

**HOUSING AUTHORITY OF THE
TOWNSHIP OF LAKEWOOD**

Administrative Plan

Section 8 Housing Assistance Payments Program

Revised May 22, 2018

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Administrative Plan

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I. INTRODUCTION

(A) Program Requirements

The Lakewood Housing Authority (LHA) shall administer the Section 8 Housing Choice Voucher (HCV) Program in accordance with the applicable program regulations, which include the following:

- Income Limits (Appendix A)
- Utility Allowances (Appendix B)
- Code of Federal Register Part 982 (Appendix C)
- Payment Standards (Appendix D)
- Board Resolutions (Appendix E)
- IRS Publication 502 Medical and Dental Expenses (Appendix F)
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(B) Mission Statement

The Lakewood Housing Authority's mission is to provide safe, decent, affordable and sanitary housing for income eligible families and promote economic self-sufficiency to empower families.

(C) Equal Opportunity Requirements

The LHA shall administer the Program in accordance with the applicable Fair Housing and Equal Opportunity requirements.

(D) Policy Choices - Discretionary Elements

This Administrative Plan describes the policy choices of the LHA in accordance with the Section 8 HCV Program regulations.

Non-discretionary requirements are contained in the program regulations and are considered incorporated into the Administrative Plan.

(E) Tenant-based programs: Purpose and structure.

- (1) The HUD Rental Assistance Program provides rent subsidies so eligible families can afford rent for decent, safe, and sanitary housing. HUD provides funds to a housing authority for rent subsidy on behalf of eligible families. HUD also provides funds for the administration of the programs.

- (2) Families select and rent units that meet program Housing Quality Standards (HQS). If the LHA approves a family's unit and lease, the LHA contracts with the owner to make rent subsidy payments on behalf of the family. The LHA may not approve a lease unless the rent is reasonable. The LHA maintains a list of unassisted units throughout the area. This list contains all types of housing in each bedroom size. For each listing we maintain the approximate age, location, size, rent and utilities and amenities provided. The process of approving a unit and/or lease includes finding a similar unit from our list at a similar rent level.

- (3) In the Housing Choice Voucher Program the subsidy amount is based on Payment Standards as adopted by the LHA. The rent is negotiated between the owner and the tenant. Presently, if the gross rent is below the payment standard the tenant will pay below 30% of income for rent. If the gross rent is above the payment the tenant will pay more than 30% of income for rent. The subsidy for all voucher leases will be based on the lower of the payment standard or the gross rent. A family renting a unit below the Payment Standard shall pay the highest of: 30% of monthly adjusted income, 10% of gross monthly income, or the minimum rent. A family renting a unit above the Payment Standard shall pay the highest of: 30% of monthly adjusted income, 10% of gross monthly income, or the minimum rent, plus any rent above the payment standard. When a family first receives Section 8 assistance for a particular unit or moves into a new unit, the family may not pay more than 40% of adjusted income for rent.

- (4) Applicants who are selected who reside outside of Lakewood shall be required to live in Lakewood for the first year of participation of the program. After the first year those participants will have the right to portability according to the LHA policy. Applicants who are selected who reside in Lakewood shall be allowed to port out of the jurisdiction. Exceptions to this requirement are Mainstream eligible families, FUP/FUPY referrals or other Special Program applicants who are selected who reside outside of Lakewood. They will be allowed to lease up outside Lakewood. If the LHA does not have sufficient funding to allow a participant to move to a "higher cost area" they will not have the right of portability. "Higher Cost Area" is defined as an area where a higher subsidy amount will be paid for a family because of higher payment standard amounts or "more generous" subsidy standards.

Participants will not be allowed to transfer their assistance to another area if monies are owed to the housing authority. Families participating in the Family Self-Sufficiency Program will not be able to transfer as an FSS family until one year following the FSSP Contract date. The LHA reserves the right to prohibit a FSS family from porting out in the event the receiving

PHA does not absorb the family, but chooses to charge a fee for administering the FSS voucher in addition to the normal administrative fee.

(5) Throughout its jurisdictional area, the Lakewood Housing Authority encourages participation of owners of suitable units located outside areas of poverty or minority concentration, and encourages HCV holders to relocate to these areas. However, it must be noted that, in the Authority's best estimation, there are no specific, definable areas of minority or poverty concentration in the Township of Lakewood, Ocean County, New Jersey. (Resolution No. 4698)

(6) The LHA has identified areas that are not suitable for lease up. These areas are the following:

- Lexington Blvd. area of Barnegat – due to high crime and drug activity.
- Barrier island areas – due to seasonal rentals (poor insulation of homes) and danger of flooding.

2. SELECTION OF APPLICANTS

(A) Organization of the Waiting List

It is the LHA's policy that each applicant shall be assigned his/her appropriate place in a single Section 8 (HCV) Waiting List. The Waiting List will be maintained by the date and time the application is received, and factors affecting preference or priority.

(B) Selection Preferences

Selection preferences shall be as follows:

(1) Residents of Lakewood :

Residents of Lakewood are defined as those families and/or individuals who have a permanent physical address in Lakewood Township. To qualify for this preference, an applicant (head or spouse) must be physically residing at the time they are called in to determine program eligibility. Any applicant, with a residency preference at the time of application, who leaves the Lakewood area, will lose his/her residency preference until they physically move back to Lakewood. At that time they will resume their place on the waiting list according to the date and time of application among other Lakewood residents. Any applicant who applied as a non-resident and subsequently moves to Lakewood will therefore receive a residency preference and will be placed among Lakewood residents according to the date and time of application.

- (2) Project Based Voucher (PBV) residents of the LHA who have resided in one of the LHA developments for at least one year will be eligible to apply for a Section 8 Voucher and move to the top of the Waiting List.
- (3) PBV residents of the LHA who are awarded permanent custody of minor children.
- (4) Elderly or Disabled Single applicants shall have preference over other single individuals.
- (5) Time and Date of Application.
- (6) Income Targeting – Based on current regulations as set forth in the final merger rule, at least 75% of all new admissions will be from the extremely-low income category (at or below 30 % of the median income) See Appendix A.
- (7) Family Unification Program/Family Unification Program Youths Aging out of Foster Care referrals. Under this program the local Division of Child Protection and Permanency (DCPP) office will refer applicants to the LHA if slots are available. The LHA has allotted ten (10) of the 130 FUP slots for this program. The LHA will only accept one referral per family each year. If the family is referred and receives a voucher but does not lease up in a timely manner another referral for that family will not be accepted. The housing authority will screen for criminal background and credit history to determine program eligibility.
- (8) Mainstream eligible applicants will remain on the waiting list according to date and time. If and when the LHA has Mainstream slots available, those slots will be filled by eligible mainstream applicants, who will receive a preference regardless of residency according to date and time of application.
- (8) If at the time of call in for the Section 8 Program, the applicant cannot attend or does not respond, their application will be deactivated. Exceptions may be made due to medical reasons (which must be documented) on a case by case basis by the Executive Director.
- (9) Only one application per applicant/household will be accepted. Any applicant/household submitting more than one application will be disqualified. Specifically, if a household member is listed on two separate applications, both applications will be disqualified. In addition, families that are called in whose adult children living in their household filed a separate application and were not listed on their

parent's application must make a decision. The adult child can receive assistance as part of their parent's household, or they may retain their application and not be part of that household. If they wish to receive assistance with their parents, their application will be deactivated.

- (10) The eligibility of students applying for Section 8 will be evaluated at the time of call in (when the application is being reviewed for voucher issuance).

(C) Opening and Closing the Waiting List

- (1) The LHA, at its discretion, may restrict application intake, suspend application intake, open and/or close waiting lists in whole or in part.
- (2) The LHA will update the waiting list periodically by removing the names of those families who are no longer interested, no longer qualify for housing, or cannot be reached by mail. At the time of initial intake, the LHA will advise families of their responsibility to notify the LHA when mailing address or phone numbers change. The LHA will send out two (2) letters to each applicant. The first letter will be mailed to the applicant advising him/her of their obligation to respond to this letter and submit all the information requested by a specified deadline date and failure to do so will result in their application being removed from the waiting list. If no response is received a final letter will be sent advising the applicant that if no response is received by a specified deadline date his/her application will be removed from the list and their application will be terminated and will not be reinstated for any reason. All mailings will be done by first class mail.
- (3) If the LHA's waiting list has sufficient applications to fill anticipated vacancies for the coming 12 months, the LHA may elect to: (a) close the waiting list completely; (b) close the list during certain times of the year; or (c) restrict intake by preference category.
- (4) Decisions about closing the waiting list will be based on the number of applicants waiting for assistance, and the number of applicants who qualify for a preference. A decision to close the waiting list, restrict intake, or open the waiting list will be publicly announced.
- (5) During the period when the waiting list is closed, the LHA will not maintain a list of individuals who wish to be notified when the waiting list is reopened.

- (6) When the LHA reopens application intake an extensive outreach effort will be made to ensure that all segments of public are aware of the opening of application intake. Such outreach efforts will include: notification to community organizations, advertising in local newspapers such as the Asbury Park Press and the Ocean County Observer, display poster advertisements hung throughout the town, and press releases.

The LHA will publicize the reopening of the list for two (2) weeks prior to the date applications will be accepted. The applications will be accepted for one (1) week by mail only. At the end of that time there will be a lottery drawing held. Applicants will then be placed on the waiting list according to the lottery drawings and preferences. Any application postmarked after the deadline will not be eligible. Duplicate applications will be rejected. The LHA will make all attempts to have representatives from the community draw the applications and witness the procedure. More than one application by a household will result in all applications from that household being rejected.

- (7) Any application with missing or incomplete information will be rejected
- (8) Any application with fraudulent information will be rejected.
- (9) The LHA will not respond to verbal requests regarding an applicant's position on the Waiting List. Any applicant who wishes to know their position on the Waiting List must make the request in writing or visit our website; www.lakewoodha.org go to the applicant portal and enter the applicants social security number, no email requests will be honored. All applicants will be urged to retain their case number on the Waiting List.

(D) Removal of Applications from the Waiting List

- (1) Applicants shall be removed from the Waiting List if they are determined to be ineligible for assistance.
- (2) Applicants who fail to respond to LHA letters and otherwise fail to express continued interest shall be removed from the List, (see (C) (b) purge process above).
- (3) Inactive Applications shall be retained by the LHA for a period of (3) three years or the acceptable retention period per State regulations.
- (4) Once an Applicant is removed from the Waiting List, any applicant wishing to reapply will be required to file a new application when

application intake reopens and shall be assigned a new application date and number.

- (5) Applicants who fail to respond to the LHA letter to appear for a briefing and fail to attend the mandatory briefing shall have their application deactivated. All members of the family aged 18 or over MUST attend the briefing or their application will be deactivated.

(E) Records

The LHA records with respect to applications for admission shall indicate for each application the date and time of receipt; the determination by the LHA as to eligibility or ineligibility of the applicant; the preference rating, if any, and any offers to provide a HCV.

3. ISSUING AND DENYING VOUCHERS

(A) Issuing Vouchers

When a family is selected in accordance with the selection preferences contained in this policy, the participant will be provided with an oral briefing, a voucher holder's package, and shall be issued a Voucher if eligible.

Prior to the issuance of a Housing Choice Voucher the following is required:

- (1) The Tenant Information Form must be completely filled out and signed by the Head of the Household.
- (2) All family members who are to reside in the household age 18 and older shall be screened for criminal and credit history.
- (3) Head, Spouse and any other adult (18 years or older) must be present at the initial certification appointment and at the briefing.

The initial term of the Voucher shall be 60 days. If during the initial term of the Voucher the Voucher holder provides evidence in writing of hospitalization or other similar medical confinement and/or medical condition that prevents them from seeking such living accommodations within the 60 day period an extension may be granted on a case by case basis. (Ref. Resolution No. 4509-B) (Ref. Resolution No. 4630). Additionally, a 30-day extension may be granted to any voucher holder who can show good cause for the need of such extension. No additional extensions beyond the 30-day extension will be granted.

In cases where the head, co-head, or spouse is deemed disabled the voucher holder may request an extension of the voucher. The voucher may be extended two additional times (30 days each time) for a total of 120 days. No additional extensions will be granted.

The term of the voucher shall be suspended at the time the Voucher holder submits a Request for Tenancy Approval (RTA). Suspension means 'stopping the clock' up to the time the Agency approves or disapproves the request to lease the unit. The Request for Tenancy Approval must be for a unit ready for leasing. It must have a C.O. and be ready for inspection. Once the RTA is received by this Agency, an HQS inspection will be scheduled within 5 days of receipt. After the HQS Inspection is completed an Agency Determination will be sent to the landlord and the tenant. If the rent is approved and the unit passes inspection the unit will be approved for lease-up. If the unit fails inspection the RTA will be disapproved. If the items listed on the HQS report are not representative of major repair work, the Agency may give the owner a specified amount of time to make the repairs and resubmit the RTA. Otherwise the RTA is denied and the tenant must find another unit. The number of days between the date the RTA was submitted and the date of the Agency Determination will be added to the Voucher expiration date.

HOUSING QUALITY STANDARD (HQS) INSPECTION

A unit must pass a HQS Inspection prior to being approved for Section 8 Rental Assistance or Homeowner Assistance. This is to ensure that the housing HUD subsidizes remains, decent, safe, and sanitary.

The following is a summary of HQS requirements to inform our landlords and participants both what the LHA requires for a unit to be approved.

- The units must include a living room, kitchen, bathroom, and one living/sleeping room for every two family members.
- Ceilings and walls must be in good condition, with no large cracks, holes, peeling or chipping paint or any loose plaster.
- Floors must be in good condition. The floor covering must not be curling or have loose edges or holes. There cannot be any water damage.
- Windows including sills, frames, and sashes, must be in good operating condition and must open and close. There can be no broken, cracked, or missing panes. Windows must have permanently attached adequate locks and be functional.
- All rooms must have either two working outlets or one working outlet and an overhead light or light fixture. All outlets, switches, and

electrical boxes must have covers with no exposed or fraying wires. All electrical splices must be properly contained in junction boxes with covers.

- The kitchen must have a stove with all burners working. If equipped with a pilot light, the pilot light must light the burners. The oven must work and its door must close tightly. All parts must be functional.
- The refrigerator door must have gaskets attached to the door forming a proper seal.
- The sink must have hot and cold running water, a drain with trap, and be properly hooked to a sewer line. Neither the faucet nor sink can leak or drip.
- Counters and cabinets must be adequate for food preparation and storage areas, with adequate means to dispose of food wastes.
- The bathroom must have a private flush toilet fastened tightly to the floor and a sink (see above). There must be a bathtub or a shower in good working order. There must be adequate ventilation either from an operable window or an exhaust fan.
- In the bedrooms the windows must open and be large enough to use as an emergency exit. There must also be a door which can be closed. There are not to be external locking devices on any bedroom doors. If there are bedrooms in legal basements the windows must be lower than 44 inches off the floor.
- There must be a heating system capable of heating the unit to a comfortable temperature. Furnaces must be serviced every two years.
- Porches, balconies, decks, etc. more than 30 inches above the ground must have a railing 36 inches high. All inside and outside stairs must have a handrail, and be structurally sound.
- No hazards are allowed on the site, such as dilapidated structures, trash, debris, unlicensed vehicles, non-maintained vegetation etc. If there is a swimming pool it must be covered with a proper safety cover when not in service and surrounded by a 6 foot fence with a locked gate.
- There must be no insect or rodent infestation.
- Smoke detectors must work, be located outside each sleeping area, and on each floor of the unit. Hearing impaired tenants require smoke detectors with light. All laundry rooms require smoke detectors or heat detection devices.
- Water heaters in units and laundry rooms must have a properly installed pressure relief valve and hot water tolerant discharge line (no PVC). The discharge line must extend downward to within 18-24 inches from the floor if not routed outside.

The above list does not cover every aspect of the HQS regulations.

If a unit fails the HQS a letter will be sent to the landlord and tenant outlining which items failed and a completion date will be established. Upon completion of the repairs the landlord and/or tenant must contact the office and a reinspection will be scheduled. In the event the repairs are not totally completed after the LHA is advised by the landlord they are complete, the LHA will charge \$25 for each additional reinspection scheduled. No HAP will be paid until the unit passes HQS. The LHA reserves the right to deduct the \$25 charge from the HAP to the landlord if it is not paid separately by the owner/landlord to the LHA.

(B) Decision To Deny Assistance.

The LHA shall give an applicant prompt written notice of a decision denying admission to the program (including a decision that the applicant is not eligible or denying assistance for other reasons). The notice shall give a brief statement of the reasons for the decision. The notice shall also state that the applicant may request an informal review of the decision, and state how to arrange for the informal review.

(C) Grounds for denial or termination of assistance. The LHA may at any time deny program assistance for an applicant, or terminate program assistance for a participant, for any of the following grounds:

- (1) If the family violates any family obligations under the program (see 982.551).
- (2) If any member of the family has ever been evicted from public housing.
- (3) If a HA has ever terminated assistance under the HCV program for any member of the family.
- (4) If any member of the family commits drug-related criminal activity, or violent criminal activity (see 982.553).
- (5) If any member of the family commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.
- (6) If the family currently owes rent or other amounts to the LHA or to another HA in connection with Section 8 or public housing assistance under the 1937 Act.
- (7) If the family has not reimbursed any HA for amounts paid to an owner under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease.

- (8) If the family breaches an agreement with the LHA to pay amounts owed to a HA, or amounts paid to an owner by a HA.
- (9) If the family has engaged in or threatened abusive or violent behavior toward HA personnel.
- (10) If the family is determined to be ineligible for the program.
- (11) If the family allows additional persons to move into the unit without LHA approval. If mail is going to the voucher holder's address for person/s not listed in the household it is assumed they are residing in the household.
- (12) If the LHA determines that the family is ineligible to receive assistance due to non-citizen status.
- (13) If the LHA determines that the family has falsified documentation deliberately.
- (14) If the LHA determines that the family has deliberately withheld documentation.
- (15) If at time of certification or recertification the family fails to report and/or misrepresents assets, income, change in family composition, or change of family member's student status.
- (16) If the family moves to another unit without notifying the LHA and owner in writing with a minimum of 30 days notice. The tenant must also be a tenant in good standing. In addition the new unit must pass HQS and be approved for rent and occupancy standards prior to any HAP contract. Failure to adhere to this family obligation will result in termination from the Section 8 HCV Program.

(D) Requirement to sign consent form.

The LHA must deny or terminate assistance if any member of the family, age 18 years or older or an emancipated minor fails to sign and submit consent forms for obtaining information. This is HUD Form 9886 which authorizes HUD and the PHA to obtain third party verification of any income information or materials from State Wage Information Collection Agencies (SWICA) and income information obtained from previous and current employers. This form may not be used to obtain any other information.

The Ocean County Board of Social Services has a separate consent form which must be signed by all members of the family, age 18 years or older.

In addition the LHA may terminate assistance if any member of the family, age 18 years or older fails to sign and submit the Request for Transcript of Tax Return Form 4506T

4. A DEFINITION OF FAMILY

“Family” may be:

- (1) Two or more persons (with or without children) regularly living together, related by blood, marriage, adoption, guardianship, or operation of law who will live together in the assisted unit.
- (2) A group of persons consisting of two or more elderly persons or disabled persons living together, or one or more elderly or disabled persons living with one or more live-in aides
- (3) A single person family may be
 - (a) An elderly person.
 - (b) A displaced person.
 - (c) A disabled person.
 - (d) Any other single person.
- (4) A child who is temporarily away from the home because of placement in foster care is considered a member of the family.

4. B DEFINITION OF LIVE-IN AIDE

(1) A person approved by the LHA who resides in the unit to care for a family member who is disabled or at least 50 years of age, and who:

(2) Is determined to be essential to the care and well-being of the person(s).

(3) Is not obligated for support of the person(s), and who would not be living in the unit except to provide necessary supportive services.

The LHA will approve a live-in-aide, if needed, as a reasonable accommodation for a person with a disability. Relatives are not automatically excluded. The relative must meet the requirements stated above to qualify.

At any time, the PHA may refuse to approve a particular person as a live-in-aide, or may withdraw such approval, if the person:

- (1) Commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.

- (2) Commits drug-related criminal activity or violent criminal activity.
- (3) Currently owes rent or other amounts to the LHA or to another PHA in connection with Section 8 or public housing assistance under the 1937 Act.
- (4) Agrees to be the live-in-aide in order to live rent free and is not a significant help to the client.

The live-in-aide is not considered part of the family for rent determination nor is the live-in-aide to ever be considered the “last remaining family member.” The live-in-aide is subject to the same screening criteria as other applicants and participants.

- (1) The live-in-aide must be 18 years of age or older.
- (2) There must be medical documentation that justifies the Section 8 family having a live-in-aide. This must be from a medical provider.

5. DEFINITION OF CONTINUOUSLY ASSISTED

An applicant is continuously assisted under the 1937 Housing Act if the family is already receiving assistance under any 1937 Housing Act program when the family is admitted to the HCV program.

6. ENCOURAGING OWNER PARTICIPATION

The LHA encourages participation of owners of suitable units located outside areas of poverty or minority concentration and encourages HCV Holders to relocate to these areas. The LHA shall implement this policy as follows:

- (a) The LHA will have a list of owners with property outside areas of poverty/minority concentration willing to lease to Section 8 Participants, and/or organizations that can assist participants in this effort.
- (b) The briefing packet includes an explanation of portability and a list of neighboring PHAs with contact names and telephone numbers. Portability is discussed during program orientation. Participants are instructed to inform LHA personnel of any problems they encounter in trying to rent in areas outside of poverty concentration.

7. ASSISTING FAMILIES THAT CLAIM ILLEGAL DISCRIMINATION

A Discrimination Complaint Form shall be included in the HCV Holders Package. The LHA will provide oral instructions and written information concerning illegal discrimination and use of the form.

The LHA will provide the HCV Holder with the addresses and telephone numbers of the HUD Office of Fair Housing and Equal Opportunity, the NJ Division of Civil Rights, and Legal Services.

8. PROVISION OF FAMILY INFORMATION TO OWNERS

The LHA shall give the owner upon their request:

- (a) The family's current address (as shown in the LHA records); and
- (b) The name and address (if known to the LHA) of the landlord at the family's current and prior address.
- (c) The LHA shall give the family a statement of the LHA policy on providing information to owners. The statement must be included in the information packet that is given to a family selected to participate in the program. The LHA will give the same types of information to all families and to all owners.
- (d) Owners shall be advised that tenant screening is the responsibility of the owner.
- (e) Owners will be paid by direct deposit only. Owners must complete the Direct Deposit Authorization form and attach a voided check or deposit slip.

9. DISAPPROVAL OF OWNERS

- (a) The LHA shall not approve a unit if the LHA has been informed (by HUD or otherwise) that the owner is debarred, suspended, or subject to a limited denial of participation.
- (b) When directed by HUD, the LHA shall not approve a unit 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.
- (c) In its administrative discretion, the LHA may deny approval to lease a unit from an owner for any of the following reasons:
- (1) The owner has violated obligations under a housing assistance payments contract under Section 8 of the 1937 Act (42 U.S.C. 14370).
 - (2) The owner has committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program.
 - (3) The owner has engaged in drug trafficking.
 - (4) The owner has a history or practice of 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.
 - (5) The owner has a history or practice of renting units that fail to meet State or local housing codes.
 - (6) The owner has not paid Federal, State or local real estate taxes, fines or assessments.
 - (7) The LHA must not approve a unit if the owner is the spouse, parent, step-parent, child, step-child, grandparent, grandchild, sister, step-sister, brother, or step-brother of any member of the family, unless the LHA determines approval of the unit would provide reasonable accommodation for a family member who is a person with disabilities. If there exists a relationship with the family by the owner and the owner has an interest in the family such as a non-exempt relative being on the mortgage or filing a joint tax return with the exempt owner the LHA will not enter into a HAP Contract. If in the case of a TRUST owning the property no member of that TRUST such as a Trustee or beneficiary can be a non-exempt relative of the tenants. This is considered having an interest in the property and therefore the LHA will not enter into a HAP Contract.
 - (8) The Housing Authority may refuse to enter into a new HAP Contract with owners who refuse (or have a history of refusing) to evict families for drug related criminal activity or violent criminal activity, or for activity that threatens the health, safety or right of peaceful

enjoyment of the premises by tenants, PHA employees, or owners employees.

- (9) All owners must supply mortgage documents indicating the mortgage holder.
- (10) For purposes of this section, "owner" includes a principal or other interested party.
- (11) If it is determined that the LHA cannot enter into a contract with any owner because of a conflict of interest, the LHA will transfer the tenant to another agency for administration.

10. SUBSIDY STANDARDS / UNIT SIZE

To determine the HCV size for applicants, there shall be one bedroom/ sleeping room for each two persons.

Subsidy standards will be based on the smaller of the family or unit size.

Subsidy standards are reviewed annually or prior to a family move so as to assure they match the family size (growth or decrease). Changes in family size do not affect the payment standard at an interim certification only at recertification or a move.

Special medical situations will be considered in determining bedroom size needed by the family if properly documented by a doctor or medical authority. According to HUD policy in order to approve a larger voucher size due to a medical condition the HQS Inspector must document the medical equipment in the room warrants an additional bedroom on the voucher size.

Unborn children for applicants or participants are not added nor are the voucher size adjusted until a birth certificate and social security number are provided. The voucher size is adjusted at the next recertification.

11. FAMILY ABSENCE FROM DWELLING UNIT

The family must promptly notify the LHA of any absence from the unit of all family members for periods of over twenty-one (21) days. Any absence over thirty (30) days is not allowed by the LHA. Under no circumstances may the unit be rented or subleased in the family's absence either by the landlord or by the tenant.

In the case of imprisonment that is expected to last more than 180 days, and cause the absence of all family members, assistance shall be terminated thirty (30) days after incarceration.

Nursing home or hospitalization stays shall be subject to the thirty (30)-day maximum. However they will be reviewed on a case by case basis to determine if the absence from the home may be extended - only under those circumstances where it appears there is a reasonable expectation that the tenant will be returning to the unit.

The tenant and the LHA shall promptly notify the landlord of all actions in this regard.

12. FAMILY BREAK-UPS

In the case of a family break-up, the decision to whom to provide assistance shall be handled by the U.S. Judicial Courts (courts). In the case where no court decision has been rendered or the family has not or will not be going to court the LHA will approve continued assistance to the following:

- (a) The adult who has custody of any minor children or disabled adult child.
- (b) Family members forced to leave the unit as a result of actual or threatened documented physical violence by a spouse or other family member. See Resolution No. 4845 and Appendix I.
- (c) The remaining member of a Section 8 assisted tenant family is a family member who remains in the unit when other members of the family no longer reside in the unit and are removed from the lease.

13. INFORMAL REVIEW FOR APPLICANT

(a) Notice to applicant. The LHA shall give an applicant for participation prompt notice of a decision denying assistance to the applicant. The notice shall contain a brief statement of the reasons for the LHA decision. The notice shall also state that the applicant may request an informal review of the decision and must describe how to obtain the informal review.

(b) Informal review process. The LHA shall give an applicant an opportunity for an informal review of the LHA decision denying assistance to the applicant. The LHA review procedures shall include the following:

- (1) The review shall be conducted by any person or persons designated by the LHA, other than a person who made or approved the decision under review or a subordinate of this person.
- (2) The applicant shall be given an opportunity to present written or oral objections to the LHA decision.

- (3) The LHA shall notify the applicant of the LHA final decision after the informal review, including a brief statement of the reasons for the final decision.

(c) When informal review is not required. The LHA is not required to provide the applicant an opportunity for an informal review for any of the following:

- (1) Discretionary administrative determinations by the LHA.
- (2) General policy issues or class grievances.
- (3) A determination of the family unit size under the LHA subsidy standards.
- (4) A HA determination not to approve an extension or suspension of a HCV term.
- (5) A HA determination not to grant approval to lease a unit under the program or to approve a proposed lease.
- (6) A HA determination that a unit selected by the applicant is not in compliance with HQS.
- (7) A HA determination that the unit is not in accordance with HQS because of the family size or composition.
- (8) If the applicant cannot physically be present at the review and the failure to appear is not the result of any disability or medical reason.

14. INFORMAL HEARING FOR PARTICIPANT

(a) When hearing is required-

The LHA shall give a participant family an opportunity for an informal hearing to consider whether the following decisions relating to the individual circumstances of a participant family are in accordance with the law, HUD regulations and the LHA policies:

- (1) A determination of the family's annual or adjusted income, and the use of such income to compute the housing assistance payment.
- (2) A determination of the appropriate utility allowance (if any) for tenant-paid utilities from the LHA utility allowance schedule.
- (3) A determination of the family unit size under the LHA subsidy standards.
- (4) A determination to terminate assistance for a participant family because of the family's action or failure to act.
- (5) A determination to terminate assistance because the participant family has been absent from the assisted unit for longer than the maximum period permitted under the LHA policy and HUD rules.

In the cases described in paragraphs (a) (1), (4), and (5) of this section, the LHA must give the opportunity for an informal hearing before the LHA terminates housing assistance payments for the family under an outstanding HAP contract.

(b) When hearing is not required.

The LHA is not required to provide a participant family an opportunity for an informal hearing for any of the following:

- (1) Discretionary administrative determinations by the LHA.
- (2) General policy issues or class grievances.
- (3) Establishment of the LHA schedule of utility allowances for families in the program.
- (4) A HA determination not to approve an extension or suspension of a HCV term.
- (5) A HA determination not to approve a unit or lease.
- (6) A HA determination that an assisted unit is not in compliance with HQS. (However, the LHA shall provide the opportunity for an informal hearing for a decision to terminate assistance for a breach of the HQS caused by the family as described in § 982.551(c).)
- (7) A HA determination that the unit is not in accordance with HQS because of the family size.
- (8) A determination by the LHA to exercise or not to exercise any right or remedy against the owner under a HAP contract.

(c) Notice to family.

(1) In the cases described in paragraphs (a)(1), (2) and (3) of this section, the LHA shall notify the family that the family may ask for an explanation of the basis of the LHA determination, and that if the family does not agree with the determination, the family may request an informal hearing on the decision.

(2) In the cases described in paragraphs (a) (4) and (5) of this section, The LHA shall give the family prompt written notice that the family may request a hearing. The notice shall:

- (i) Contain a brief statement of the reasons for the decision,
- (ii) State that if the family does not agree with the decision, the family may request an informal hearing on the decision, and
- (iii) State the deadline for the family to request an informal hearing.

(3) If the Participant fails to request a hearing in writing within 10 days of the date of the Notice, the termination will stand. A copy will also be sent to the landlord.

(d) Expeditious hearing process.

Where a hearing for a participant family is required under this section, the LHA shall proceed with the hearing in a reasonably expeditious manner upon the request of the family.

(e) Hearing procedures.

- (1) *Discovery by the Family.* The family shall be given the opportunity to examine before the LHA hearing any HA documents that are directly relevant to the hearing with the exception of the criminal history report. The family shall be provided with copies of requested document in accordance with NJSA. The family may obtain their own criminal history report. Any document not made available for examination on request of the family shall not be used at the hearing.
- (2) *Discovery By The LHA.* The LHA must be given the opportunity to examine at the LHA offices before the LHA hearing any family documents that are directly relevant to the hearing. The LHA must be allowed to copy any such document at the LHA's expense. If the family does not make the document available for examination on request of the LHA, the family may not rely on the document at the hearing.
- (3) *Documents.* The term "documents" includes records and regulations.
- (4) *Representation by family.* At its own expense, a lawyer or other representative may represent the family. If the family intends to be represented by an attorney, proper notice (two weeks) must be given to the LHA so that the housing authority can be properly represented by its own attorney.
- (5) *Hearing officer.* An impartial person or persons not involved in the initial determination and who is experienced with HUD rules and regulations regarding the Section 8 HCV Program shall conduct the hearing. The person who conducts the hearing shall regulate the conduct of the hearing in accordance with the LHA hearing procedures.
- (6) *Evidence.* The LHA and the family shall be given the opportunity to present evidence, and may question any witnesses. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.
- (7) *Issuance of decision.* The person(s) who conducts the hearing must issue a written decision, stating briefly the reasons for the decision to the LHA. Factual determinations relating to the individual circumstances of the family shall be based on a preponderance of the evidence presented at the

hearing. A copy of the hearing decision shall be furnished promptly to the family.

- (8) *Effect of decision.* The LHA is not bound by a hearing decision:
- (a) Concerning a matter for which the LHA is not required to provide an opportunity for an informal hearing under this section, or that otherwise exceeds the authority of the person conducting the hearing under the LHA hearing procedures.
 - (b) Contrary to HUD regulations or requirements, or otherwise contrary to federal, State, or local law.
 - (c) If the LHA determines that it is not bound by a hearing decision, the LHA must promptly notify the family of the determination, and of the reasons for the determination.

(f) Restrictions on assistance for noncitizens. The informal hearing provisions for the denial of assistance on the basis of ineligible immigration status.

15. PAYMENTS OF AMOUNTS OWED BY FAMILY

Prior to being placed on the Waiting List, applicants that owe money to the LHA or any other subsidized housing administrator must pay the amount owed.

Any amount due to the LHA by a HCV or PBV participant must be repaid by the family. The following are exceptions that will **NOT** be offered a Repayment Agreement:

1. Receipt of double subsidy by any family member.
2. Additional and/or loss of household members resident in the unit without notification and approval from the LHA.
3. Vacating unit without proper notification to landlord and this agency.
4. Court ordered eviction from unit due to failure of tenant to meet its obligations under the lease.
5. Committing fraud e.g. certifying not working and discovering were employed at time of certification.
6. Failure to report an existing asset or asset that was disposed of within the last two (2) years for less than fair market value.

Any participant who is terminated for the above violations of their family obligations will have the right to an Informal Hearing.

16. RENT CALCULATION

Rent is calculated by using current annual income. Annual income is the gross amount of income anticipated to be received by the family during the 12 months following the effective date of examination or reexamination. Annual income inclusions include see **Appendix G**:

- a. The full amount before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services.
- b. The net income from operation of a business or profession.
- c. Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as a deduction in determining net income.
- d. 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, including a lump-sum payment for the delayed start of a periodic payment.
- e. Payments in lieu of earnings, such as unemployment, worker's compensation and severance pay.
- f. Welfare Assistance
 - (1) The amount of reduced welfare income that is disregarded specifically because the family engaged in fraud or failed to comply with an economic self-sufficiency or work activities requirement.
 - (2) If the Welfare Assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustments by the Welfare Assistance agency in accordance with actual cost of shelter and utilities, the amount of Welfare Assistance income to be included as income shall consist of:
 - (a) The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities: plus
 - (b) The maximum amount that the Welfare Assistance agency could in fact allow the Family for shelter and utilities. If the Family's Welfare Assistance is ratably

reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage.

- (g) Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from persons not residing in the dwelling, and
- (h) All regular pay, special pay and allowances of a member of the Armed Forces (whether or not living in the dwelling) who is head of the Family, spouse, or other person whose dependents are residing in the unit.

The LHA does not count in Annual Income exclusions which are found in **Appendix H**.

The Annual Income is then adjusted. Adjusted Income is Annual Income minus:

Allowances dependents,
Elderly or disabled household status,
Child Care,
Medical expenses,
Disability Assistance.

In the case where annual income cannot be projected due to sporadic work, seasonal income or a tenant is self-employed the LHA will make a reasonable judgment as to the most reliable approach to estimating what the tenant will receive during the year. The LHA may use the prior year's income in order to project what the prospective annual income will be.

Dependent Allowance

- \$480 for each household member who is under 18 years of age, or disabled or a full-time student.
- The head, spouse, foster child or live-in-attendant is never counted as dependents.
- A full-time student is one attending school or vocational training on a full-time basis. The definition of full-time participation is twelve credit hours (12) each semester. The courses must be taken and not dropped prior to the end of the semester.

Elderly or Disabled Household Deduction

- \$400 per family for all "elderly or disabled" families.

- Definition of elderly or disabled family: Any family in which the head or spouse) or sole member) is at least 62 years of age or disabled.
- The \$400 is a household deduction (only one per family, even if both head and spouse are elderly).

Child Care

- Reasonable child care expenses for the care of children, including foster children, age 12 and younger may be deducted from annual income if all of the following are true:
 - ✓ The care is necessary to enable a family member to work, look for work, or further his/her education (academic or vocational);
 - ✓ The expense is not reimbursed by an agency or individual outside the household: and
 - ✓ The expenses incurred to enable a family member to work do not exceed the amount earned.

In those cases where a family member is requesting a child care expense while they are seeking employment the family will be required to submit to the LHA on a weekly basis a worksheet. The worksheet will have the date, employer, address, phone number and fax number (if available). The case worker will randomly spot check the information supplied by the Section 8 participant to verify they are actively seeking employment and therefore eligible for the child care deduction. The family will need to submit at least ten (10) references a week. In the event the information supplied is invalid or false the child care deduction will cease and the family may be charged with fraud in connection with the Section 8 Program.

- Child support payments to guardians or estranged partners on behalf of a minor who is not living in the applicant household are not child care and cannot be deducted.
- Care expenses for the care of disabled family members over the age of 12 cannot be deducted as a child care expense, but see Allowance for Disability Expenses described below.
- Determining Family Member Enabled to Work – When more than one family member works, the LHA will determine which family member is being enabled to work because child care is provided. This is usually the lowest paid individual.
- Prorating Child Care – When a family member works and goes to school, the LHA will prorate the expense so that the appropriate portion can be compared with the amount earned.
- The LHA will determine if child care costs are “reasonable.” Reasonable means reasonable for the care being provided:

- ✓ Reasonable costs for in-home care may be very different than reasonable day care center cost.
- ✓ Families may choose the type of care to be provided.
- ✓ The cost of child care can not exceed income earned.

Medical Expenses

- The medical expense deduction is permitted **ONLY** for households in which the head or spouse is at least 62, handicapped or disabled.
- If the household is eligible for a medical expense deduction, the medical expenses of all family members are counted.
- Medical expenses are expenses anticipated to be incurred during the 12 months following certification/recertification which are not covered by an outside source such insurance.

These medical expenses are covered completely in **Appendix F – IRS Publication 502 – Medical and Dental Expenses.**

- Allowable Medical Expense is that portion of total medical expenses that is in excess of three (3) % of annual income.

Earned Income Disallowance

Self-Sufficiency Incentives for Persons with Disabilities

- New provisions in QHWRA provide for the disallowance of earned income for disabled family members whose annual income increases as a result of new employment or increased earnings.
- Instead of including the full amount of the increased earned income from a disabled family member, the income is added to the household's income over a two-year period.
- During the initial 12 months of the increased earned income for a disabled family member, all increases in earned income are excluded from annual income.
- At the second annual recertification (after the initial 12 month exclusion) only 50% of the increased earned income is included and added to the household's annual income. The entire increased income is added at the third annual recertification (or after 24 months).

- There is a four-year lifetime limit of any disallowances of income for each individual disabled family member.
- The disallowance of income only applies to current participants and is not applicable for determining initial eligibility into the program.

Allowance for Disability Assistance Expense

- Families may deduct anticipated expenses for care attendants and “auxiliary apparatus” for disabled family members if such expenses:
 - ✓ Exceed three (3)% of Annual income;
 - ✓ Enable an adult family member (including the disabled family member) to work; and
 - ✓ Do not exceed the earned income of the household member (s) enabled to work.
- A disabled is defined as; a person with disabilities with a physical, mental or developmental disability as defined in federal legislation. A person with disabilities is a person who meets at least one of the following three definitions:
 - ✓ Has a disability as defined in section 223 of the Social Security Act. This Act defines disability as an inability to engage in any substantial gainful activity because of any physical or mental impairment that is expected to result in death or has lasted or can be expected to last continuously for at least 12 months; or, for a blind person at least 55 years old, inability because of blindness to engage in any substantial gainful activities comparable to those in which the person was previously engaged with some regularity and over a substantial period.
 - ✓ Has a physical, mental or emotional handicap which; is expected to be of long and indefinite duration; substantially impedes his/her ability to live independently; and is of such a nature that the person’s ability to live independently could be improved by more suitable housing.
 - ✓ Has a developmental disability as defined in section 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act. Developmental disability is defined as a severe, chronic disability which; is

attributable to a mental and/or physical impairment; was manifested before the age of 22; is likely to continue indefinitely; results in substantial functional limitations in three or more of the following areas: capacity for independent living, self-care, receptive and expressive language, learning, mobility, self-direction, and economic self-sufficiency; AND

- ✓ Requires special, interdisciplinary, or generic care, treatment, or other services, which are of lifelong or extended duration and are individually planned and coordinated.
- The definition of a person with disabilities, does not exclude persons with AIDS. The definition does not include a person whose disability is based solely on a drug or alcohol dependence.
- These definitions are used to determine eligibility for allowances.

The LHA staff will not make an inquiry to determine whether an applicant for a dwelling, a person intending to reside in that dwelling after it is sold, rented or made available or any person associated with that person, has a handicap or to make inquire as to the nature or severity of a handicap of such a person. Receiving Social Security Disability, SSI, and/or written evidence of such disability by a medical provider on their letterhead will constitute eligibility for the deduction. The letter from the medical provider must be in agreement with the Social Security Administration's definition of a disability.

The following inquiries are not prohibited:

- Inquiry into an applicant's ability to meet the requirements of ownership or tenancy;
- Inquiry to determine whether an applicant is qualified for a dwelling available only to persons with handicaps or to persons with a particular type of handicap;
- Inquiry to determine whether an applicant for a dwelling is qualified for a priority available to persons with handicaps or to persons with a particular type of handicap;
- Inquiring whether an applicant for a dwelling is current illegal abuser or addict of a controlled substance;
- Inquiring whether an applicant has been convicted of the illegal manufacture or distribution of a controlled.

The Total Tenant Payment (TTP) in the Housing Choice Voucher Program is the greater of:

- 30% of monthly adjusted income,
- 10% of monthly gross income,
- the welfare rent, or
- the LHA minimum rent.

Maximum Subsidy

- The maximum the LHA can pay is the payment standard less the TTP.
- The maximum subsidy calculation is done at the time a family is issued a voucher.
- The actual LHA subsidy can be calculated only after the family has selected a specific unit, when the gross rent for that unit is known.

Utility Allowance and Gross Rent

- Utility allowance is the LHA's estimate of the average amount a tenant will pay each month for utilities considering the size and type of unit selected by the tenant.
- The Rent to the Owner is the full rent the owner receives for the unit including any utilities the owner provides under the lease.
- Gross Rent represents the entire housing cost of the unit including all shelter and utilities. It is the sum of the Rent to the Owner and the Allowance for Tenant-Paid Utilities.
- In the case where the tenant must purchase the appliances (stove/refrigerator) the LHA will provide a utility allowance for two years or two recertifications whichever is longer.
- The 2014 Act limits the utility allowance (UA) payment for tenant-based vouchers to the unit size for which the voucher is issued, irrespective of the actual size of the unit rented by the family. HUD specifies that the UA shall be the LOWER of the UA amount for the family unit size or the UA amount for the actual unit size rented by the family. Furthermore, if a family is authorized for a 2-bedroom unit but chooses to lease a 1-bedroom unit, the LHA must provide the UA that corresponds with the 1-bedroom. Unit. The only exception is for families with a person with disabilities, where the family requests a high utility allowance as a reasonable accommodation needed to make the program accessible to the family. The application will take place at the family's next annual reexamination.

Housing Assistance Payment (HAP)

- The actual subsidy is determined after the family locates a unit. It cannot go above the maximum subsidy calculated above (payment standard less the TTP) but can be less than the maximum subsidy if the gross rent for the unit selected is less than the payment standard.
- The HAP payment is equal to the lower of:
 - ✓ The payment standard minus the TTP, or
 - ✓ The Gross rent minus the TTP

17. REEXAMINATION OF INCOME

The LHA must examine and verify income at the time of admission and at least once annually thereafter. The reexamination will correspond with the anniversary date of the HAP contract, or 12 months from the date of the initial verification or in some instances the lease renewal date. The rent determination will consist of the following components:

- a. All sources of income and the amounts received must be verified. These include wages, salaries, self-employment, Social Security benefits, welfare benefits, child support, unemployment benefits, pensions, assets, and in kind income.
- b. The LHA will use computer matching “upfront” verification as the first attempt to obtain information followed by written third party documentation, oral third party verification, document review and finally as a last resort tenant declaration. These methods are described in full detail below.
- c. Require all family members 18 years of age or older to sign a consent form to authorize the release of information, HUD Form 9886 and to attend the appointment.
- d. The applicant’s/tenant’s is responsibility to provide documents at the request of the LHA. These documents may include birth certificates, SS numbers, divorce decrees, proof of citizenship, assets and income information.
- e. Interim reexaminations will take place when the household composition has changed, there has been a decrease in income, there has been an increase in income, or other change that could affect the amount of the TTP or HAP. The participants must report all changes of income to the LHA regardless of the amount.

f. The family must promptly remit to the LHA filed tax returns.

- WAGES & SALARIES

The LHA will begin verification of income with the highest level of verification methods. The first method is Upfront. To verify wages/salaries the LHA will first use HUD EIV and computer matching agreements with State Wage Information Collection Agency (SWICA) to obtain wage information electronically, by mail or fax or in person. In addition agreements with private vendor agencies, such as The Work Number to obtain wage and salary information will be utilized. Also use of HUD systems when available will be used. The next level of verification is Written Third Party. The LHA mails, faxes, or e-mails a verification form directly to the independent sources to obtain wage information (Employment Request Form). The LHA may also have the tenant sign a Request for Earnings Statement from the SSA to confirm past earnings. The LHA mails the form to SSA and the statement will be sent to the address the LHA specifies on the form. The third level of verification is Oral Third Party. In the event the independent source does not respond to the LHA's written request for information, the LHA may contact the independent source by phone or make an in person visit to obtain the requested information Oral Third Party. When neither form of third part verification can be obtained, the LHA may accept original documents such as consecutive pay stubs (for three months), W-2 forms, IRS returns etc. called Document Review The LHA will document in the tenant file, the reason third party verification was not available. If all the above methods can not be utilized the LHA may accept a notarized statement or affidavit or Tenant Declaration from the tenant that declares the family's total annual income from earnings. The LHA will document in the tenant file, the reason third party verification was not available. The LHA will obtain as much information as possible about the employment, such as start date (new employment), termination date (previous employment), pay frequency, pay rate, anticipated pay increases in the next twelve months, year-to-date earnings, bonuses, overtime, company name, address and telephone number, name and position of the completing the employment verification form. The LHA will confirm start and termination dates of employment.

- SELF-EMPLOYMENT

The LHA will mail or fax a verification form directly to sources identified by the family to obtain income information Written Third Party. The next level is Oral Third Party. The LHA will call the source to obtain income information. The next level is Document Review and the LHA may accept any documents (i.e. tax returns, invoices and letters from customers) provided by the tenant to verify self-employment income. The LHA will

document in the tenant file, the reason third party verification was not obtained. Finally Tenant Declaration or accepting a notarized statement or affidavit from the tenant that declares the family's total annual income from self-employment. The LHA will document in the tenant file, the reason third party verification was not available. The LHA will require a notarized tenant declaration that includes a perjury statement if third party verification is not available.

- SOCIAL SECURITY BENEFITS

Upfront use of HUD EIV will first be used to obtain current benefit history and discrepancy reports. Next used will be Written Third Party and the LHA mails or faxes a verification form directly to the local SSA office to obtain social security benefit information. Then Oral Third Party and the LHA calls SSA, with the tenant on the line, to obtain current benefit amounts. Document Review is next and the LHA will accept an original SSA Notice from the tenant. The file will be documents why third party verification was not available. Finally Tenant Declaration where the LHA will accept a notarized statement or affidavit from the tenant that declares monthly social security benefits or a bank statement showing direct deposit. The file will be documented as to the reason third party verification was not available.

Applicants and participants are to disclose the complete and accurate social security (SSN) assigned to the applicant/participant and to each member of the applicant's/participant's household, who is at least six years of age and to provide documentation to verify each SSN. In the event an applicant or participant or household member, who is at least six years of age, has not been assigned an SSN, the household member (or guardian if the member is under the age of 18) must execute a certification that states the household member was not issued a SSN.

The LHA will accept in lieu of a social security card the following documentation:

1. driver's license
2. identification card issued by a federal, state, or local agency
3. identification card issued by a medical insurance company or provider (including Medicare and Medicaid)
4. identification card issued by an employer or trade union
5. benefit award letters from government agencies
6. retirement benefit letter

7. life insurance policies
8. court records (real estate, tax notices, marriage and divorce, judgment, or bankruptcy records)

- WELFARE BENEFITS

Upfront use of computer matching agreements with the local Social Services Agency to obtain current benefit amount electronically, by mail or fax or in person. Next used Written Third Party and the LHA mails, faxes or e-mails a verification form directly to the local Social Services Agency to obtain welfare benefit information. Then Oral Third Party and the LHA will call the local Social Services Agency to obtain current benefit amount. Document Review is next and the LHA will review an original award notice or printout from the local Social Services Agency provided by the tenant. The LHA will document in the tenant file, the reason third party verification was not available. Finally Tenant Declaration where the LHA will accept a notarized statement or affidavit from the tenant that declares monthly welfare benefits. The LHA will document the file as to the reason third party verification was not available.

- CHILD SUPPORT

Upfront use of agreements with the local Child Support Enforcement Agency to obtain current child support amount and payment status electronically, by mail or fax or in person. Next used Written Third Party and the LHA mails, faxes, or e-mails a verification form directly to the local Child Support Enforcement Agency or child support payer to obtain current child support amount and payment status. Then Oral Third Party and the LHA call the local Child Support Enforcement Agency or child support payer to obtain current child support amount and payment status. Document Review is next and the LHA reviews an original court order, notice or printout from the local Child Support Enforcement Agency provided by the tenant to verify current child support amount and payment status. The LHA will document in the file the reason third party verification was not available. Finally Tenant Declaration where the LHA accepts a notarized statement or affidavit from the payee of the support and if not available the tenant declaring current child support amount and payment status. The LHA will document in the tenant file, the reason third party verification was not available.

- UNEMPLOYMENT BENEFITS

Upfront use of computer matching agreements with a State Wage Information Collection Agency (SWICA) to obtain unemployment

compensation electronically, the use of the HUD EIV system. Next used Written Third Party and the LHA mails, faxes, or e-mails a verification form directly to SWICA to obtain unemployment compensation information. Then Oral Third Party and the LHA call the SWICA to obtain current benefit amount. Document Review is next and the LHA reviews an original benefit notice or unemployment check stub, or printout form the SWICA provided by the tenant. The LHA documents in the tenant file, the reason third party verification was not available. Finally Tenant Declaration where the LHA accepts a notarized statement or affidavit from the tenant that declares unemployment benefits. The LHA documents in the file, the reason third party verification was not available.

- PENSIONS

Upfront use of computer matching agreements with a Federal, State, or Local Government Agency to obtain pension information electronically, by mail or fax or in person. Next used Written Third Party and the LHA mails, faxes, or e-mails verification from directly to the pension provider to obtain pension information. Then Oral Third Party and the LHA call the pension provider to obtain current benefit amount. Document Review is next and the LHA reviews an original benefit notice from the pension provider provided by the tenant. The LHA will document in the tenant file, the reason third party verification was not available. In addition the LHA may review a bank statement indicating direct deposit of the pension amount. Finally Tenant Declaration where the LHA accepts a notarized statement or affidavit from the tenant that declares monthly pension amounts. The LHA will document in the file, the reason third party verification was not available.

- ASSETS

Upfront use of cooperative agreements with sources to obtain asset and asset income information electronically, by mail or fax or in person. The use of the Ocean County Clerk website to document real estate and/or mortgage transactions. Next used Written Third Party and the LHA mails, faxes, or emails a verification form directly to the source to obtain asset and asset income information. Then Oral Third Party and the LHA call the source to obtain asset and asset income information. Document Review is next and the LHA reviews original documents provided by the tenant. The LHA will document in the file, the reason third party verification was not available. Finally Tenant Declaration where the LHA accepts a notarized statement or affidavit from the tenant that declares assets and asset income. The LHA will document in the file, the reason third party verification was not available.

Whenever HUD makes available wage, unemployment, and SSA information, the LHA will use the information as part of the reexamination process. The independent source completes the forms and returns the forms directly to the LHA. The tenant does not hand carry documents to or from the independent source. The LHA will document in the file, the date and time of the telephone call or in person visit, along with the name and title of the person that verified the current income amount. The LHA will use Tenant Declaration as the last resort, when all other verification methods are not possible or have been unsuccessful. Notarized statements will include a perjury penalty statement. The LHA will not pass verification costs along to the participant.

The LHA will seek to obtain third party verification of family annual income, the value of assets, expenses related to deductions from annual income and other factors that affect the determination of adjusted income. The LHA will send an Employer's Report directly to the employer to ascertain anticipated income. The LHA will utilize all available methods of income verification including, but not limited to S.W.I.C.A and EIV. The Housing Choice Voucher Caseworkers may ask the participant to provide IRS returns where available. If the participant indicates they have filed, but can not locate their return the participant will be asked to call the IRS at 1-800-829-1040 and obtain a copy of the IRS return in question. The participant may obtain this information by calling from home or at the office. If the participant elects to call while in the office they must speak to the IRS and receive the fax of their return personally. Refer to Internal Revenue Service (IRS) Letter 1722. All assets will be compared to the previous year's to make sure all are accounted for. Changes of asset value of over \$500 must be fully documented. Assets forfeited at less than market value will be counted for two years. All paperwork and required forms must be submitted to this office by the participant at least 30 days prior to the recertification date. If a participant fails to supply all required information in a timely manner, the LHA will send the participant a written Notice of Intent to Terminate Assistance. This notice shall inform the participant of his right to request an Informal Hearing in accordance with Section 14 of this policy. A copy of the Notice will also be provided to the landlord. If the participant fails to request a hearing or the hearing results in a decision upholding the LHA's initial determination, the participant will be notified in writing of the final decision to terminate assistance. A tenant may request at any time an interim determination of family income or composition because of a decrease in income since the last determination. Any change due to an increase in income will be effective at the first of the month following thirty (30) days. Any change due to any decrease in come reported by the 15th of the month will be processed for the following month. Any change due to a decrease in income reported after the 15th of the month will be processed for the first of the month following thirty (30) days. Any increase in income must be reported to this agency immediately. In the case of an increase the change will be processed based on the date of the increase in income not based on the date it was reported. If a family fails to report an increase in a timely

manner, the authority will process a correction to the case to indicate the amount overpaid by the authority on the family's behalf. In completing the correction the authority will add the additional income and make other corrections and adjustments to the file. The family will be responsible to repay to the authority any amount overpaid. Failure to arrange a repayment of the overpayment, or failure to abide by the repayment agreement will result in a termination of assistance.

The tenant is required to report the following changes in income or family composition within 10 business days of occurrence in writing:

1. An addition of a family member. In the event of a birth, adoption, foster child, or court-appointed custody, no prior approval is needed but the change must be reported as stated above.
2. Prior approval must be received to add new adult household members to the voucher and lease. With the exception of a spouse, adult household members will not be approved unless failure to do so will result in a hardship to the existing family members. Adult household members must also pass screening criteria related to prior criminal and credit history prior to being added.
3. An increase in income resulting from a change in employer, job title, part-time to full-time employment, an adult family member previously unemployed obtains employment, all income received by a new family member, any new unearned income received on behalf of any family members, children or adults.
4. A decrease in income must be reported to the authority.
5. A family member leaves the household.
6. Changes of full time student status of any family member.

18. SECURITY DEPOSITS

Security deposits may be collected by the landlord up to an amount not to exceed private market practice and State law. No further unpaid rent, damage or vacancy claims will be made for any unit leased after October 1995.

19. SPECIAL HOUSING TYPES

Housing assistance shall not be provided for Single Room Occupancy (SRO) housing.

Housing assistance shall not be provided for Shared Housing.

Housing assistance shall be provided for Congregate Housing and Independent Group Residences and Manufactured Homes provided that all HQS requirements are met. Section 8 participants cannot receive rental assistance in the Manufactured Home that they own.

20. HCV PROGRAM PAYMENT STANDARDS

The LHA shall maintain a payment standard schedule for each bedroom size. The LHA shall annually assess the adequacy of the payment standards. The payment standard may be increased or decreased as deemed appropriate.
See Appendix D

21. REASONABLE RENT REQUIREMENTS

The LHA may not approve a lease until the LHA determines that the initial rent to the owner is a reasonable rent.

The LHA must redetermine the reasonable rent 1) before any rent increases are given to the owner, 2) if there is a five percent decrease in the published FMR in effect 60 days before the contract anniversary (for the unit size rented by the family) as compared with the FMR in effect one year before the contract anniversary, or 3) if directed by HUD.

The LHA may also redetermine the reasonable rent at any other time.

At all times during the assisted tenancy, the rent to owner may not exceed the reasonable rent as most recently determined or redetermined by the LHA.

The LHA must determine whether the rent to the owner is a reasonable rent in comparison to rent for other comparable unassisted units. To make this determination, the LHA must consider the location, quality, size, unit type, age of the contract unit, any amenities, housing services, maintenance and utilities to be provided by the owner in accordance with the lease agreement. The LHA has contracted with GoSection8 in order to provide rent reasonableness. The LHA maintains a schedule of utility allowances which is used both in the calculation of the gross rent and in determining rent comparability to other unassisted units. This Schedule is reviewed annually and adjusted where necessary to coincide with current rate schedules. The LHA uses the Department of Community Affairs (DCA) annually updated UA schedule. A copy of the current Utility Schedule is attached. **Appendix B**

Rent increases will not be granted to any unit unless same is requested 60 days in advance in writing. Properties that have had extensive renovations on the units will be evaluated on a case by case basis. There are no automatic rent increases.

22. RESIDENCY REQUIREMENTS FOR APPLICANTS

All applicants who resided outside of Lakewood shall be required to live in Lakewood for the first year of participation in the program. Exceptions to this requirement are Mainstream eligible families and/or FUP referrals. Applicants who reside in Lakewood will not be required to live in Lakewood for the first year of participation.

23. RESTRICTIONS ON NUMBER OF MOVES

Participants are restricted to one move every 12 months while on the program. The LHA may waive this requirement if the landlord agrees to release the tenant from the lease. After the initial one-year period a family may move if it properly notifies the landlord and this agency. A family must give a written 60-day notice to the landlord and this agency of its intent to move. All income paperwork must be resubmitted and a complete update performed. All paperwork must be in 30 days prior to the intended move date. The unit must pass HQS inspection 10 days before the intended move date. All moves will be processed for the 1st of the month only. Overlapping HAP payments may be made in certain instances provided proper notification and/or landlord releases have been made and/or obtained. This would only apply to ½ months where the tenant may move in the middle of the month and the original landlord may still be eligible for the full month's HAP payment.

The landlord must provide his own lease to the tenant and a copy must be furnished to the authority. All evictions must be handled through the courts with full documentation to the authority.

24. ONE STRIKE AND YOU'RE OUT POLICY

The LHA will complete a criminal background check on all applicants including other adult members in the household or any member for which criminal records are available.

This housing authority may deny assistance to an applicant or terminate assistance to a participant family, if any member of the family or guests commits:

- (1) Drug related criminal activity; or
- (2) Violent criminal activity

The LHA will deny or terminate assistance because of illegal use, or possession for personal use, of a controlled dangerous substance.

The LHA shall not deny or terminate assistance for such use or possession by a family member, if the family member can demonstrate that he or she:

- (1) Has an addiction to a controlled dangerous substance, has a record of such an impairment, or is regarded as having such impairment; and
- (2) Is recovering, or has recovered from, such addiction and does not currently use or possess controlled substances.

The LHA shall require a family member who has engaged in the illegal use of drugs to submit evidence of participation in, or successful completion of, a treatment program as a condition to being allowed to reside in the unit.

In determining whether to deny or terminate assistance based on drug related criminal activity or violent criminal activity, the Authority shall deny or terminate assistance if the preponderance of the evidence indicates that a family member or guest has engaged in such activity, regardless of whether the family member or guest has been arrested or convicted.

The LHA shall permanently deny assistance to individuals convicted of manufacturing or producing methamphetamine (“speed”)

The LHA shall immediately and permanently terminate assistance for participants convicted of manufacturing or producing methamphetamine (“speed”).

25. Treatment of Income Changes Resulting From Welfare Program Requirements

If income is reduced because of a sanction imposed by a State funded Assistance Program (Welfare, Temporary Assistance to Needy Families –TANF), or because of fraud, the rent will not be reduced during the period of the income reduction.

Rent may be reduced if income is reduced because of the expiration of the time limit on receiving benefits or a situation in which a family has complied with the welfare program requirements but cannot obtain employment.

Welfare program disregards for applicable Section 8 families will be adhered to according to HUD regulations.

26. Treatment of Zero Income

If a household is reporting zero income they must come into the office each month to complete a “How Managing Form” and update the caseworker as to how they can maintain a zero income household. This will be a mandatory monthly reevaluation of the income amount until such time the household claims some form of income.

27. Minimum Rents

The LHA shall charge a minimum rent of \$50.00.

28. HAP Payment to Landlords:

Each month this Agency will make HAP payments to the participating landlords within the first 5 days of the month. A late fee will be paid to any landlord requesting same for any late payment made by this agency. Payment is considered timely if the postmark indicates that payment was made within the first 5 days of the month, not by the date it was received by the landlord. Late fees will not be paid if the payment is late through no fault of the LHA, i.e. the tenant fails to submit all required paperwork, HUD funds are not received, etc.

All Housing Assistant Payments will be issued to the property owner only.

29. PORTABILITY

A voucher holder requesting to transfer their assistance out of the area will be transferred to a Housing Authority offering a Section 8 program in the area in which they seek to reside provided the family does not choose to lease-up in a higher cost area or unit and the LHA does not have the funding available . "Higher Cost Area" is defined as an area where a higher subsidy amount will be paid for a family because of higher payment standard amounts or "more generous" subsidy standards. This transfer will be approved as explained in Section 1. This Agency will make prompt reimbursement to any agency billing us for the housing assistance payment. Similarly any agency requesting the LHA administer Section 8 assistance for one of their tenants will be promptly billed.

30. FAMILY SELF-SUFFICIENCY

The LHA currently maintains a Family Self Sufficiency Program as required. The program size was 125 units. As per the QHWRA, the FSS Program is to be phased out as the participants graduate. Any family who does not succeed in the program will be replaced.

The LHA will select families to participate in the FSSP per the following process:

- A. All families will be selected from current leased Sec. 8 participants. They will be chosen by seniority as determined in the chronological order in which their application was received and logged in. Priority preference will be given to families who either live or work within the Township of Lakewood.

- B. A selection preference will be given for up to 50% of the total number of FSSP slots, to families who have at least one family member enrolled in or on the waiting list for, a FSSP related service, including job training and education.
- C. Preference will be given to FSSP participants from another housing authority, provided the services required are available in the jurisdiction of the LHA.
- D. The LHA will not discriminate against otherwise qualified persons because of the person's disability and/or handicap(s). The LHA will make reasonable accommodation to the person's disability and/or handicap to allow participation in FSSP. The LHA may decide that such accommodation is not reasonable if it causes undue financial and administrative burdens.
- E. By offering enrollment to current leased participants by order of seniority based on the date of initial application, the LHA will ensure that potential FSSP participants are treated without regard to race, age, color, religion, sex, handicap, familial status or national origin.
- F. Preference will be given to families who wish to participate in the LHA First Time Homeownership Program and have such as their final goal.

Families may not be enrolled, for the following reasons:

1. A family was previously terminated from the FSSP program.
2. A service that is essential to the family's needs is not available within the jurisdiction of the LHA. The FSSP slot will be offered to the next eligible family for which available services exist. The skipped family will, however, be assigned its original position and preference, if and when the needed services do become available.
3. The family has not reimbursed the LHA or another PHA for any reimbursable amounts paid to an owner under a housing assistance payments contract or housing voucher contract for rent or other amounts owed by the family under a prior lease. However, a family that is up-to-date on a repayment agreement or family owing money to the LHA or another housing authority who agrees to reimburse this agency as a condition of its FSSP participation will be allowed to participate in the FSSP.

4. There will be limited motivational screening. After the initial needs assessment interview the participants will be asked to accomplish preliminary tasks relevant to their FSSP goals on a standardized Preliminary Task Form.

The LHA will maintain an escrow account for the FSSP participants. The FSSP Coordinator will calculate the amount of escrow payment to be made for each participant, where applicable. This payment will be paid directly to the LHA FSSP Escrow Account. An annual statement will be made to the participants. The full amount in the Escrow Account will be paid to the participant at the successful completion of his/her contract.

Payment of the FSSP Escrow will not be made to the family in the following instances:

- (1) The family fails to fulfill its obligations under the FSSP Contract of Participation within five years after entering into the contract. However, in the event of extenuating circumstances, up to two one-year extensions may be approved by the FSSP staff.
- (2) If the family otherwise fulfills its obligations under the FSSP Contract of Participation, but is still receiving Welfare Assistance, which is defined for the FSS Program as "federal or state cash maintenance payments designed to meet a family's ongoing basic needs".
- (3) If the participating family moves to a place that is too far for them to receive services and the receiving PHA cannot enroll the family in its own FSSP, or does not have an FSSP.

It is the intention of the LHA to assemble and offer services to FSSP families to help them gain control of their own lives, and to help them become independent and self-sufficient. If the head of the household refuses to seek or maintain suitable employment during the term of the contract or fails to live up to other obligations under the Contract, the FSSP staff will work with the family to determine the cause of the problem(s). If the problems cannot be addressed successfully, and there are no extenuating circumstances which qualify the family for an extension, the family will be terminated from the FSSP.

Upon successful completion of the FSSP, the LHA will turn over to the head of the family the amount in the participating family's FSSP Escrow Account in excess of any amount owed the PHA, if any. The amount shall not be paid until:

- (1) The LHA determines that the participating family has met all of its obligations under the Contract of Participation; and

- (2) The head of the family certifies that, to the best of her/his knowledge and belief, members of the participating family no longer receive any Federal, State, local or other public assistance, excluding rental assistance.
- (3) In addition, when thirty percent (30%) of the family's monthly adjusted income equals or exceeds the Fair Market Rent they will be considered to have successfully completed the FSSP and will receive all moneys in the Escrow Account in excess of what the family owes to the LHA.
- (4) Any monies owed the LHA are repaid or deducted from any escrow amount due.

The PHA will refuse a family for FSSP participation a second time if that family previously participated unsuccessfully in the program.

The LHA will have a specific procedure for terminating FSSP participation, which would result in the forfeiture of all moneys in the Escrow Account.

The FSSP Contract includes the goals and objectives jointly developed by the FSSP staff and the head of household. The goals and objectives will be written to include activities, time lines for completion, reporting processes and behaviors that trigger sanctions. Any breach of the contract can begin the sanction process.

The sanction process will start with a warning letter sent to the family for any breach of the contract. The warning letter will include the following: a notice of contract violation, the corrective action that must be taken and a time frame to correct the violation. If corrective action is taken then no further action will be necessary. If corrective action is not taken, then the Program Coordinator will refer the family to the Hearing Officer. The Hearing Officer is a supervisory staff person in no way connected to the original decision. If a family receives three (3) warning letters within two (2) years, they will automatically be referred to the Hearing Officer for review and possible recommendation for termination. After the family has been referred to the Hearing Officer three times in two years, the family will automatically be terminated from the FSS Program.

For every 12 months in which a family receives no sanction, the Program Coordinator will discount one (1) Warning Letter from their file. For every 24 months in which a family receives no sanction, one FSSP appeal hearing will be discounted from their record.

The Hearing Officer's role is to decide appeals filed by FSSP participants in a fair hearing. As part of the decision, he/she may recommend changes to the goals and objectives of the FSSP Contract, such as adding support services (i.e. addiction treatment), referral to another agency, and elimination of activities

and/or designation of a different Head of Household. The Hearing Officer may also recommend corrective action by family or agency within a specific time frame.

The Hearing Officer will conduct an appeal within ten (10) working days of the written request, and will render his/her decision within five (5) working days. The decision will be forwarded to the FSSP office, which will provide the formal written notification of the decision to the client within five (5) working days.

There are two (2) separate types of violations that can begin the Notice of Intent to Terminate participation in the FSS Program.

1. Violation of the Section 8 Program. Any violation of this kind will follow the existing process established in the Section 8 Administrative Plan. These violations will be initiated by the Section 8 staff with notice to the FSSP Coordinator.
2. Violation of the FSSP Contract of Participation. This Notice of Intent to terminate will be initiated by the FSSP staff with notice to the Section 8 Supervisor. The FSSP Notice of Intent to terminate may be initiated by either (a) recommendation of the FSSP Coordinator, or (b) three (3) warning letters within two (2) years, or (c) three (3) FSSP hearings within two (2) years.

31. ASSISTANCE TO PERSONS WITH DISABILITIES

The Authority will provide notice:

- 1) In providing notice of the availability and nature of housing assistance for low-income families under program requirements, adopt suitable means to assure that the notice reaches eligible individuals with handicaps.
- 2) In its activities to encourage participation by owners, include encouragement of participation by owners having accessible units;
- 3) When issuing a Housing Choice Voucher to a family which includes an individual with handicaps include a current listing of available accessible units known to the PHA and, if necessary, otherwise assist the family in locating an available accessible dwelling unit;
- 4) Take into account the special problems in the ability to locate a unit when considering requests by eligible individuals with handicaps for extensions of Housing Choice Vouchers; and
- 5) If necessary in order to achieve compliance with this subpart, requests under 24 CFR Part 882, an exception to the Fair Market Rents to allow

Section 8 Housing Choice Voucher holders to rent accessible units. Accessible units are those units that require physical renovations to accommodate a handicapped individual or family. All such renovations will be verified by invoices and a HQS inspection by the LHA of that unit. An exception to the FMR up to 110% may be granted based on the above.

In order to ensure that participating owners do not discriminate in the recipient's federally assisted program, a recipient shall enter into a HUD-approved contract with participating owners, which contract shall include necessary assurances of nondiscrimination. (Ref. Resolution No. 4530)

32. ASSISTANCE FOR NON-ELDERLY DISABLED VOUCHERS (NED)

There is an Addendum to the Section 8 Administrative Plan regarding the administration of the NED Vouchers.

33. HOMEOWNERSHIP

The Lakewood Housing Authority has by Resolution # 4706 approved a first time homeownership program for eligible Section 8 recipients. The initial year of the homeownership program will only include participants from the Family Self-Sufficiency Program. The LHA will outreach to all FSSP participants by letter informing them of the homeownership program. If interested and eligible by Federal Regulations regarding the Section 8 Homeownership Program, they will be receiving counseling in budgets, money management; credit repair etc. according to HUD approved guidelines. As the initial year of the program was successful, the LHA has outreached to other eligible HCV Section 8 families in order to broaden the homeownership program. The LHA maintains a waiting list of those eligible families. Homeownership slots are made available by position on the waiting list. The LHA has allotted fifty (50) slots to the homeownership program. This policy will be revisited after the fifty (50) slots are filled and dependent on funding and staffing to maintain this program.

When a family indicates they would like to purchase a home they must be on the Section 8 Program at least one year. In addition they must have one eligible family member who has worked full time (minimum 30 hours) for at least one year. They will have 30 days to complete a HUD approved counseling program and provide the LHA with a Certificate of Completion. A voucher will be issued for 120 days. The family will have an additional 90 days to close on the home. You cannot defer your assistance until a unit is constructed. In the case of homeownership counseling the LHA will take into consideration when the training is offered when deciding whether or not to extend the time period of the voucher.

34. SPECIAL TERMINATION OF ASSISTANCE

In the event that funding is insufficient to cover the monthly HAP the following actions will be taken:

- Suspend the offering of repayment agreements for any purpose. The household will be terminated with full Informal Hearing rights.
- If after terminating assistance to households who have committed fraud and/or voluntarily withdraw from Section 8 assistance those households with the highest asset value will be have their assistance terminated if funding is not sufficient to cover the monthly HAP to landlords.

It is the hope of the Lakewood Housing Authority that terminating households who have the highest assets will not become necessary.