at 24 CFR 983.2.

### **Relocation Assistance**

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

### **Equal Opportunity**

HHA 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, HHA will comply with the PHA Plan certification on civil rights and affirmatively furthering fair housing, submitted in accordance with 24 CFR 903.7(o). [24 CFR 983.8]



## **PART 2: PBV OWNER PROPOSALS**

### **Overview**

Before selecting a PBV proposal, HHA 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].

### **Owner Proposal Selection [24 CFR 983.51(b)]**

HHA may select PBV proposals by either of the following two methods.

- Request for PBV Proposals. HHA may solicit proposals by using a request for proposals to select proposals on a competitive basis. HHA shall 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.
- Proposals that were previously selected based on a competition. This may include selection of a proposal for housing assisted under a federal, state, or local government housing assistance program that was subject to a competition in accordance with the requirements of the applicable program, community development program, or supportive services program that requires competitive selection of proposals (e.g., HOME, and units for which competitively awarded LIHTCs have been provided), where the proposal has been selected in accordance with such program's competitive selection requirements within three years of the PBV proposal selection date, and the earlier competitive selection proposal did not involve any consideration that the project would receive PBV assistance. Under these circumstances, HHA shall not conduct another competition.

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

HHA may attach PBVs to projects in which HHA has an ownership interest or has control of, without following a competitive process, in cases where HHA is engaged in an initiative to improve, develop, or replace a public housing property or site. If HHA plans rehabilitation or new construction, a minimum threshold of \$25,000 per unit in hard costs is required. If HHA plans to replace public housing by attaching project-based assistance to existing housing in which HHA has an ownership interest or over which HHA has control, the minimum threshold does not apply provided that the existing housing substantially complies with HUD housing quality standards. "Substantially complies with HUD's housing quality standards" means that the housing does not have any life-threatening violations as described in the Administrative Plan above.

The units selected under this section must be eligible for PBV assistance in accordance with 24 CFR 983.53, and the selection of the units must satisfy all other applicable statutory and regulatory requirements of the PBV program. HHA shall detail the work it plans to do on the public housing property or site as well as how many units it plans to project-base at the property or site through the annual and/or five-year plan process.

Pursuant to this section and HUD PIH Notice 2017-21, HHA intends to project-base vouchers without following a competitive process in connection with its plans to replace the following public housing developments.

<b>Development</b>	<b># of Units</b>
Clayton Homes	296
Kelly Village	230

The developments listed above will be replaced with affordable housing owned or controlled by HHA at off-site locations that complies with HUD housing quality standards and meets all other applicable program requirements. Units selected may include new construction, substantial rehabilitation and/or acquisition of existing housing based on HHA’s assessment of the best available options to meet the needs of the community and HHA residents. HHA may modify this project listing in the future. The net number of affordable units awarded PBV assistance may exceed the original number of public housing units, where allowed under regulation.

**Solicitation and Selection of PBV Proposals: RFP Method [24 CFR 983.51(c)]**

HHA may issue a request for PBV proposals (RFP) when it determines that a competitive selection process has a reasonable likelihood of generating proposals that will expand housing opportunities and housing choice in the City. Owner proposals will be requested in an advertisement with a reasonable deadline and posted on HHA’s website. HHA may either establish a single deadline for submission or establish multiple deadlines. For example, HHA may publish a public notice indicating that proposals will be accepted for a one year period with quarterly proposal submission deadlines.

HHA will not limit proposals to a single site or impose restrictions that explicitly or practically exclude owners from submitting project-based proposals on different sites. The HHA may restrict proposals to those that have a certain number of bedrooms based on waiting list or community need. Owners that request an application package will be sent an RFP application and information packet or provided with instructions on how to download the application from HHA’s website. The application package will contain the following:

1. A description of the PBV program;
2. Project selection criteria;
3. Sample program documents including payment standard schedule, utility allowance schedule and sample HAP agreement;
4. An application / proposal form;
5. Information about application due date;
6. Other information as may be required by HHA.

At HHA’s option, a Bidders Conference may be provided for owners who would like additional information about the program.

HHA will review only proposals submitted in response to the Request for Proposals advertisement and submitted by the stated deadline. The HHA will review proposals for completeness and compliance with RFP requirements. Proposals must include the following information (threshold requirements):

1. Property description, including unit sizes, number of vacancies, eligible occupants.
2. Evidence that property is eligible housing;
3. Evidence that property complies with the cap on the number of PBV units per project;

4. Evidence that property meets the applicable site and neighborhood selection standards;
5. Owner certification indicating understanding and agreement to abide by all HHA and HUD rules and regulations governing the PBV program;
6. Description of previous management experience and participation in HUD subsidized housing programs;
7. Written tenant selection policy and procedures;
8. Proposed rent levels accompanied by rent comparables for similar unassisted units in the area;
9. Information on how the site is consistent with the deconcentration goals already established in the HHA's PHA Plan and with civil rights laws and regulations, including HUD's rules on accessibility;
10. Owner's agreement to select tenants from the HHA waiting list; and,
11. Other information that may be required by HHA to evaluate the proposal.

In addition, proposals for PBV New Construction and/or Substantial Rehabilitation must include:

1. Description of project including work plans;
2. Zoning permits and evidence of site control;
3. Disclosure of Low Income Tax Credit use or lien;
4. Statement of Sources and Uses for Funds to develop the project;
5. Operating proforma;
6. Descriptions of historic and environmental review status;
7. Owner's plan to manage and maintain property; and,
8. Other information that may be required by HHA to evaluate the proposal.

HHA will rate and rank proposals using criteria published in the RFP. Such criteria shall be further defined in the RFP issued by HHA and generally relate to:

- Owner experience and capability to build, rehabilitate and or manage housing as identified in the RFP;
- Financial feasibility of the project including commitments for development financing where applicable and adequacy of projected operating funding;
- Extent to which the project furthers the goal of deconcentrating poverty and expanding housing and economic opportunities;
- Extent to which the project supports HHA goals related to permanent supportive housing, youth aging out of foster care, reducing homelessness, support for City and/or other revitalization initiatives and/or other goals identified in the RFP;
- Extent to which the project demonstrates an appropriate supportive services plan based on projected resident needs; and,
- Other criteria as defined in the RFP issued by HHA.

Incomplete proposals will not be processed; however, HHA may provide the owner with an opportunity to address any deficiencies. If the owner fails to provide the needed information within a reasonable time as specified by HHA, the proposal will be rejected. Proposals, which would require permanent displacement of tenants, will be rejected. Proposals where there is not site control will be rejected. Proposals where the property has liens attached and these liens are a result of the current owner's

negligence will be rejected.

Proposals are subject to review and approval by the HHA Board of Commissioners. The proposal selection date is the date that the proposal is approved by the HHA Board of Commissioners.

### **Selection of Proposals Subject to a Previous Competition**

If sufficient funds are available, HHA may elect to accept proposal(s) for PBV assistance from owner(s) 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, provided that the proposal(s) are consistent with the site selection standards, further compliment other local activities, and are consistent with HHA's PHA Plan. The selection under the prior competition must have occurred within three years of the PBV proposal selection date, and the earlier competition could not involve consideration that the project would receive PBV assistance.

On an ongoing basis, HHA may directly solicit proposal(s) from owners that qualify under this method and/or may review and consider proposal(s) solicited by project owners. In order for HHA to consider a proposal under this method, the owner must submit the following to HHA's purchasing Department:

1. A description of the project including location, unit mix and type, as well as amount of proposed PBV units with sufficient detail to determine that the property is eligible housing, complies with the cap on the number of PBV units per project, and meets the site selection standards.
2. Current operating budgets and operating proforma showing current and proposed rents, utility allowances, vacancy rates, and project expenses.
3. A description of the owner entity and any partners including the management team.
4. Description of the need for vouchers and services offers on site.
5. Any other additional information needed to make a determination that the project complies with HHA policy priorities, federal, state, and local laws.

If funds for Project Based Vouchers are available, HHA may select proposals that are consistent with the site selection standards, further compliment other local activities, and are consistent with HHA's PHA Plan. HHA shall provide prompt notice to the owner and public notice of its selection of units for PBV assistance under this selection method. Proposals selected under this method are subject to the HQS inspection, subsidy layering review, environmental review, and all other applicable requirements noted above in the discussion of proposals selected under the Request for Proposals method.

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

An HHA-owned unit may be assisted under the PBV program only if the HUD field office or HUD-approved independent entity reviews the selection process and determines that the units were appropriately selected based on the selection procedures specified in the Administrative Plan. The term of the HAP contract and any HAP contract renewal must be agreed upon by HHA and the HUD-approved independent entity. In addition, the 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 the independent entity.

The independent entity that performs these program services may be the unit of general local government for Houston or another HUD-approved public or private independent entity.

HHA may only compensate the independent entity from its ongoing administrative fee income (including amounts credited to the administrative fee reserve).

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

Within 30 business days of HHA Board approval of a PBV selection, HHA will notify the selected owner in writing of the owner's selection for the PBV program. HHA will also notify in writing all owners that submitted proposals that were not selected. Owners of rejected proposals will be offered an opportunity to discuss the rejection in person with HHA proposal evaluators.

HHA will also post the notice of owner selection on its web site.

#### **Housing Type [24 CFR 983.52]**

HHA may attach PBV assistance for units in existing housing, newly constructed or rehabilitated housing developed under and in accordance with an Agreement to enter into a Housing Assistance Payments contract (AHAP) 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 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.

#### **Ineligible Housing Types [24 CFR 983.53]**

HHA may not attach or pay PBV assistance to shared housing units; units on the grounds of a penal reformatory, medical, mental, or similar public or private institution; nursing homes or facilities providing continuous psychiatric, medical, nursing services, board and care, or intermediate care (except that assistance may be provided in assisted living facilities); units that are owned or controlled by an educational institution or its affiliate and are designated for occupancy by students; manufactured homes; and transitional housing.

HHA may not attach or pay PBV assistance for a unit occupied by an owner and HHA may not select or enter into an AHAP 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.

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.

HHA may not attach or pay PBV assistance to units in any of the following types of subsidized housing [24 CFR 983.54]:

- 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 HHA 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 HHA in accordance with HUD requirements.

**Subsidy Layering Requirement [24 CFR 983.55, FR Notice 11/24/08, FR Notice 7/9/10, and FR Notice 6/25/14]**

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

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.

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

**Cap on PBV Units [24 CFR 983.56, FR Notice 1/18/17, and Notice PIH 2017-21]**

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

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

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

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

The Housing Opportunity Through Modernization Act of 2016 (HOTMA) eliminated the project cap exemption for projects that serve disabled families and modified the exception for supportive services. Projects where these caps were implemented prior to HOTMA (HAP contracts executed prior to April 18, 2017) may continue to use the former exceptions and may renew their HAP contracts under the old requirements, unless HHA 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.

Notwithstanding the above, HHA may establish limitations on the number of units and/or the size of projects that will receive PBV assistance. Any such limits shall be identified in the Request for Proposals issued by HHA, or shall be communicated to owners considered for selection under the non-competitive, prior competition method.

### **Definition of Supportive Services**

The types of services that the HHA will deem eligible to qualify a project to meet HUD's definition of families receiving supportive services include, but are not limited to:

- Meal service adequate to meet nutritional need
- Housekeeping Aid and Household Training (e.g.: homemaking, parenting skills, money management)
- Personal assistance
- Transportation services
- Health-related services such as Substance Abuse Treatment (counseling and treatment for substance abuse)
- Educational and Employment services such as Job Training (preparation and counseling, job development and placement, follow-up assistance after job placement, completion of FSS "Contract of Family Participation) or Remedial Education (education for the completion of Secondary or post-secondary education).
- Self Sufficiency Services and Resources (appropriate to assist families to achieve economic independence and self-sufficiency); other services designed to help the recipient live in the community as independently as possible.

It is not required that services be provided at or by the project, provided that they are approved services. HHA will require owners of such projects to submit an Annual Progress Report to ensure compliance with the supportive service exemption on the number of units per building. Failure to submit Annual Progress Reports may result in abatement of the HAP payment.

### **Site and Neighborhood Standards Applicable to All Housing Types**

HHA may select a proposal for PBV assistance for existing, newly constructed or rehabilitated housing if it is consistent with the following:

1. The housing site must be located in HHA's jurisdiction and be consistent with the deconcentration goals already established in HHA's PHA Plan and with civil rights laws and regulations, including

- HUD's rules on accessibility;
2. HHA will evaluate each proposal based on whether the site is in an Enterprise Zone, Economic Community or Renewal Community (EZ/EC/RC);
  3. Whether the concentration of assisted units will or has decreased as a result of public housing demolition;
  4. Whether the census tract is undergoing significant revitalization;
  5. Whether government funding has been invested in the area;
  6. Whether new market rate units are being developed in the area which are likely to positively impact the poverty rate in the area;
  7. If the poverty rate in the area is greater than 20% whether in the past five years there has been an overall decline in the poverty rate, and
  8. Whether there are meaningful opportunities for educational and economic advancement in the area.
  9. The site must be suitable from the standpoint of facilitating and further compliance with the applicable provisions of the Title VI of the Civil Rights Act of 1964, Title VIII of the Civil Rights Act of 1968, Executive Order 11063 and HUD's implementing regulations for the foregoing.
  10. The site must meet the section 504 site selection requirements described in 24 CFR 8.4(b)(5).
  11. The site must meet the HQS site standards at 24 CFR 982.401(l).

#### **Existing and Rehabilitated Housing Site and Neighborhood Standards**

A site for existing or rehabilitated PBV housing must meet the following site and neighborhood standards:

1. The site must be adequate in size, exposure and contour to accommodate the number and type of units proposed, and is there adequate utilities and available streets to service the site;
2. The site must promote greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons;
3. The site must be accessible to social, recreational, educational, commercial and health facilities and services and other municipal facilities and services that are at least equivalent to those typically found in neighborhoods consisting largely of unassisted, standard housing of similar market rents; and,
4. The site must be located such that travel time and cost via public transportation or private automobile from the neighborhood to places of employment providing a range of jobs for lower income workers is not excessive.

#### **New Construction Site and Neighborhood Standards**

A site for newly constructed PBV housing must meet the following site and neighborhood standards:

1. The site must be adequate in size, exposure, and contour to accommodate the number and type of units proposed, and adequate utilities (water, sewer, gas, and electricity) and streets must be available to service the site.
2. The site must not be located in an area of minority concentration, except as permitted under paragraph (3) below, and must not be located in a racially mixed area if the project will cause a significant increase in the proportion of minority to non-minority residents in the area.
3. A project may be located in an area of minority concentration only if:



- a. 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
- b. The project is necessary to meet overriding housing needs that cannot be met in that housing market area.
- c. As used in paragraph (3)(a) above, “sufficient” does not require that there be an equal number of assisted units within and outside of areas of minority concentration. Rather, application of this standard should produce a reasonable distribution of assisted units each year that, over a period of several years, will approach an appropriate balance of housing choices within and outside areas of minority concentration. An appropriate balance must be determined in light of local conditions affecting the range of housing choices available for low-income minority families and in relation to the racial mix of the City’s population.
- d. Units may be considered “comparable opportunities,” as used in paragraph 3)(a) above, if they have the same household type (elderly, disabled, family, large family) and tenure type (owner/renter); require approximately the same tenant contribution towards rent; serve the same income group; are located in the same housing market; and are in standard condition.
- e. Application of this sufficient, comparable opportunities standard involves assessing the overall impact of HUD-assisted housing on the availability of housing choices for low-income minority families in and outside areas of minority concentration, and must take into account the extent to which the following factors are present, along with other factors relevant to housing choice:
  - i. A significant number of assisted housing units are available outside areas of minority concentration.
  - ii. There is significant integration of assisted housing projects constructed or rehabilitated in the past 10 years, relative to the racial mix of the eligible population.
  - iii. There are racially integrated neighborhoods in the locality.
  - iv. Programs are operated by the locality to assist minority families that wish to find housing outside areas of minority concentration.
  - v. Minority families have benefited from local activities ( *e.g.* , acquisition and write-down of sites, tax relief programs for homeowners, acquisitions of units for use as assisted housing units) undertaken to expand choice for minority families outside of areas of minority concentration.
  - vi. A significant proportion of minority households has been successful in finding units in non-minority areas under the tenant-based assistance programs.
  - vii. Comparable housing opportunities have been made available outside areas of minority concentration through other programs.
  - viii. Application of the “overriding housing needs” criterion, for example, permits approval of sites that are an integral part of an overall local strategy for the preservation or restoration of the immediate neighborhood and of sites in a neighborhood experiencing significant private investment that is demonstrably improving the economic character of the area (a “revitalizing area”). An “overriding housing need,” however, may not serve as the basis for determining that a site is acceptable, if the only reason the need cannot otherwise be feasibly met is that discrimination on the basis of race, color, religion, sex, national origin, age, familial status, or disability renders sites outside areas of minority concentration unavailable or if the use of this standard in recent years has had the effect of circumventing the obligation to provide housing choice.
- f. The site must promote greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons.
- g. The neighborhood must not be one that is seriously detrimental to family life or in which substandard dwellings or other undesirable conditions predominate, unless there is actively in

progress a concerted program to remedy the undesirable conditions.

- h. The housing must be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services that are at least equivalent to those typically found in neighborhoods consisting largely of unassisted, standard housing of similar market rents.
- i. Except for new construction, housing designed for elderly persons, travel time, and cost via public transportation or private automobile from the neighborhood to places of employment providing a range of jobs for lower-income workers, must not be excessive.

### **Environmental Review [24 CFR 983.58]**

Activities under the PBV program are subject to HUD environmental regulations at 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.). HHA may not enter into an AHAP 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.

HHA may not enter into an AHAP contract or a HAP contract with an owner, and HHA, 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.

HHA shall 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 3: DWELLING UNITS**

#### **Housing Quality Standards [24 CFR 983.101]**

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

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

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

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

#### **Housing Accessibility for People with Disabilities**

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

### **Inspecting Units**

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

HHA shall examine the proposed site before the proposal selection date. For existing units, HHA shall inspect all the units before the proposal selection date, and shall determine whether the units substantially comply with HQS. To qualify as existing housing, units must substantially comply with HQS on the proposal selection date. HHA shall not execute the HAP contract until the units fully comply with HQS.

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

HHA shall inspect each contract unit before execution of the HAP contract, and shall not enter into a HAP contract covering a unit until the unit fully complies with HQS.

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

HHA shall inspect each contract unit before providing assistance to a new family including at unit turnover. HHA will not provide assistance in turnover units until the unit fully complies with HQS.

#### *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, HHA shall inspect a random sample consisting of at least 20 percent of the contract units in each building to determine if the contract units and the premises are maintained in accordance with HQS. Turnover inspections are not counted toward meeting this inspection requirement. HHA shall generally perform all required inspections in a PBV project at the same time. If more than 20 percent of the sample of inspected contract units in a building fail the initial inspection, HHA shall reinspect 100 percent of the contract units in the building.

#### *Other Inspections [24 CFR 983.103(e)]*

HHA shall 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, taking into account complaints and any other information coming to its attention in scheduling inspections.

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

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

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

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

**PART 4: REHABILITATED AND NEWLY CONSTRUCTED UNITS**

Rehabilitated and newly constructed housing selected for PBV assistance may not at a later date be selected for PBV assistance as existing housing.

**Agreement to Enter into HAP Contract**

To offer PBV assistance in rehabilitated or newly constructed units, HHA shall enter into an Agreement to enter into HAP contract (AHAP) with the owner of the property. The AHAP shall be in the form and include the contents required by HUD [24 CFR 983.152(b)]. HHA may not enter into an AHAP 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.

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

HHA may not enter into the AHAP if construction or rehabilitation has started after proposal submission. HHA may not enter into the Agreement with the owner until the subsidy layering review is completed, the environmental review is completed and HHA has received environmental approval.

HHA 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. [24 CFR 983.153]

HHA shall enter into the AHAP with the owner promptly after receiving both environmental approval and notice that subsidy layering requirements have been met, and before construction or rehabilitation work is started.

**Labor Standards [24 CFR 983.154(b)]**

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

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

#### **Evidence of Completion [24 CFR 983.155(b)]**

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

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

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

#### **HHA Acceptance of Completed Units [24 CFR 983.156]**

Upon notice from the owner that the housing is completed, HHA shall inspect to determine if the housing has been completed in accordance with the AHAP, including compliance with HQS and any additional requirements imposed under the AHAP.

If the work has not been completed in accordance with the AHAP, HHA shall not enter into the HAP contract.

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

#### **PART 5: HOUSING ASSISTANCE PAYMENTS CONTRACT (HAP)**

HHA shall enter into a HAP contract with an owner for units that are receiving PBV assistance. 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 shall be in the form and include all the content required by HUD [24 CFR 983.202(a), 983.203].

#### **HAP Contract Execution [24 CFR 983.204]**

HHA shall not enter into a HAP contract until each contract unit has been inspected and HHA has determined that the unit complies with the Housing Quality Standards (HQS). For existing housing, the HAP contract shall be executed promptly after HHA selects the owner proposal and inspects the housing units. For newly constructed or rehabilitated housing, the HAP contract shall be executed after HHA has inspected the completed units and has determined that the units have been completed in accordance with the AHAP, and the owner furnishes all required evidence of completion.

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

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

The term of all PBV HAP contracts shall 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, HHA at its discretion may extend the term of the contract for an additional term of up to 20 years if HHA determines an extension is appropriate to continue providing affordable housing for low-income families. HHA 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, HHA 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 HHA-owned units, any extension of the term of the HAP contract must be agreed upon by HHA and the independent entity approved by HUD [24 CFR 983.59(b)(2)].

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

Not less than one year before the HAP contract terminates, or if the owner refuses to renew the HAP contract, the owner must notify HHA 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 does not begin until the owner's required notice period ends. HHA shall provide the family with a voucher and the family shall also be given the option by HHA and owner to remain in their unit with HCV tenant-based assistance as long as the unit complies with inspection and rent reasonableness requirements. The family must pay their total tenant payment (TTP) and any additional amount if the gross rent exceeds the applicable payment standard. The family has the right to remain in the project as long as the units are used for rental housing and are otherwise eligible for HCV assistance. The owner may not terminate the tenancy of a family that exercises its right to remain except for serious or repeated lease violations or other good cause. Families that receive a tenant-based voucher at the expiration or termination of the PBV HAP contract are not new admissions to the 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)]**

HHA will abate and terminate PBV HAP contracts for non-compliance with HQS in accordance with the policies used in the tenant-based voucher program.

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

At HHA'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, HHA shall inspect the proposed unit and determine the reasonable rent for the unit.

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

HHA and the 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, provided that HHA determines that such action promotes housing opportunities and/or housing choice and is consistent with the PHA Plan. The additional PBV units, however, are subject to the PBV program cap and individual project caps. Prior to attaching additional units without competition, the HHA shall submit to the local field office information outlined in FR Notice 1/18/17.

#### **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 HHA 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.

HHA may identify the need for any special features on a case-by-case basis depending on the intended occupancy of the PBV project. HHA will specify any special design standards or additional requirements in the invitation for PBV proposals, the AHAP contract and the HAP contract.

### **Vacancy Payments [24 CFR 983.352(b)]**

At HHA's discretion, on a case-by-case basis, the HAP contract may provide for vacancy payments to the owner for up to a 60 day 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 shall not 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).

## **PART 6: SELECTION OF PBV PROGRAM PARTICIPANTS**

### **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.

### **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 HHA 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 shall be placed on HHA's waiting list. Once the family's continued eligibility is determined, the family must be given an absolute selection preference and HHA shall 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.

### **Selection from the Waiting List [24 CFR 983.251(c)]**

HHA shall use the same waiting list for both tenant-based and PBV assistance. Except where noted in the Administrative Plan, the HHA's tenant selection procedures for the tenant-based programs apply for units assisted under the PBV Program. Except for units which are occupied by eligible "in place" tenants upon the commencement of the project based contract term, when a vacancy exists at a PBV site, the HHA will notify the next families on the appropriate HHA PBV waiting list. HHA's letter to the applicants will also state that if the applicant is interested in residing in the vacant PBV unit that the applicant will not lose his/her place on the HHA's Section 8 waiting list (if applicable) until that person has been leased in the PBV unit.

All applicants indicating interest in the PBV units will be selected by HHA in chronological order by preference category if applicable, and prescreened for Section 8 eligibility. Applicants must meet all of HHA's applicable eligibility and suitability requirements. HHA will refer qualified applicants to the owner for all vacancies. If the HHA referrals do not provide the owner with a suitable tenant for the unit within 30 days, the owner may refer a Section 8 eligible individual or family from the owner's waiting list to the PBV waiting list. The referred family must meet the HHA's waiting list priority criteria.

For VASH PBV, applicants referred by the VA indicating interest in the PBV units will be prescreened by



the HHA for Section 8 eligibility and referred to the owner in chronological order.

The owner chooses a tenant for occupancy from the qualified applicants referred by HHA based on their written, HHA approved tenant selection policy.

#### **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, HHA shall first refer families who require such features to the owner.

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

HHA may establish a selection preference for families who qualify for voluntary services, including disability-specific services, offered in conjunction with assisted units, provided that preference is consistent with the PHA Plan. HHA shall not 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.

HHA 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).

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

HHA shall not take any of the following actions against a family who has applied for, received, or refused an offer of PBV assistance:

- Refuse to list the applicant on the waiting list for tenant-based voucher assistance;
- Deny any admission preference for which the applicant qualifies;
- Change the applicant's place on the waiting list based on preference, date, and time of application, or other factors affecting selection under the HHA'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 shall 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, HHA shall 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, HHA shall provide a briefing packet that explains how it 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, HHA shall 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. HHA shall refer a family that includes a member with a mobility impairment to an appropriate accessible PBV unit.

### **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 HHA from the PHA's waiting list. The contract unit leased to the family must be the appropriate size unit for the size of the family, based on the PHA's subsidy standards.

### **Filling Vacancies [24 CFR 983.254(a)]**

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

HHA will make reasonable efforts to refer families to the owner within 10 business days of receiving such notice from the owner.

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

If any contract units have been vacant for 120 days, HHA may give notice to the owner that the HAP contract will be amended to reduce the number of contract units that have been vacant for this period. The amendment to the HAP contract will be effective the 1<sup>st</sup> day of the month following the date of the PHA's notice.

### **HHA Responsibility**

HHA does not conduct screening to determine a PBV applicant family's suitability for tenancy. HHA 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. HHA will not provide any additional information to the owner, such as tenancy history, criminal history, etc.

## **Owner Responsibility**

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

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

## **PART 7: OCCUPANCY**

### **Lease [24 CFR 983.256]**

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

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 983.256]

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.

The owner shall ensure the lease is compliant with state and local law. HHA will not review the owner's lease for compliance with state or local law.

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.

### **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 HHA a copy of all changes.

The owner must notify HHA 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 HHA and in accordance with the terms of the lease relating to its amendment. HHA must redetermine reasonable

rent, in accordance with program requirements, based on any change in the allocation of the responsibility for utilities between the owner and the tenant. The redetermined reasonable rent will be used in calculation of the rent to owner from the effective date of the change.

#### **Owner Termination of Tenancy [24 CFR 983.257]**

With two exceptions, the owner of a PBV unit may terminate tenancy for the same reasons an owner may in the tenant-based voucher program. 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 HHA policy. According to program requirements, the family’s assistance must be terminated if they are absent from the unit for more than 180 consecutive days. HHA termination of assistance actions due to family absence from the unit are subject to 24 CFR 981.312, except that the unit is not terminated from the HAP contract if the family is absent for longer than the maximum period permitted.

#### **Continuation of Housing Assistance Payments [24 CFR 982.258]**

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

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

#### **Security Deposits [24 CFR 983.259]**

Owners may collect a security deposit that is reasonable and comparable to security deposits collected for similar, unassisted units in the area. HHA prohibits security deposits in excess of private market practice or in excess of amounts charged 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. HHA has no liability or responsibility for payment of any

amount owed by the family to the owner.

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

If HHA determines that a family is occupying a wrong size unit, based on HHA'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, HHA shall promptly notify the family and the owner of this determination, and HHA shall offer the family the opportunity to receive continued housing assistance in another available unit. HHA will offer the family the following types of continued assistance in the following order, based on the availability of assistance:

- PBV assistance in the same building or project;
- PBV assistance in another project; and
- Tenant-based voucher assistance.

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

If HHA offers a family another form of assistance that is not a tenant-based voucher, the family will be given 30 days from the date of the offer to accept the offer and move out of the PBV unit. If the family does not move out within this 30-day time frame, HHA will terminate the housing assistance payments at the expiration of this 30-day period. HHA may make exceptions to this 30-day period if needed for reasons beyond the family's control such as death, serious illness, or other medical emergency of a family member.

#### **Family Right to Move [24 CFR 983.261]**

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

If the family terminates the lease in accordance with these requirements, HHA shall 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, HHA shall 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 PBV program, HHA will follow VAWA policies as

described in the Administrative Plan including using the Emergency Transfer Plan as the basis for PBV transfers under VAW.

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

HHA will first try to transfer the participant to another PBV unit in the same development or transfer to a different development where HHA has PBV units. HHA 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 or assistance in the PHA's public housing program. Such a decision will be made by HHA based on the availability of tenant-based vouchers and/or vacancies in public housing units. Such families must be selected from the waiting list for the applicable program.

If a victim wishes to move after a year of occupancy in the unit, but no tenant-based vouchers are available, HHA will offer the participant an internal transfer to another PBV unit in the same development or a transfer to a different development where HHA has PBV units. HHA 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 HHA's public housing program.

#### **Exceptions to the Occupancy Cap [24 CFR 983.262]**

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

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

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

If a family at the time of initial tenancy is receiving and while the resident of an excepted unit has received Family Self-Sufficiency (FSS) supportive services or any other service as defined by HHA 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 HHA, and HHA shall cease paying HAP on behalf of the family.

Further, when a family (or remaining members of a family) residing in an excepted unit no longer meets

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

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

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

HHA will allow families who initially qualified to live in an excepted unit to remain when circumstances change due to circumstances beyond the remaining family members’ control. In all other cases, HHA will provide written notice to the family and owner promptly after making the determination. The family will be given 30 days from the date of the notice to move out of the PBV unit. If the family does not move out within this 30-day time frame, HHA will terminate the housing assistance payments at the expiration of this 30-day period.

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

## **PART 8: DETERMINING RENT TO OWNER**

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 AHAP contract states the estimated amount of the initial rent to owner, the actual amount of the initial rent to owner is established at the beginning of the HAP contract term.

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

### **Rent Limits [24 CFR 983.301]**

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

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

- The reasonable rent; or
- The rent requested by the owner.

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

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

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

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

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

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

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

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

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

- To correct errors in calculations in accordance with HUD requirements



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

If HHA 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, HHA shall 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, HHA shall use the most recently published FMR and the utility allowance schedule in effect at the time of redetermination. At its discretion, HHA may, for initial rent, use the amounts in effect at any time during the 30-day period immediately before the beginning date of the HAP contract, or for redeterminations of rent, the 30-day period immediately before the redetermination date.

Any HUD-approved exception payment standard amount under the tenant-based voucher program also applies to the project-based voucher program.

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

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

**Redetermination of Rent [24 CFR 983.302]**

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

*Rent Increase*

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

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

*Rent Decrease*

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

*Notice of Rent Change*

HHA will provide the owner with 30 days written notice of any change in the amount of rent to owner.

#### **Rent for HHA-Owned Units [24 CFR 983.301(g)]**

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

#### **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 HHA, except where HHA 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**

HHA shall redetermine the reasonable rent for a unit receiving PBV assistance whenever any of the following occur:

- There is a 10 percent or greater decrease in the published FMR in effect 60 days before the contract anniversary (for the unit sizes specified in the HAP contract) as compared with the FMR that was in effect one year before the contract anniversary date;
- HHA 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.

#### **Effect of Other Subsidy [24 CFR 983.304]**

To comply with HUD subsidy layering requirements, at the discretion of HUD or its designee, HHA 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.

## **PART 9: PAYMENTS TO OWNER**

During the term of the HAP contract, HHA shall make housing assistance payments to the owner in accordance with the terms of the HAP contract. During the term of the HAP contract, payments shall 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 shall be paid to the owner on or about the first day of the month for which payment is due, unless the owner and HHA agree on a later date.

Except for discretionary vacancy payments, HHA 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).

In order to receive housing assistance payments, the owner must comply with all provisions of the HAP contract.

### **Vacancy Payments [24 CFR 983.252]**

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 HHA determines that the vacancy is the owner's fault. If HHA determines that the owner is responsible for a vacancy and, as a result, is not entitled to keep the housing assistance payment, HHA will notify the landlord of the amount of housing assistance payment that the owner must repay. HHA will require the owner to repay the amount owed.

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 HHA of the vacancy.

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

### **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 HHA in accordance with HUD requirements. Any changes in the amount of tenant rent will be effective on the date stated in the HHA 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 HHA 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 HHA. The owner must immediately return any excess payment to the tenant.

### **Tenant and HHA 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 HHA.

HHA is responsible only for making the housing assistance payment to the owner in accordance with the HAP contract. HHA is not responsible for paying tenant rent, or any other claim by the owner, including damage to the unit. HHA 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, HHA shall pay the amount of such excess to the tenant as a reimbursement for tenant-paid utilities, and the tenant rent to the owner shall be zero.

HHA may elect to pay the utility reimbursement directly to the family or to the utility supplier on behalf of the family. If HHA chooses to pay the utility supplier directly, HHA shall notify the family of the amount paid to the utility supplier.

### **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.

## **X. REASONABLE ACCOMMODATION FOR PEOPLE WITH DISABILITIES**

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

### **A. Policy Statement**

The Houston Housing Authority ("Housing Authority") is dedicated to ensuring that persons with disabilities are not discriminated against on the basis of disability in connection with the Housing

Authority's programs, services and activities. If a person with a disability requests an accommodation to an existing rule, policy, practice, or service in order to have an equal opportunity to use a dwelling unit or enjoy the benefits of participating in the Housing Authority's services, the Housing Authority will provide the accommodation. The Housing Authority is not required to make changes that would fundamentally alter the program or create an undue financial and administrative burden.

**B. Legal Authority**

This Policy is in compliance with the statutory authority listed below:

1. Section 504 of the Rehabilitation Act of 1973 (Section 504);
2. Titles II and III of the Americans with Disabilities Act of 1990 (ADA);
3. The Fair Housing Act of 1968, as amended (Fair Housing Act);
4. The Architectural Barriers Act of 1968; and
5. 24 C.F. R. Part 8 etc.

**C. Monitoring**

The Legal Compliance Officer is responsible for monitoring compliance with the Reasonable Accommodation Policy and shall be available to applicants, residents, participants, and staff for discussing issues and questions regarding the interpretation or implementation of this Policy. The Legal Compliance Officer's contact information is provided below:

Legal Compliance Officer  
2640 Fountain View Drive  
Houston, Texas 77057  
Phone: (713) 260-0353 • Fax: (713) 260-0376  
TTY: (713) 260-0547

Each housing applicant shall be provided with a copy of either the Notice to Houston Housing Authority Housing Choice Voucher Program Applicants and Participants Regarding Reasonable Accommodations. These notices shall be posted at all times at the public housing developments and at the Housing Authority's Main Administrative Office.

**D. Further detail is available in the Reasonable Accommodation Policy in Attachment A.**

**XI. LANGUAGE ASSISTANCE PLAN & LIMITED ENGLISH PROFICIENCY POLICY**

The Houston Housing Authority (HHA) is committed to ensuring equal access to its programs and services by all residents, regardless of primary language spoken. Title VI and Executive Order 13166 require recipients of federal financial assistance to take reasonable steps to ensure meaningful access to their programs and services by Limited English Proficient (LEP) persons. Persons who do not speak English as their primary language and who have a limited ability to read, write, speak, or understand English can be considered LEP persons.

HHA's Language Assistance Plan defines HHA's approach to ensuring Title VI compliance with respect to LEP persons. HHA will periodically review and update this policy to ensure continued responsiveness to community needs and compliance with Title VI.

**A. Further detail is available in the Language Assistance Plan in Attachment B.**

**XII. DEFINITIONS OF TERMS USED IN THIS ADMINISTRATIVE PLAN**

1. Applicant: An individual or a family that has applied for admission to housing.
2. Area of Operation: Jurisdiction of HHA as described in state law and HHA's Articles of Incorporation: The City of Houston and the area five miles beyond its borders that is not under the jurisdiction of another housing authority.
4. Assets: "Cash" (including checking accounts), stocks, bonds, savings, equity in real property, or the cash value of life insurance policies. Assets do not include the value of personal property such as furniture, automobiles and household effects or the value of business assets." See the definition of Net Family Assets, for assets used to compute annual income.
5. 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.
6. Care attendant: A person that regularly visits the apartment of an HCV participant to provide supportive or medical services. Care attendants are not live-in aides, since they have their own place of residence (and if requested by HHA must demonstrate separate residence) and do not live in the public housing apartment. Care attendants have no rights of tenancy.
7. Citizen: A Citizen (by birth or naturalization) or national of the United States.
8. Co-head of household: One of two persons held responsible and accountable for the family.
9. Covered Families for Welfare Benefits: Families 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 participate in an economic self-sufficiency program as a condition for such assistance.
10. Covered Person: For the purposes of lease enforcement, covered person means a tenant, any member of the tenant's household, a guest or another person under the tenant's control.
11. Dependent: A member of the household, other than head, spouse, sole member, foster child, or Live-in Aide, who is under 18 years of age, or 18 years of age or older and disabled, or a full-time student.
12. Development: The whole of one or more residential structures and appurtenant structures, equipment, roads, walks, and parking lots that are covered by a single contract for federal financial assistance, or are treated as a whole for processing purposes, whether or not located on a common site.
13. Disability Assistance Expenses: Reasonable expenses that are during the period for which annual income is computed for attendant care or auxiliary apparatus for a disabled family member that are incurred to permit an adult family member (including the person with disability) to be employed, provided that the expenses are not paid to a family member, reimbursed by an outside source, and exceed 3 percent of Annual Income.
14. Disabled Family: A family whose head, spouse or sole member is a person with disabilities. (Person with disabilities is defined later in this section.) The term includes two or more persons with disabilities living together, and one or more such persons living with one or more persons including live-in aides determined to be essential to the care and well-being of the person or persons with disabilities. A disabled family may include persons with disabilities who are elderly.
16. Divestiture Income: Imputed income from assets, including business assets, disposed of by applicant or resident in the last two years at less than fair market value.
17. Drug-Related Criminal Activity: The illegal manufacture, sale, distribution, use or possession of a controlled substance with intent to manufacture, sell, distribute, or use the

drug.

18. Economic Self-Sufficiency Program: Any program designed to encourage, assist, train, or facilitate the economic independence of HUD-assisted families or to provide work for such families. These programs include programs for job training, employment, counseling, work placement, basic skills training, education, English proficiency, workfare, financial or household management, apprenticeship, and any program necessary to ready a participant for work (including substance abuse or mental health treatment) or other work activities.
19. Elderly Family: A family whose head or spouse (or sole member) is at least 62 years of age. It may include two or more elderly persons living together, and one or more such persons living with one or more persons, including live-in aides, determined to be essential to the care and well-being of the elderly person or persons. An elderly family may include elderly persons with disabilities and other family members who are not elderly.
20. Elderly Person: A person who is at least 62 years of age.
21. Eligible Immigration Status: For a non-citizen, verification of immigration status eligible for assisted housing consisting of a signed certification and the original copy of an acceptable INS document.
22. Emancipated Minor: A person under age 18 who does not live or intend to live with his/her parents, and who has been declared "emancipated" by a court of competent jurisdiction. An emancipated minor is eligible to be a head of household and sign a HHA lease.
23. Extremely Low Income Family: A Family whose Annual Income does not exceed the higher of the Federal poverty level or 30% of Area Median Income, as published by HUD adjusted for family size.
24. Family: includes, but is not limited to the following, **regardless of actual or perceived sexual orientation, gender identity, or marital status**: (1) A single person, who may be an elderly person, displaced person, disabled person, near-elderly person or any other single person; or (2) A group of persons residing together and such group includes, but is not limited to: (i) A family with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family); (ii) An elderly family; (iii) A near-elderly family; (iv) A disabled family; (v) A displaced family; and (vi) The remaining member of a tenant family.
25. Family Member with a Fixed Source of Income: Family members whose income includes periodic payments at reasonably predictable levels from one or more of the following sources:
  - a. Social Security, Supplemental Security Income, Supplemental Disability Insurance;
  - b. Federal, state, local or private pension plans;
  - c. Annuities or other retirement benefits programs, insurance policies, disability or death benefits, or other similar types of periodic receipts;
  - d. Any other source of income subject to adjustment by a verifiable COLA or current rate of interest.
27. Foster Adult: An adult (usually a person with disabilities) who is placed in someone's home by a governmental agency so the family can help with his/her care. Foster adults may be members of HHA households, but they have no rights as remaining family members. The income received by the family for the care of a Foster Adult is excluded from Annual Income.
28. Full-Time Student: A person who is carrying a subject load that is considered full-time for day students under the standards and practices of the educational institution attended. Educational institution will include but not be limited to: college, university, secondary school, vocational school or trade school.
29. Guest: For the purposes of resident selection and lease enforcement, a guest is a person

- temporarily staying in the unit with the consent of the resident or other member of the household who has express or implied authority to so consent on behalf of the resident.
30. Head of the Household: Head of the household means the family member (identified by the family) who is held responsible and accountable for the family.
31. Imputed Welfare Income: The amount of Annual Income by which a resident's welfare grant has been reduced because of welfare fraud or failure to comply with economic self-sufficiency requirements that is, nonetheless, included in Annual Income for determining rent.
32. Individual with Disabilities:
- a. Section 504 definitions of Individual with Handicaps and Qualified Individual with disabilities are not the definitions used to determine program eligibility. Instead, use the definition of "Person with Disabilities" as defined later in this section. Note: the Section 504, Fair Housing, and Americans with Disabilities Act (ADA) definitions are similar. ADA uses the term "individual with a disability".
  - b. Individual with disabilities means any person who has: A physical or mental impairment that:
    - i. Substantially limits one or more major life activities; has a record of such an impairment; or
    - ii. Is regarded as having such an impairment.
  - c. For purposes of housing programs, 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.
  - d. Definitional elements:
    - i. "physical or mental impairment" means 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
    - ii. 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.
    - iii. "Major life activities" means functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning and working.
    - iv. "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.
    - v. "Is regarded as having an impairment" means 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; or
    - vi. Has a physical or mental impairment that substantially limits one or more major life activities only as result of the attitudes of others toward such impairment; or



- vii. Has none of the impairments defined in this section but is treated by a recipient as having such an impairment.

NOTE: A person would be covered under the first item if HHA refused to serve the person because of a perceived impairment and thus “treats” the person in accordance with this perception. The last two items cover persons who are denied the services or benefits of HHA’s housing program because of myths, fears, and stereotypes associated with the disability or perceived disability.

- e. The 504 definition of disability does not include homosexuality, bisexuality, or transvestitism. Note: These characteristics do not disqualify an otherwise disabled applicant/resident from being covered.
  - f. The 504 definition of individual with disabilities is a civil rights definition. To be considered for admission to public housing a person must meet the program definition of person with disabilities found in this section.
33. Kinship care: An arrangement in which a relative or non-relative becomes the primary caregiver for a child or children but is not the biological parent of the child or children. The primary caregiver need not have legal custody of such child or children to be a kinship caregiver under this definition. (Definition provided by the Kinship Care Project, National Association for Public Interest Law) The primary caregiver must be able to document Kinship care, which is usually accomplished through school or medical records provided directly by the school or medical practitioner to the HHA. School applications submitted by the family are not considered adequate verification of kinship care.
34. Live-in Aide: A person who resides with an elderly person(s), near elderly person(s) or person(s) with disabilities and who: (a) is determined by HHA to be essential to the care and well-being of the person(s); (b) is not obligated to support the family member; and (c) would not be living in the apartment except to provide the necessary supportive services. A family member, including one already living in the family can qualify as a live-in aide. Before admitted a live-in aide to an HCV family, HHA will verify through a qualified medical practitioner:
- a. That the person requesting the live-in aide meets the definition in the Section of “individual with a disability; and
  - b. The live-in aide is needed because of the family member’s disability; and
  - c. That the live-in aide selected (whether a family member or not) is capable of providing the services the family member with a disability needs.
  - d. At no time will HHA request information related to the nature, extent, diagnosis or treatment of an HCV participant.
35. Lower-Income Household: A family whose annual income does not exceed 80 percent of the median income for the area as determined by HUD with adjusted for smaller family size.
36. Medical Expense Allowance: For purposes of calculating adjusted income for elderly or disabled families only, medical expenses mean the medical expense not compensated for or covered by insurance in excess of 3% of Annual Income.
37. Minor: A minor is a person less than 18 years of age. An unborn child will not be considered as a minor. (See definition of dependent.) Some minors are permitted to execute contracts, provided a court declares them “emancipated”.
38. Mixed Family: a family with both citizen or eligible immigrant members and members that are neither citizens nor eligible immigrants. Such a family will be charged a pro-rated rent.
39. Multifamily housing project: For purposes of Section 504, means a project containing five or more dwelling units.
40. 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 or birth in a foreign country to parents who are US citizens.

41. Near-elderly family: means a family whose head, spouse, or sole member is a near-elderly person who may be a person with a disability. The term includes two or more near-elderly persons living together, and one or more such persons living with one or more persons who are determined to be essential to the care or well-being of the near-elderly person or persons. A near-elderly family may include other family members who are not near-elderly.
43. Near-elderly person: means a person who is at least 50 years of age but below 62, who may be a person with a disability.
44. Net Family Assets: The net cash value, after deducting reasonable costs that would be incurred in disposing of the asset(s).
  - a. Real property (land, houses, mobile homes)
  - b. Savings (CDs, IRA or KEOGH accounts, checking and savings accounts, precious metals)  
Cash value of whole life insurance policies
  - c. Stocks and bonds (mutual funds, corporate bonds, savings bonds)
  - d. Other forms of capital investments (business equipment)
  - e. Net cash value is determined by subtracting the reasonable costs likely to be incurred in selling or disposing of an asset from the market value of the asset. Examples of such costs are: brokerage or legal fees, settlement costs for real property, or penalties for withdrawing saving funds before maturity.
  - f. Net Family assets also include the amount in excess of any consideration received for assets disposed of by an applicant or resident for less than fair market value during the two years preceding the date of the initial certification or reexamination. This does not apply to assets transferred as the result of a foreclosure or bankruptcy sale.
  - g. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be less than fair market value if the applicant or resident receives important considerations not measurable in dollar terms
45. Other Person Under the Resident's Control: For the purposes of resident selection and lease enforcement means that the person, although not staying as a guest in the unit is, or was at the time of the activity in question, on the premises because of an invitation from the resident or other member of the household who has express or implied authority to so consent on behalf of the resident. Absent evidence to the contrary, a person temporarily and infrequently on the premises solely for legitimate commercial purposes is not "under the resident's control".
46. Person with disabilities<sup>1</sup> means a person<sup>2</sup> who:
  - a. Has a disability as defined in Section 223 of the Social Security Act 42 USC 423 ; or,
  - b. Has a physical or mental impairment that:
    - i. Is expected to be of long continued and indefinite duration;
    - ii. Substantially impedes his/her ability to live independently; and,
    - iii. Is of such nature that such disability could be improved by more suitable housing conditions; or,
  - c. Has a developmental disability as defined in Section 102 (5) (b) of the Developmental Disabilities Assistance and Bill of Rights Act. 42 USC 6001 (5).

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<sup>1</sup> This is the program definition for public housing. The 504 definition does not supersede this definition for eligibility or admission.

<sup>2</sup> A person with disabilities may be a child.

This is the definition that is used for eligibility and granting deductions for rent.

47. Refusal of Housing: An applicant's choice not to accept a HHA offer of housing without good cause.
48. Rejection for Housing: HHA's determination not to accept an applicant either because of ineligibility or failing applicant screening.
49. Remaining Family Member: A remaining family member is defined as a family member listed on the most recent recertification who is 18 years of age or older, who meets all other eligibility criteria, and is a member of an Authority tenant family, but not a signatory to the lease and who continues to live in the unit after all other family members have left.
50. Qualified Individual with Disabilities, Section 504: means an individual with disabilities who meets the essential eligibility requirements and who can achieve the purpose of the program or activity without modifications in the program or activity that the HHA can demonstrate would result in a fundamental alteration in its nature.
  - a. Essential eligibility requirements include: ...stated eligibility requirements such as income as well as other explicit or implicit requirements inherent in the nature of the program or activity, such as requirements that an occupant of multifamily housing be capable of meeting the recipient's selection criteria and be capable of complying with all obligations of occupancy with or without supportive services provided by persons other than the HHA.
  - b. For example, a chronically mentally ill person whose particular condition poses a significant risk of substantial interference with the safety or enjoyment of others or with his or her own health or safety in the absence of necessary supportive services may be "qualified" for occupancy in a project where such supportive services are provided by the HHA as a part of the assisted program. The person may not be 'qualified' for a project lacking such services.
51. Service Provider: A person or organization qualified and experienced in the provision of supportive services, that is in compliance with applicable licensing requirements imposed by state or local law for the type of service to be provided. The service provider may be either a for-profit or a non-profit entity.
52. Single Person: A person who is not an elderly person, a person with disabilities, a displaced person, or the remaining member of a resident family.
53. Spouse: Spouse means the husband or wife of the head of the household.
54. Tenant Rent: The amount payable monthly by the Family as rent to HHA. If all utilities (except telephone) and other essential housing services are supplied by the HHA, Tenant Rent equals Total Tenant Payment. If some or all utilities (except telephone) and other essential housing services are not supplied by the HHA the cost thereof is not included in the amount paid as rent, and Tenant Rent equals Total Tenant Payment less the Utility Allowance.
55. Total Tenant Payment (TTP): The TTP is calculated using the following formula:  
The greater of 30% of the monthly Adjusted Income (as defined in these policies) or 10% of the monthly Annual Income (as defined in these policies), but never less than the Minimum Rent. If the Resident pays utilities directly to the utility supplier, the amount of the Utility Allowance is deducted from the TTP. See also definition for Tenant Rent.
56. Uniform Federal Accessibility Standards: Standards for the design, construction, and alteration of publicly owned residential structures to insure that physically disabled persons will have ready access to and use of such structures.
57. Utilities: Utilities means water, electricity, gas, other heating, refrigeration and cooking fuels, trash collection, and sewerage services. Telephone service is not included as a utility.

58. Utility Reimbursement: If the Utility Allowance exceeds the Total Tenant Payment of the family, the Authority will provide a Utility Reimbursement Payment to the family each month. The check will be made out directly to the tenant, or may be co-addressed in the name of the tenant and the local utility company.
59. Very Low-Income Family: A very low-income family has an Annual Income less than 50 percent of the median Annual Income for the area, adjusted for family size, as determined by HUD.
61. Welfare Assistance: Welfare or other payments to families or individuals based on need, that are made under programs, separately or jointly, by federal, state or local governments.
62. Work Activities: The term work activities means:
  - a. Unsubsidized employment;
  - b. Subsidized private sector employment;
  - c. Subsidized public sector employment;
  - d. Work experience (including work associated with the refurbishing of publicly assisted housing) if sufficient private sector employment is not available;
  - e. On-the-job training;
  - f. Job search and job readiness programs;
  - g. Community service programs;
  - h. Vocational educational training (< 12 months);
  - i. Job skills training directly related to employment;
  - j. Education directly related to employment, in the case of a recipient who has not received a high school diploma or certificate of high school equivalency;
  - k. Satisfactory attendance at a secondary school or in a course of study leading to a certificate of general equivalence;
  - l. The provision of child care services to an individual who is participating in a community service program.