



# Lakewood Housing Authority Administrative Plan

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# CHAPTER 1- Program Authority and Objectives

Link: [United States Housing Act of 1937](#)

The Housing Authority of the Township of Lakewood, New Jersey (LHA) manages the Housing Choice Voucher (HCV) Program and other housing programs in the geographic area covering the Township of Lakewood and incorporated areas. Through its assisted housing programs, eligible families are provided the opportunity to obtain decent, safe and sanitary housing.

Administration of LHA's Housing Programs and the functions and responsibilities of LHA staff are in compliance with LHA's policies and procedures, the Department of Housing and Urban Development's (HUD) regulations, and all applicable Federal, State and local fair housing laws.

## 1.1 Applicable Regulations

- [24 CFR Part 5](#): General Program Requirements
- [24 CFR Part 8](#): Nondiscrimination
- [24 CFR Part 903](#): Public Housing Agency Plans
- [24 CFR Part 982](#): Section 8 Tenant Based Assistance
- [24 CFR Part 983](#): Project Based Vouchers
- [24 CFR Part 985](#): Section 8 Management Assessment Program
- [24 CFR Part 100](#): Discriminatory Conduct Under the Fair Housing Act

## 1.2 LHA Mission

It is the mission of the Lakewood Housing Authority to assist low-income families with safe, decent and affordable housing opportunities as they strive to achieve self-sufficiency and improve the quality of their lives. The Lakewood Housing Authority is committed to operating in an efficient, ethical and professional manner. The Lakewood Housing Authority will create and maintain partnerships with its clients and appropriate community agencies in order to accomplish the mission.

## 1.3 Purpose of the Administrative Plan

The Administrative Plan (Plan) establishes policies for implementation and administration of all the Section 8 programs administered by the LHA, including Housing Choice Voucher, Project Based Voucher and RAD Project Based Voucher. The Plan covers both admission to and continued participation in all Section 8 programs administered by the LHA.

Issues not addressed in this document related to applicants, participants and owners are governed by the Department of Housing and Urban Development Code of Federal Regulations, HUD guidance, or other applicable law. When circumstances arise and are not addressed by provisions in this Plan, they will be reviewed on a case-by-case basis. If a conflict arises between or among the regulations identified in this Plan, the regulations specifically stated for the applicable program will take precedence.

## 1.4 Approval of Plan and Use of Administrative Fee Reserves

Only the LHA Board of Commissioners is authorized to approve changes to the Administrative Plan. Expenditures from the administrative fee reserve will be made in accordance with all applicable Federal requirements.

## **CHAPTER 2 - General Administrative Provisions and Policies**

### **2.1 Confidentiality and Privacy Policy**

Link: [24 CFR 5.212](#); [HUD Form 9886](#)

It is the policy of LHA to guard the privacy of applicants and participants, and ensure the protection of records in accordance with the Privacy Act of 1974. LHA will not disclose any personal information (including, but not limited to information on any disability) contained in its records to any person or agency unless the individual about whom the information is requested gives written consent to such disclosure, or as required by law.

This privacy policy does not limit LHA's ability to collect such information as it may need to determine eligibility, compute housing assistance, and does not prohibit the LHA from disclosing information to local law enforcement if the participant is suspected of being involved in criminal or legal activity.

All applicant and participant information will be kept in a secure location and access will be limited to authorized LHA staff. LHA staff will not discuss personal family information unless there is a business reason to do so.

### **2.2 Record Retention Policy**

Link: [24 CFR 908.101](#); [24 CFR 35 Subpart B](#)

The LHA will keep all documents related to a family's eligibility, tenancy, and termination in accordance with HUD requirements, NJ requirements and LHA's Records Retention and Disposition policy.

## CHAPTER 3- General Fair Housing Policies

### 3.1 Nondiscrimination Policy

Links: [Fair Housing Act \(42 U.S.C\)](#); [Section 504 of the Rehabilitation Action of 1973](#); [Joint Statement of HUD and DOJ 5/17/14](#) and [24 CFR 982.54\(d\) \(6\)](#); [982.301\(b\) \(10\)](#); [982.304](#)

LHA provides information regarding Fair Housing and discrimination in housing on its website, in outreach materials, posters at its office, in the family briefing session and program packets, and owner meetings. When needed, LHA will also assist with how to fill out and file a housing discrimination complaint.

### 3.2 Complying with Civil Rights Laws

It is the policy of the LHA to comply with all federal, state and local non-discrimination laws, rules and regulations governing fair housing and equal opportunity in housing and employment now in effect and subsequently enacted, including, but not limited to:

- [Title VI of the Civil Rights Act of 1964](#), which forbids discrimination on the basis of race, color, religion, national origin or sex.
- [Title VIII of the Civil Rights Act of 1968](#) (as amended by the 1974 HCDA and the Fair Housing Amendments Act of 1988), which extends protection against discrimination based on disability and familial status, and spell out forms of prohibited discrimination
- [Executive Order 11063](#)
- [Section 504 of the Rehabilitation Action of 1973](#), which describes specific housing rights of persons with disabilities
- [Age Discrimination Act of 1975](#)
- [Title II of the Americans with Disabilities Act](#), otherwise Section 504 and the Fair Housing Amendments govern (Title II deals with common areas and public space, not living units)
- [Violence Against Women Reauthorization Act 2013](#) (VAWA)
- [Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity](#), also known as the “Equal Access Rule”
- Any applicable State laws or local ordinances that may apply, including those pertaining to Fair Housing or any legislation protecting the individual rights of residents, applicants or staff which may be subsequently enacted

LHA’s housing programs are open to all eligible individuals regardless of sexual orientation, gender identity or marital status. LHA will not inquire about the sexual orientation or gender identity of an applicant or participant for purposes of determining eligibility or otherwise making such housing available. However, the LHA may inquire about a person’s sex in order to accurately complete HUD’s 50058. The LHA will not discriminate because of race, color, marital status, sexual orientation, gender identity, national or ethnic origin or ancestry, sex, religion, age, familial status, source of income, or disability in the leasing, rental, occupancy, use, or other disposition of housing or related facilities.

Upon receipt of a complaint from an applicant or participant alleging a violation of the Equal Access Rule, LHA will determine if a program violation occurred, provide written notice and implement appropriate

corrective action(s). LHA may also advise the family to file a Fair Housing complaint if the family feels they have been discriminated against under the Fair Housing Act.

Applicants or participant families who believe that they have been subject to unlawful discrimination may notify the LHA in writing. Notifications made orally will be documented in writing by LHA staff including: complaint description, applicant/participant name, date, and LHA staff taking complaint. The LHA will attempt to remedy discrimination complaints made against the LHA. The LHA will provide the applicant or participant family 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. The LHA will also provide a copy of a discrimination complaint form to the complainant and provide them with information on how to complete and submit the form to HUD's Office of Fair Housing and Equal Opportunity (FHEO).

NEW YORK FHEO CENTER  
26 Federal Plaza  
New York, NY 10278  
(212) 542-7527  
(212) 542-7507

### **3.3 Owner Nondiscrimination Requirements**

Link: [Form HUD 52641](#); [PIH 2014-20](#)

The LHA requires owners to comply with all applicable laws and statutes. In agreeing to participate in LHA's housing choice voucher programs, the owner must abide by the Housing Assistance Payments (HAP) contract which prohibits discrimination and requires that the owner:

- Not discriminate against any person because of race, color, religion, sex, sexual orientation, gender identity, national origin, age, familial status, or disability in connection with the contract; and,
- Cooperate with LHA and HUD in conducting equal opportunity compliance reviews and investigation.

### **3.4 Family Outreach and Affirmative Marketing**

Link: [24 CFR Part 903.2](#) and [24 CFR 903.7](#)

The LHA publicizes and disseminates information concerning the availability and nature of housing assistance to income eligible families. As part of the briefing process and on-going education, LHA will provide information to HCV families about the opportunity to rent in a broad range of neighborhoods including:

- Information on general locations and characteristics of neighborhoods including: shopping centers, bus lines, etc.
- A listing of available rental property. The list, updated periodically, states: address, amenities, deposit information, etc. as provided by owners.
- A list of properties/owners who accept HCV.



- A description of portability provisions available in the Housing Choice Voucher program.
- A map of Township of Lakewood.
- A listing service of available rental property and owners
- A description of areas that are not acceptable due to high crime, coastal flooding, not suitable for all year round occupancy, etc.
- Other information as required.

When LHA's waiting list is open, LHA will publicize the availability and nature of housing assistance through a wide variety of sources including local and State newspapers, minority media, minority civic clubs, places of worship and local social service agencies. Efforts will be made to notify local officials, government agencies, and agencies that specifically address the needs of individuals with disabilities.

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

### **3.5 Owner Outreach**

LHA encourages program participation by all owners of housing units. LHA provides program information and printed materials to local realtors, agents, apartment associations and any interested landlords. LHA staff will be available to make presentations about the Housing Choice Voucher Program to these groups. The purpose of these activities is to provide more choices and better housing opportunities to families. Voucher holders are informed of the full range of areas within the LHA's jurisdiction where they may lease units.

LHA is committed to providing good customer service that encourages on-going owner participation in the program. The LHA shall conduct periodic meetings with participating owners/landlords to improve owner/landlord relations and to recruit new owners/landlords.

### **3.6 Language Assistance Plan and Limited English Proficiency Policy**

Link: [Federal Register 1/22/07, 24 CFR 1](#)

The LHA is committed to providing meaningful access to its programs and services to all eligible persons, including those who have Limited English Proficiency because of their national origin. LHA will take affirmative steps to communicate with people who need services or information in a language other than English. LEP is defined as persons who do not speak English as their primary language and who have a limited ability to read, write, speak or understand English. For the purposes of this Policy, LEP persons are all LHA applicants and participant families.

LHA has determined that the majority of participants speak either: English or Spanish. The LHA staff can communicate in: English and Spanish.

Given very limited resources LHA will not develop a written LEP plan, but will consider alternative ways to communicate and provide meaningful access. Every year, as part of LHA's annual plan process, the need for a LEP Plan will be reviewed and a Plan created if needed. The review will assess whether there have been any significant changes in the composition or language needs of the LEP population. The LHA will

analyze the various kinds of contacts it has with the public to assess language needs and decide what reasonable steps should be taken if the costs imposed do not substantially exceed the benefits.

If in the future LHA determines it is appropriate to develop a written LEP plan, the following five steps will be taken: (1) identifying LEP individuals who need language assistance; (2) identifying language assistance measures; (3) training staff; (4) providing notice to LEP persons; and (5) developing, monitoring and updating the LEP plan as needed.

#### LEP Options

- When LEP persons request, they will be permitted to use, at their own expense, an interpreter of their own choosing, in place of or as a supplement to the free language services offered by the LHA: the staff communicate in English and Spanish. The interpreter may be a family member or friend.
- LHA will inform applicants and participants of language assistance services.
- LHA will not provide written translation but will provide written notice in the primary language of the LEP language group of the right to receive oral interpretation of those written materials, free of cost. Translation may also be provided orally.

### 3.7 Reasonable Accommodation Policy

Link: [24 CFR Part 8](#)

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

LHA will ask all applicants and participant families if they require any type of accommodations, in writing, on the intake application, re-certification documents, and notice of adverse action. The notice will include the name and phone number of the LHA contact person for requests for accommodation for persons with disabilities.

The LHA will encourage the family to make its request in writing using a reasonable accommodation request form. However, the LHA will consider the accommodation any time the family indicates that an accommodation is needed whether or not a formal written request is submitted. If the request is made orally, the LHA will document the request in writing including: request specifications, family name, date, and LHA staff taking request.

If a person with a disability requests an accommodation to an existing rule, policy, practice, or service in order to fully access and utilize the LHA's housing programs and related services, the LHA will verify and evaluate the request. The LHA is not required to make changes that would fundamentally alter the program or create an undue financial and administrative burden.

#### Legal Authority

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

- [Section 504 of the Rehabilitation Act of 1973](#) (Section 504);
- [Titles II and III of the Americans with Disabilities Act of 1990](#) (ADA);
- [The Fair Housing Act of 1968](#), as amended (Fair Housing Act);

- [The Architectural Barriers Act of 1968](#); and
- [24 C.F. R. Parts 8](#)
- [New Jersey Law Against Discrimination \(LAD\)](#)

### Definition of Disability

Person with disabilities includes, but may not be limited to, a person who:

- Has a disability, as defined in [42 U.S.C. 423](#);
- Is determined, pursuant to HUD regulations, to have a physical, mental, or emotional impairment that:
  - Is expected to be of long-continued and indefinite duration;
  - Substantially impedes his or her ability to live independently, and
  - Is of such a nature that the ability to live independently could be improved by more suitable housing conditions; or
  - Has a developmental disability as defined in [42 U.S.C. 6001](#).
- Does not exclude persons who have the disease of acquired immunodeficiency syndrome or any conditions arising from the etiologic agent for acquired immunodeficiency syndrome;
- For purposes of qualifying for low-income housing, does not include a person whose disability is based solely on any drug or alcohol dependence; and
- Means “individual with handicaps”, as defined in § [8.3](#) of this title, for purposes of reasonable accommodation and program accessibility for persons with disabilities.

### Examples of Reasonable Accommodations

- Allowing a larger unit size
- Allowing a live-in aide, with the owner’s approval
- Allowing a service animal, with the owner’s approval
- Alternative measures instead of lease termination
- Rescheduling appointments and/or hearings
- Attendance at a hearing of any other person approved by the LHA
- Permitting an outside agency or family member to assist in an interview or meeting
- Permitting applications and re-certifications to be completed by mail

## 3.8 Live in Aide Policy

Links: [24 CFR 5.403](#); [24 CFR 8](#); [24 CFR 5.609\(c\)\(5\)](#); [24 CFR 966.4\(d\)\(3\)\(I\)](#)

The LHA will approve a live-in aide if needed for families with an elderly member, or as a reasonable accommodation to make the program accessible to and usable by a family member with disabilities.

Live-in aide means a person who resides with one or more elderly persons or persons with disabilities, and who:

- Is determined to be essential to the care and well-being of the persons
- Is not obligated for the support of the persons, and
- Would not be living in the unit except to provide the necessary supportive services

A live-in aide is a member of the household, not the family, and the income of the aide is not considered in income calculations. Relatives may be approved as live-in aides if they meet all of the criteria defining

a live-in aide. However, a relative who serves as a live-in aide is not considered a family member and will not be considered a remaining member of a participant family.

A family's request for a live-in aide must be made in writing, on the LHA Request for Live-In Aide Form, and is subject to LHA's verification. LHA will verify the request. For continued approval, the family must submit a new, written request, subject to the LHA verification at each annual re-certification.

In addition, the family and live-in aide will be required to submit a certification stating that the live-in aide is:

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

The LHA has the discretion not to approve a particular person as a live-in aide, and may withdraw such approval, if the person:

- Does not meet LHA's eligibility criteria
- Would cause the current unit to become overcrowded according to LHA standards and local codes
- Falls under any category listed in this Policy in the Denials of Admission Section

### **3.9 Physical Impairment Policy**

Link: [24 CFR Part 8.6](#)

When visual aids are used in meetings or presentations, one-on-one assistance will be provided upon request.

Additional examples of alternative forms of communication are sign language interpretation; having material explained orally by staff; or having a third party representative (a friend, relative or advocate, named by the applicant or participant) to receive, interpret and explain housing materials and be present at all meetings.

### **3.10 Violence against Women Reauthorization Act Policy (VAWA)**

Link: [Violence Against Women Reauthorization Act 2013](#); [24 CFR 5 Subpart L, PIH Notice 2017-08](#)

This Policy is applicable to all federally subsidized programs administered by LHA. LHA will not discriminate against an applicant or resident on the basis of the rights or privileges provided under the VAWA. This policy is gender-neutral, and its protections are available to persons who are victims (including affiliated individuals) of domestic violence, dating violence, sexual assault or stalking.

The LHA will not deny admission to the housing choice voucher program to any person because that person is or has been a victim or affiliated individual of domestic violence, dating violence, sexual assault or stalking; provided that such person is otherwise qualified for such admission. In addition to prohibiting a denial, termination, or eviction based on the fact that the applicant or tenant/participant is or has been a victim of domestic violence, dating violence, sexual assault or stalking, LHA will not deny admission to an applicant based on an adverse factor, if the adverse factor is determined to be a

direct result of the fact that the applicant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking.

#### VAWA - Notification of Rights

The LHA will enclose in each application packet a notice advising applicants of their rights under VAWA. The LHA will notify participants of their rights under VAWA during the annual re-certification process and with any adverse action notice along with a copy of the form HUD form 5380 (Notice of Occupancy Rights); HUD form 5382 (Certification of VAWA)([alternate languages](#)).

#### VAWA - Confidentiality

All VAWA information provided to the LHA, including the fact that an individual is a victim or affiliated individual of domestic violence, sexual assault, dating violence, sexual assault or stalking (VAWA violence); will be retained in confidence, and will not be entered into any shared database or provided to any related entity, except to the extent that disclosure is:

- Requested or consented to by the individual in writing
- Required for use in an eviction proceeding
- Otherwise required by applicable law

If disclosure is required for use in an eviction proceeding or is otherwise required by applicable law, LHA will inform the victim before disclosure occurs so that safety risks can be identified and addressed.

#### VAWA - Documentation

When a participant is facing lease termination because of the actions of a family member, household member, guest, or other person under the participant's control and a participant or immediate family member of the participant's family claims that she or he is the victim or affiliated individual of such actions and that the actions are related to VAWA violence, the LHA will request in writing that the individual submit documentation within fourteen (14) business days affirming that claim. The written request will include instructions on where, when, and to whom the documentation must be submitted. It will also state the consequences for failure to submit the documentation by the deadline. LHA may choose to extend the 14-day requirement to provide documentation or may choose to waive the requirement based on the circumstances surrounding the claim.

The individual may satisfy this request by providing any one of the following documents as described under 24 CFR 5.2007(b)(1):

- Form HUD-5382; or
- A document:
  - Signed by an employee, agent, or volunteer of a victim service provider, an attorney, or medical professional or a mental health professional (collectively, "professional") from whom the victim has sought assistance relating to domestic violence, dating violence, sexual assault, or stalking, or the effects of abuse:

- Signed by the applicant or tenant; and
- That specifies, under penalty of perjury, that the professional believes in the occurrence of the incident of domestic violence, dating violence, sexual assault, or stalking that is the ground for protection and remedies under the VAWA Final Rule, and that the incident meets the applicable definition of domestic violence, dating violence, sexual assault, or stalking under 24 CFR 5.2003; or
- A record of a Federal, State, tribal, territorial or local law enforcement agency (may include a police report), court, or administrative agency; or
- At the discretion of LHA, a statement or other evidence provided by the applicant or tenant.

#### VAWA Lease Bifurcation

The LHA may request the owner to bifurcate a family's lease and terminate the tenancy of the culpable family member if the LHA determines that the family member has committed criminal acts of physical violence against other family members or others. This action will not affect the tenancy or program assistance of the remaining, non-culpable family members. In making its decision, the LHA will consider all credible evidence, including, but not limited to, a signed certification (form HUD-50066, HUD-5832) or other documentation of abuse submitted to the LHA by the victim.

If the LHA does bifurcate the lease and terminate the tenancy of the culpable family member, it will do so in accordance with the lease, applicable law, policies in this Administrative Plan and the LHA VAWA Procedure. If necessary, the LHA will also take steps to ensure that the remaining family members have a safe place to live during the termination process. For example, the LHA may refer the remaining family members to a victim service provider or other agency with shelter facilities.

#### Limitation On VAWA Protection

VAWA does not limit LHA's otherwise available authority to terminate assistance to or evict a victim for lease violations not premised on an act of domestic violence, dating violence, or stalking providing that LHA does not subject the victim to a more demanding standard than the standard to which it holds other tenants.

VAWA does not limit LHA's authority to terminate the assistance if LHA can demonstrate an actual and imminent threat to other tenants or those employed at or providing service to the property if that tenant's tenancy is not terminated.

In determining whether a public housing tenant who is a victim of domestic violence, dating violence, or stalking is an actual and imminent threat to other tenants or those employed at or providing service to a property, HHA will consider the following, and any other relevant, factors:

- Whether the threat is toward an employee or tenant other than the victim of domestic violence, dating violence, or stalking
- Whether the threat is a physical danger beyond a speculative threat Whether the threat is likely to happen within a short period of time
- Whether the threat to other tenants or employees can be eliminated in some other way, such as by helping the victim relocate to a confidential location, transferring the victim to another unit, or seeking a legal remedy to prevent the perpetrator from acting on the threat

If the participant wishes to contest LHA's determination that he or she is an actual and imminent threat to other tenants or employees, the participant may do so as part of the informal hearing or in a court proceeding.



## **CHAPTER 4- Applying to the Program and Waiting List**

### **4.1 Application Process**

When the HCV program waiting list is open, the LHA uses a two-step application process when it is expected that a family will not be selected from the waiting list for at least 30 days from the date of application. Under the two-step application process, the LHA initially will require families to provide only the information needed to make an initial assessment of the family's eligibility, and to determine the family's placement on the waiting list. The family will be required to provide all of the information necessary to establish family eligibility and the amount of rent the family will pay when selected from the waiting list. If families are needed in less than 30 days, LHA will use a one step process and request all information from the family at that time.

The LHA will announce the reopening of the waiting list prior to the date applications will first be accepted. If the list is only being reopened for certain categories of families, this information will be contained in the notice. LHA will advertise through a wide variety of sources including local newspapers, minority media, minority civic clubs, places of worship and service agencies. An effort will also be made to notify elected officials, government agencies and other agencies that specifically address the needs of individuals with disabilities. The LHA will give public notice by publishing the relevant information in suitable media outlets.

Notices will include: the dates, times and locations where families may apply; the method for acceptance of application; the program for which applications will be taken and; a brief description of the program.

No one will be denied the right to request or submit an application when the HCV waiting list is open. However, depending upon the composition of the waiting list with regard to family types and preferences and to better serve the needs of the community, the LHA may only accept applications from any family claiming preference(s). When the HCVP waiting list is open, LHA will offer all applicants the opportunity to be listed on other LHA Program waiting lists, if open.

Accommodations will be made for interested, disabled applicants. In the event that on-line applications are utilized and an applicant needs assistance completing or submitting the on-line application, assistance may be provided over the phone or via other means as identified by LHA.

Completed pre-applications must be submitted in the manner specified (e.g. post office box or address; on-line via the internet). LHA reserves the right to accept pre-applications electronically via the internet or other automated system (including via telephone and/or with assistance from an LHA-authorized third-party via telephone) as deemed appropriate. The application will give the applicant an opportunity to list a 3<sup>rd</sup> party to be notified in case the applicant is unable to be contacted. LHA does not charge any fee for any part of the HCV pre-application or application process.

Only those pre-applications received by the due date as indicated by a postmark or other appropriate electronic submission verification tool during the time-period specified by LHA will be accepted as eligible pre-applications. The date the pre-application is received is the date it is postmarked or submitted electronically. During periods of open enrollment, applications can be placed by those with disabilities or those that do not have access to telephones by external organizations that provide human services and or at LHA's designated locations.

An applicant is deemed ineligible and not placed on the LHA waiting list if:

- Currently housed in the same program and listed as the head of household or co-head of household.
- The application is incomplete or missing required information.
- The application is illegible.
- The applicant is a duplicate application.
- The applicant is under the age of 18.
- The applicant has supplied fraudulent information.
- The application is not signed by the Head of Household.

## **4.2 Opening and Closing the Waiting List**

Link: [24 CFR 982.206](#)

The LHA may at its discretion open and close waiting list.

The decision to close the waiting list will be based on: the number of applications on file, the number of anticipated available vouchers and when the estimated waiting period for housing assistance reaches 12 to 18 months.

The LHA will announce the reopening of the waiting list at least 15 calendar days prior to the date applications will first be accepted. If the list is only being reopened for certain categories of families, this information will be contained in the notice.

The LHA will give public notice by publishing the relevant information in suitable media outlets.

All notices and advertisements announcing the opening of the waiting list will include:

- The dates the list will be open;
- The means by which applications will be taken (paper; electronic; other)
- The office hours and location where applications are available and will be accepted;
- The availability of Housing Choice Vouchers;
- Eligibility guidelines;
- Preferences and methodology for the selection of applicants; and
- Any limitations which may apply.
- Instructions for electronic submission of applications in the event such technology is available.

## **4.3 Maintaining the Waiting List**

The LHA will not merge the housing choice voucher waiting list with the waiting list for any other program the LHA operates. However, the LHA will maintain a separate Mainstream waiting list. All existing HCV applicants meeting the eligibility requirements for a Mainstream voucher will be placed on the Mainstream waiting list in addition to maintaining their original application/position on the HCV waiting list.

The waiting list will contain the following information for each applicant listed:

- Name and address of head of household
- Number of family members
- Social security number (All household members)
- Date of birth of all household members.

- Indicate if any family members are disabled.
- Amount and source of annual income
- Date and time of application / Randomized wait list selection number

#### **4.4 Updating the Waiting List**

The waiting list will be updated as needed to ensure that all applicant information is current. 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 within 30 calendar days 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 within 15 calendar days his/her application will be removed from the list and their application will be terminated and will not be reinstated for any reason. The first letter will be sent via first class mail and the second/final letter will be sent via first class and certified mail.

When a family is removed from the waiting list during the update process for failure to respond, an informal hearing will be offered. If the family is removed from the waiting list for failure to respond, the Executive Director may reinstate the family if s/he determines the lack of response was due to LHA error, or to circumstances beyond the family's control.

Notices will be made available in accessible format upon the request of a person with a disability. An extension to reply to the update notification will be considered as a reasonable accommodation if requested by a person with a disability.

#### **4.5 Change in Circumstances**

##### **Preference Status**

Changes in an applicant's circumstances while on the wait list may affect the family's entitlement to a preference. Applicants are required to notify the LHA in writing when their circumstances change.

When an applicant claims a preference, they will be placed on the waiting list in the appropriate order determined by the newly-claimed preference.

The exception to this is, if at the time the family applied, the waiting list was only open to families who claimed that preference. In such case, the applicant must verify that they were eligible for the first preference before they returned to the waiting list with the new preference.

##### **Change to the Family Composition**

When a family on the waiting list breaks up into two otherwise eligible families, only one of the new families may retain the original application date. Other former family members may make a new application with a new application date if the waiting list is open. When a family on the waiting list splits into two otherwise eligible families due to divorce or legal separation, and the new families both claim

the same placement on the waiting list, and there is no court determination, the LHA will make the decision taking into consideration the following factors:

- The interest of any minor children, including custody arrangements
- The interest of any ill, elderly, or disabled family members
- Any possible risks to family members as a result of domestic violence or criminal activity;
- Recommendations of Social Service Agencies, and;
- Which family member applied as Head of Household.

In the case of a blended family, the original applicant/Head of Household will retain the original application placement.

When a family is on the wait list and the head of household is deceased, an adult member who has court ordered final custody of the children listed on the application will be allowed to retain the original application position. The family will take the appropriate place on the waiting list according to the date they first applied.

## 4.6 Local Preferences

Link: [24 CFR 982.207](#)

Preferences establish the order of applicants on the waiting list. An admission preference does not guarantee admission. Every applicant must still meet LHA's Selection Criteria before being offered a voucher. LHA has the following HCV preferences:

- Victims of Domestic Violence;
- Residents living or working in Lakewood Township
- Family Unification Program Youths Aging out of Foster Care (FUPY) referrals
- Family Unification Program Youths (FUPY) voucher holders, in good standing, that are reaching the expiration of their FUPY voucher term and will have lack of adequate housing as a result of their termination from the program.
- Family Unification Program Families/referrals
- Elderly or Disabled Single applicants shall have preference over other single individuals.
- Date and time of application / Randomized Lottery Number (if designated by the wait list opening).
- Veterans
- Leasing in Place – When the voucher utilization rate falls below 98%, a preference will be provided to applicants that can and will lease in place. This preference will remain in effect until the utilization rate reaches 100%, at which time the preference will no longer be considered until such time that the utilization rate falls below 98%.

For the Mainstream Program waiting list, the residency preference (Residents living or working in Lakewood Township) will not apply. All other local preferences will apply.

The LHA use of the residency preference will not have the purpose or effect of delaying or otherwise denying admission to the program based on the race, color, ethnic origin, gender, religion, disability, or age of any member of an applicant family.

When adopting a *new preference*, LHA will notify all applicants on the current waiting list to determine if any are eligible under the preference (24 CFR §5.655(c)). LHA will specify in a public notice of a waiting list opening that current waiting list applicants may qualify for the preference. The notice will include any other information new applicants and current applicants on the waiting list will need to know about how to successfully apply and establish their preference status, including any partnering agencies with whom the owner may be working to receive referrals or determine preference eligibility.

If an applicant makes a willfully false statement in order to qualify for a Local preference, LHA will deny the application.

If the LHA denies a preference, LHA will notify the applicant in writing of the reasons why the preference was denied and offer the applicant an opportunity for an informal meeting.

If the preference denial is upheld as a result of the meeting, or the applicant does not request a meeting, the application will be deactivated due to providing false information. Applicants may exercise other rights if they believe they have been discriminated against.

#### **4.7 Assistance Targeted by HUD**

Link: 24 CFR 982.203; [982.203 \(2\)\(b\)\(1-5\)](#)

LHA will not admit a family that is not on the waiting list, or without considering the family's waiting list position or preferences in certain circumstances prescribed by HUD. LHA will maintain records showing that the family was admitted with HUD specified funding or voucher award including targeted funding and special population vouchers.

The LHA is currently administering the following types of special purpose/targeted funding vouchers:

- Mainstream Housing Opportunities
- Family Unification Program

#### **4.8 Continuously Assisted Families**

Link: [24 CFR 982.4](#); [982.203](#)

LHA will consider a family to be continuously assisted if the family was leasing a unit under any 1937 Housing Act program at the time they were issued a voucher by LHA. As noted in this Plan, families being relocated from the LHA's public housing have first priority for vouchers and qualify as continually assisted. In addition, families assisted under the U.S. Housing Act (including all families occupying units in properties receiving Section 8 project-based assistance) are considered continually assisted. All such families are treated in the regulations as "special (non-waiting list) admissions".

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

#### **4.9 Relocation of Witnesses and Victims of Crime**

Link: <http://portal.hud.gov/hudportal/HUD?src=/programdescription/witness>

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

#### **4.10 Income Targeting Policy**

Link: [24 CFR 960.202\(b\)](#)

The LHA will monitor progress in meeting the Extremely Low Income (ELI) requirement throughout the fiscal year. Extremely-Low Income families are now defined as families whose incomes do not exceed the higher of: Federal Poverty Level or 30 percent of Area Median Income. ELI families will be selected ahead of other eligible families on an as-needed basis to ensure that the income targeting requirement is met. Under limited circumstances, HUD rules allow admission of low-income families. The LHA will monitor progress in meeting the Extremely Low Income (ELI) requirement throughout the fiscal year. If an applicant on the waiting list is skipped over, they will retain their original sequential number placement and be the first applicant offered an opportunity for assistance after the extremely low-income targeting requirement has been met. The LHA will provide a minimum of 75% of its vouchers to applicants whose incomes do not exceed 30% of the area median income (Extremely Low Income).

#### **4.11 Fungibility**

Link: [Quality Housing and Work Responsibility \(QHWRA\) Act](#), aka Public Housing Reform Act or Housing Act of 1998

LHA will exercise fungibility between the Housing Choice Voucher and public housing programs as allowed by HUD to meet income targeting requirements and as also stated in the LHA's Admission and Occupancy Policy.

#### **4.12 Waiting List Placement**

Applicants shall be selected in order of date and time of the initial application with consideration given to the regulations governing income targeting as well as any adopted local preference. If the Lottery randomization is used, then the selection will be by preference then lottery number.

Placement on the waiting list does not indicate that the family is, in fact, eligible for admission. When the family is selected from the waiting list, the LHA will determine eligibility for admission to the program. If the LHA can determine from the information provided that a family is ineligible, the family will not be placed on the waiting list. When a family is determined to be ineligible, the LHA will send written notification of the ineligibility determination within 30 calendar days of receiving a complete application. The notice will specify the reasons for ineligibility, and will inform the family of its right to request an informal review and explain the process for doing so. If upon conclusion of the informal review process, the family's preliminary eligibility is restored, the family's original date and time of application will be restored on the waiting list.

Applicants who owe money to LHA or any other housing authority will not be placed on the waiting list until their debt is paid in full. LHA reserves the right, in the case of extreme hardship (i.e. homelessness),

to enter into a Payment Agreement. Full documentation of the hardship will be required. In no case will the debt be forgiven.

Both spouses are responsible for the debt incurred as a previous LHA tenant. If only one of the spouses is reapplying, the debt is equal to 50%. Children of the head or spouse who has incurred a debt to LHA will not be responsible for the parent's previous debt.

If an applicant or family requests copy of LHA's selection policies, the LHA will provide copies at the then applicable OPRA rates.

#### **4.13 Selection from the Waiting List Notification**

LHA will notify the family when it is selected from the waiting list. The notice will inform the family of the date, time, and location of the eligibility appointment, who is required to attend, and the documents that must be provided.

If a notification letter is returned to LHA with no forwarding address, or within the specified time, the family will be removed from the waiting list without further notice. If the family is removed from the waiting list for failure to respond, the Executive Director may reinstate the family if s/he determines the lack of response was due to LHA error, or to circumstances beyond the family's control. The applicant may also request an informal hearing.

For the RAD PBV program unit offers,

- (1) The applicant will be notified in writing of the offer of a unit and must accept the vacancy offered within 3 working days of the date the offer is communicated or be dropped from the qualified applicant list. (See good cause discussion below.)
- (2) If more than one unit of the appropriate size and type is available, the first unit to be offered will be the unit that was ready for occupancy first.
- (3) If an applicant is willing to accept the unit offered but is unable to move at the time of the offer and presents to the satisfaction of the HA clear evidence ("good cause") that acceptance of the offer of a suitable vacancy will result in undue hardship or handicap not related to considerations of race, color, sex, religion or national origin, the applicant will not be dropped from the list. Examples of good cause reasons for the refusal of an offer of housing include, but are not limited to:
  - (a) Presence of lead paint in the unit offered when the applicant has children under the age specified by current law;
  - (b) The family demonstrates to the HA's satisfaction that accepting the offer will result in a situation where a family member's life, health or safety will be placed in jeopardy. The family must offer specific and compelling documentation such as restraining orders, other court orders, or risk assessments related to witness protection from a law enforcement agency. Reasons offered must be specific to the family. Refusals due to location alone are not good cause.



- (c) A health professional verifies temporary hospitalization or recovery from illness of the principal household member, other household members or live-in aide (each as listed on final application) necessary to the care of the principal household member;
  - (d) The unit is inappropriate for the applicant's disabilities.
- (4) The applicant must be able to document that the hardship claimed is good cause for refusing an offer of housing. Where good cause is verified to the HA's satisfaction, the refusal of the offer shall not require that the applicant be removed from the waiting list or otherwise affect the family's position on the waiting list.
- (5) The HA will maintain a record of units offered, including location, date, and circumstances of each offer, and each acceptance or rejection, including the reason for the rejection.

## CHAPTER 5-Initial and Continuing Eligibility

Link: [24 CFR 982.4](#); [982.203](#)

### 5.1 Qualifications for Admission

LHA will admit only applicants who are qualified according to all the following criteria:

- Are a family as defined by HUD and LHA.
- Qualify on the basis of citizenship or the eligible immigrant status of family members. Link [24 CFR Part 5, Subpart E](#)
- Provide documentation of Social Security numbers for all household members, or certify that they do not have Social Security numbers. Link: [24 CFR Part 5, Subpart B](#)
- Have income at or below HUD-specified income limits. Link: [24 CFR Part 5, Subpart F](#)
- Consent to LHA's collection and use of family information as provided for in LHA consent forms.

#### Income Eligibility

Links: [24 CFR 982.201\(b\)](#); [982.4](#); [248.101](#) & [173](#)

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

To determine if the family is income eligible, the LHA will compare the annual income of the family to the HUD published LHA income limit for the family's size.

#### Social Security Number Disclosure

Link: [24 CFR 5.216](#), [5.218](#); [Notice PIH 2012-10](#)

The applicant and all members of the applicant's household must disclose the complete and accurate social security number (SSN) assigned to each household member, and the documentation necessary to verify each SSN. (These requirements do not apply to noncitizens who do not contend eligible immigration status).

If LHA determines that the applicant is otherwise eligible to participate in a program, the applicant may retain its place on the waiting list for the program for up to 90 calendar days but cannot become a participant until it can provide the documentation to verify the SSN of each member of the household.

If a child under the age of 6 years was added to the applicant household within the 6-month period prior to the household's date of admission, the applicant may become a participant, so long as the documentation required is provided to the LHA within 90 calendar days from the date of admission into the program.

The LHA will grant an extension of one additional 90-day period if the LHA determines that, in its discretion, the applicant's failure to comply was due to circumstances that could not reasonably have been foreseen and were outside the control of the applicant. If the applicant family fails to produce the documentation required within the required time period, the LHA must follow the provisions of [§ 5.218](#).

## Citizenship Requirements

Link: [24 CFR Part 5, Subpart E](#)

LHA will verify the citizenship/immigration status of applicants at the time other eligibility factors are determined. At least one family member must be a citizen, national, or noncitizen with eligible immigration status in order for the family to qualify for any level of assistance. Each family member must declare whether the individual is a citizen, national or an eligible noncitizen. Family members who declare citizenship or national status will not be required to provide additional documentation supporting the individual's declaration of citizenship and national status unless NHRA receives information indicating that an individual's declaration may not be accurate, such as a birth certificate. All eligible noncitizens who are 62 years of age or older will be required to sign a declaration under penalty of perjury. They will also be required to show proof of age. Prior to being admitted, all eligible noncitizens must sign a declaration of their status and a verification consent form and provide their original USCIS documentation. Family members who do not claim to be citizens, nationals or eligible noncitizens, or whose status cannot be confirmed, must be listed on a statement of non-eligible members and the list must be signed by the head of household.

## 5.2 Family Definition

Link: [24 CFR 5.403](#)

To be eligible for admission, an applicant must qualify as a family. Family as defined by HUD includes but is not limited to the following, regardless of actual or perceived sexual orientation, gender identity, or marital status:

- A single person, who may be an elderly person, displaced person, or any other single person
- A group of persons residing together and such group includes, but is not limited to:
  - A family with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family); unborn children and children in the process of being adopted are considered family members for purposes of determining bedroom size, but are not considered family members for determining income limit.
  - An elderly family;
  - A disabled family;
  - A displaced family; and
  - The remaining member of a participant family.

For categorizing family as defined above, the terms disabled family and elderly family are:

- Disabled family means a family whose head (including co-head), spouse or sole member is a person with a disability.
- Elderly family means a family whose head (including co-head), spouse or sole member is a person who is at least 62 years of age.

A family may have a spouse or co-head but not both. The co-head is an individual in the household who is equally responsible for the lease with the head of household. A co-head never qualifies as a dependent. The co-head must have legal capacity to enter into a lease.

Child (minor) relationship is determined only by: birth, adoption, a court order establishing custody, or a legal order from the social service agency, (i.e. Child Protective Services, DES, etc.).

A family does not include:

- A group of unrelated persons living together (friends, etc.)
- Aunt, uncle, sister, brother, cousin, friend, etc.
- An additional family to the household, i.e. a sister and her children, etc.
- A housekeeper or live-in aide
- Foster children and/or foster adults

Each family must identify the individuals to be included in the family at the time of application, and must notify the LHA if the family's composition changes within 10 business days.

### Head of Household

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

### Joint Custody

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

When more than one applicant or participant (regardless of program) is claiming the same dependents as family members, the family with primary custody at the time of the initial examination or re-certification will be able to claim the dependents. If there is a dispute about which family should claim the dependent(s), the LHA will make the determination based on court orders and social service agency orders showing which family has custody

### Family Break Up

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

If a participant family breaks up into two otherwise eligible families, only one of the new families will retain occupancy of the unit.

If a court determines the disposition of property between members of an applicant or participant family as part of a divorce or separation decree, the LHA will abide by the court's determination.

In the absence of a judicial decision or an agreement among the original family members, the LHA will determine which family will retain their placement on the waiting list or continue in occupancy. In making its determination, the LHA will take into consideration the following factors:

- The interest of any minor children, including custody arrangements
- The interest of any ill, elderly, or disabled family members
- The interest of any family member who is or has been the victim of domestic violence, dating violence, sexual assault, or stalking and provides documentation in accordance with this Administrative Plan
- Any possible risks to family members as a result of criminal activity
- The recommendations of social service professionals

In the case of a blended family, the original voucher holder will retain the voucher.

#### Remaining Family Member

A remaining family member is defined by HUD and previously approved by LHA to live in the unit as a household member. Live in aides, foster children and foster adults do not qualify as remaining family members.

If the head of household dies or leaves the unit for any reason other LHA termination of assistance, continued occupancy by remaining household members is permitted only if:

- The household reports the departure (or death) of the head of household in writing within 10 calendar days of the occurrence (30 calendar days in the case of death), and
- A replacement head of household is identified and reported to LHA in writing within 45 calendar days of the occurrence, and:
- If after 45 calendar days of the occurrence, no head of household is reported, LHA will proceed with termination.
- The household member seeking to become the head of household must meet LHA's eligibility requirements.
- The member seeking to become the head of household has reported all income as required by LHA policy.
- The member seeking to become the head of household has not committed any violation of the lease agreement during their tenancy.
- The household agrees to occupy an appropriately sized unit based on LHA's Occupancy Standards.
- Except in cases where the member seeking to become the head of household is the parent or legal guardian of a remaining minor(s), the proposed head of household has been listed on the

lease for at least 12 consecutive months, or since the previous head of household's tenancy (if less than 12 consecutive months).

- The head of household agrees to a written repayment agreement for any rent or charges incurred by the former head of household.
- Those under 18 seeking to become the head of household must provide proof of emancipation.
- An adult who becomes the guardian or other caretaker of remaining household member(s) who are minors, may apply to become head of household and must meet LHA's eligibility criteria.

LHA may deny housing assistance if an action to terminate the former head of household's housing assistance began prior to the former head of household's departure from the unit.

### 5.3 Student Head of Household

Link: [24 CFR 5.612](#)

No assistance will be provided under section 8 of the 1937 Act to any individual who:

- Is enrolled as a student at an institution of higher education, as defined under section 102 of the [Higher Education Act of 1965 \(20 U.S.C. 1002\)](#);
- Is under 24 years of age;
- Is not a veteran of the United States military;
- Is unmarried;
- Does not have a dependent child; **and**
- Is not otherwise individually eligible, or has parents who, individually or jointly, are not eligible on the basis of income to receive assistance under section 8 of the 1937 Act.

If any one of the above criteria does not apply, the individual will be eligible for assistance.

The above restriction does not apply to a person with disabilities as such term is defined in section 3(b)(3)(E) of the 1937 ACT and who was receiving Section 8 assistance on November 20, 2005.

### 5.4 Guests/Visitors

Guests/Visitors are permitted based on the terms in the owner's lease; the owner has provided approval for the guest/visitor; and the guest/visitor is not an unauthorized person living in the unit.

Guest/Visitors will be governed by the more stringent of the owner's lease or the administrative plan. If the lease does not specify provisions on guests/visitors, a guest can remain in the assisted unit no longer than 14 consecutive days, or 30 days in total, during any 12-month period or LHA will consider the person(s) unauthorized persons in the unit. For the LHA RAD PBV properties, no guests are permitted for longer than 3 days without the advance written consent of the Authority. All accommodations for guests need advance approval and a visitor's pass from the Lakewood Housing Authority. A family may request an exception to this policy for valid reasons (e.g. care of a relative recovering from a medical procedure is expected to last 40 consecutive days). An exception will not be made unless the family can identify and provide documentation of the residence to which the guest will return.

The family must notify the LHA in writing of the children(s) names and timeframes the children will be in the household if the participant has children who are subject to a joint custody arrangement or for whom a family has visitation privileges, that are not included as a family member because they live outside of the unit more than 50 percent of the time. Children under the age of eighteen (18) may visit a unit for a maximum of fourteen (14) consecutive days per year without being considered part of the family, provided the family has the written permission of the owner/landlord.

In making the determination if the person is an unauthorized household member, LHA will consider:

- Statements from neighbors and/or LHA staff
- Vehicle license plate verification
- Post Office records
- Driver's license verification
- Law enforcement reports
- Credit reports
- Utility bills

## **5.5 Eligibility Interview**

Families selected from the waiting list are required to participate in a briefing interview either individually or in a group setting. The family will be sent an interview notice to their last known address indicating the date, time, place, who must attend and what documents must be presented at the interview. The family will either be mailed a packet of documents to complete or will be provided with the packet at the group session. The packet must be complete in order for eligibility to be determined.

All adult family members are required to attend the interview and sign the housing application. Exceptions may be made for students attending school out of state / for members for whom attendance would be a hardship due to medical reasons. The head and spouse/co-head are both required to attend the interview.

The family must provide the information necessary to establish the family's eligibility, including criminal background records, and to determine the appropriate amount of rent the family will pay. The family must also complete required forms, provide required signatures, and submit required documentation. If the family does not provide the required documentation at the time of the interview, the interview will not take place and may be rescheduled when all the documents are submitted by the family. The family will be given a list of missing documents and the timeframe for returning the document, 15 calendar days. If the documents are returned complete within 15 calendar days, the interview will be rescheduled. If the documents are not returned complete within 15 calendar days, LHA will determine that the applicant is no longer interested in housing assistance and will be removed from the waiting list. Extensions to the timeframe may be allowed based on documented medical emergencies and reasonable accommodations.



If the required documents and information are not provided within the required time frame (plus any extensions) the family will be sent a notice of denial. An advocate, interpreter, or other assistant may assist the family with the application and the interview process.

#### Rescheduling the Briefing Interview

If the family is unable to attend a scheduled interview or group appointment for good cause, the family must contact the LHA at least 24 hours in advance of the interview to schedule a new appointment. If the family fails to attend a second scheduled appointment without LHA approval, LHA will deny assistance based on the family's failure to supply information needed to determine eligibility. Only for documented and verified extenuating circumstances (illness, hospitalization, etc.), the applicant may contact the LHA within 24 after the scheduled appointment and the appointment will be rescheduled once.

#### Eligibility Notification

The LHA will notify a family in writing of their eligibility within 15 calendar days of the determination.

If the LHA determines that the family is ineligible, the LHA will send written notification of the ineligibility determination to the applicant, and any third party contact provided by applicant, within 15 calendar days of the determination. The notice will specify the reasons for ineligibility, and will inform the family of its right to request an informal hearing and occupancy rights under the Violence Against Women's Act reauthorization 2013 (HUD Form 5380).

## 5.6 Criminal Background Policy

Links: [24 CFR 5.903](#); [24 CFR 960.204\(d\)](#); [24 CFR 960.204\(a\)\(4\)](#); [24 CFR 5.905\(d\)](#)

The LHA will perform criminal records checks at call in for all adult household members (defined as 18 years of age or older), when minors turn 18 or when adding an adult member to the household. If, at any time during the program participation, the LHA has reasonable cause to believe that a household member is engaged in drug-related or other criminal activity which would pose a threat to the health, safety, or right to peaceful enjoyment of the premises by other residents or LHA employees, the LHA may run a subsequent criminal check of that household member.

The LHA will conduct criminal records checks that will include a National Criminal History Check. Local/State checks will be conducted where needed. Such checks will also include sex offender registration information. In order to obtain such information, all adult household members must sign consent forms for release of criminal conviction and sex offender registration records on an annual basis.

#### Drug Abuse Treatment Information

Links: [24 CFR 960.205\(f\)](#)

The LHA will obtain information from drug abuse treatment facilities to determine whether any applicant family's household members are currently engaging in illegal drug activity only when the LHA has

determined that the family will be denied admission based on a family member's drug-related criminal activity, and the family claims that the culpable family member has successfully completed a supervised drug or alcohol rehabilitation program. The LHA will require the proposed family member sign a consent form for the drug abuse treatment facility to release information.

## **5.7 Duplicative Assistance**

Link: [24 CFR 982.352\(c\)](#)

A family may not receive HCV assistance while receiving housing assistance of any of the following assistance types, for the same unit or for a different unit:

- Public or Indian housing assistance
- Other Section 8 assistance (including other participant-based assistance)
- Assistance under former Section 23 of the United States Housing Act of 1937 (before amendment by the Housing and Community Development Act of 1974)
- Section 101 rent supplements
- Section 236 rental assistance payments
- Participant-based assistance under the HOME Program
- Rental assistance payments under Section 521 of the Housing Act of 1949 (a program of the Rural Development Administration)
- Any local or State rent subsidy
- Section 202 supportive housing for the elderly
- Section 811 supportive housing for persons with disabilities; (11) Section 202 projects for non-elderly persons with disabilities (Section 162 assistance)
- Any other duplicative federal, State, or local housing subsidy, as determined by HUD. For this purpose, 'housing subsidy' does not include the housing component of a welfare payment, a social security payment received by the family, or a rent reduction because of a tax credit.

## **5.8 Absences from the Unit**

Link: [24 CFR 982.312](#)

### **Absent Family Member**

The LHA will compute all applicable income of every family member who is on the lease, including those who are temporarily absent. It is the responsibility of the head of household to report changes in family composition and absences of family members in writing within 15 calendar days.

Income of persons permanently absent will not be counted. If any adult family member is temporarily absent and in the military, all military pay and allowances (except hazardous duty pay when exposed to hostile fire and any other exceptions to military pay HUD may define) is counted as income.

Generally, an individual who is or is expected to be absent from the assisted unit for over twenty-one days is considered temporarily absent and continues to be considered a family member. An individual who is or is expected to be absent from the assisted unit for more than 45 consecutive days is considered permanently absent and no longer a family member.

The family must request LHA approval for the return of any adult family members that the LHA has determined to be permanently absent. The individual is subject to the eligibility requirements stated in this Administrative Plan.

### Absence of Entire Family

Notice is required when all family members will be absent from the unit for an extended period of time (greater than 30 calendar days). Families are required to give LHA and the landlord at least 30 days' written notice before moving out of a unit. If written notice is not given to the LHA, the family will be in violation of their obligations and will be terminated from the program. Absence means that no family member is residing the unit. 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 will an extension be granted. The tenant and the LHA shall promptly notify the landlord of all actions in this regard.

In order to determine if the family is absent from the unit, the LHA may:

- Conduct a special inspection
- Post letters on exterior door
- Telephone the family at the unit
- Verify if utilities are in service
- Check with the Post Office for forwarding address
- Contact the emergency contact

The family must supply any information or certification requested by the LHA to verify that the family is living in the unit, or relating to family absence from the unit.

### Absent Student

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

### Absences Due to Placement in Foster Care

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

If the child(ren) are removed from the home permanently, the unit size will be reduced in accordance with the LHA's occupancy guidelines.

### Caretaker for a Child

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

- If a responsible agency has determined that another adult is to be brought into the unit to care for a child for an indefinite period, the designated caretaker will not be considered a family member until a determination of custody or legal guardianship is made.
- If a caretaker has assumed responsibility for a child without the involvement of a responsible agency or formal assignment of custody or legal guardianship, the caretaker will be treated as a visitor for 90 consecutive days.
- During any period that a caretaker is considered a visitor, the income of the caretaker is not counted in annual income and the caretaker does not qualify for any deductions from income.
- If the caretaker is considered a family member, the caretaker must submit an eligibility application, pass all eligibility criteria, and his/her income will be counted as part of the household. Once eligibility is passed, the lease will be transferred to the caretaker as head of household.

### Absent Head or Spouse Due to Employment

If an employed head, spouse, or co-head is absent from the unit more than 180 consecutive days due to employment, she/he will continue to be considered a family member.

### Individuals Absent for Medical Reasons

An individual confined to a nursing home or hospital on a permanent basis is not considered a family member. If there is a question about the status of a family member, the LHA will request verification from a responsible medical professional if the member will be gone less than 90 consecutive days (and up to 180 days after approval of the Executive Director or Assistant Director and will use this determination. If the responsible medical professional cannot provide a determination, the person generally will be considered temporarily absent. The family may present evidence that the family member is confined on a permanent basis and request that the person not be considered a family member.

## CHAPTER 6 - Tenant Rent and Housing Assistance Payment Calculation

### 6.1 Definition of Income

Link: [24 CR 5.609\(b\)](#)

LHA uses HUD's definition of Annual Income. Should this definition be revised, the current HUD definition will be used.

Annual income is the total income from all sources, including net income derived from assets received by the household head and spouse (even if temporarily absent) and by each additional household member including all net income from assets for the 12 month period following the effective date of initial determination or re-certification of income, exclusive of income that is temporary, non-recurring or sporadic as defined below, or is specifically excluded from income by other federal statute. Annual income includes but is not limited to:

- The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;
- The net income from operation of a business or profession, including any withdrawal of cash or assets from the operation of the business. Expenditures for business expansion or amortization of capital indebtedness will not be used as deductions in determining the net income from a business. An allowance for the straight line depreciation of assets used in a business or profession may be deducted as provided in IRS regulations. Withdrawals of cash or assets will not be considered income when used to reimburse the household for cash or assets invested in the business;
- Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness will not be used as deductions in determining net income. An allowance for the straight line depreciation of real or personal property is permitted. Withdrawals of cash or assets will not be considered income when used to reimburse the household for cash or assets invested in the property;
- 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.
- Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation, and severance pay;
- All welfare assistance payments (Temporary Assistance to Needy Families, General Assistance) received by or on behalf of any household member
- Periodic and determinable allowances, such as alimony and child support payments, and regular cash and non-cash contributions or gifts received from agencies or persons not residing in the dwelling made to or on behalf of household members; and
- All regular pay, special pay, and allowances of a household member in the Armed Forces.

### Alimony and Child Support

The LHA will count both court awarded and non-court awarded amounts for alimony and child support unless the LHA verifies that:

- The payments are not being made and
- The family has made reasonable efforts to collect amounts due, including filing with courts or agencies responsible for enforcing payments.

If the amount of child support or alimony received is less than the amount awarded by the court, LHA will use the amount that is received by the family. LHA will accept as verification that the family is receiving an amount less than the award if one of the following:

- LHA receives verification from the agency responsible for enforcement or collection
- The family furnishes documentation of child support or alimony collection action filed through a child support enforcement collection agency
- Or has filed an enforcement or collection action through an attorney.

If no child support is being received, a “No Child Support Affidavit” must be completed for each child whom no support is being received. LHA will not include child support income if no payments have been received within the most recent sixty (60) days. It is the family’s responsibility to supply documentation and a copy of the divorce decree. Income will be projected by averaging the most current three consecutive month’s payment to project income for twelve (12) months.

Families who do not have court-awarded alimony and child support awards are not required to seek a court award and are not required to take independent legal action to obtain collection.

### Sporadic income

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

### Regular Contributions and Gifts

Examples of regular contributions include:

- Regular payment of a family’s bills (e.g., utilities, telephone, rent, credit cards, and car payments)
- Cash or other liquid assets provided to any family member on a regular basis
- “In-kind” contributions such as groceries and clothing provided to a family on a regular basis
- Any contribution of gift received every 3 months or more frequently will be considered a “regular” contribution or gift, unless the amount is less than \$100 per year

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

## 6.2 Earned Income Disallowance (EID) Policy

Link: [24 CFR 5.617](#)

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

- Employment of a family member who was previously unemployed for one or more years prior to employment.
- Increased earnings by a family member whose earnings increase during participation in an economic self-sufficiency or job-training program.
- New employment or increased earnings by a family member who has received benefits or services under Temporary Assistance for Needy Families (TANF) or any other state program funded under Part A of Title IV of the Social Security Act within the past six months.

The baseline income is the annual income immediately prior to the implementation of the disallowance for a person who is a member of a qualified family. The family member's baseline (qualifying) income remains constant throughout the period that he/she is receiving the EID.

### Disallowance of Earned Income

Link: [24 CFR §§5.617, 960.255](#); [PIH Notice 2016-05](#)

Initial 12-month exclusion: During the 12-month period beginning on the date on which a member of a qualified family is first employed or the family first experiences an increase in annual income attributable to employment, the LHA will exclude from the annual income of a qualified family any increase in the income of the family member as a result of employment over the baseline income of that family member.

Phase-in of rent increase: Upon the expiration of the 12-month period and for the subsequent 12-month period, the LHA will exclude from the annual income of a qualified family at least 50 percent of any increase in income of such family member as a result of employment over the family member's baseline income.

Maximum 2-year disallowance: The disallowance of increased income of an individual family member is limited to a lifetime 24-month period. It applies for a maximum of 12 months for disallowance (initial 12 months) and a maximum of 12 months (second 12 months), during the 24-month period starting from the initial exclusion.

Families eligible for and participating in the disallowance of earned income prior to May 9, 2016 will continue to be governed by HUD regulations in effect immediately prior to that date.

## 6.3 Business Income

Link: [24 CFR 5.609\(b\)\(2\)](#)

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

### Business Expansion

Any capital expenditures made to add new business activities, to expand current facilities, or to operate the business in additional locations.

### Capital Indebtedness

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

### Acceptable Investments

Acceptable investments in a business include cash loans and contributions of assets or equipment.

### Co-Owned Businesses

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

## 6.4 Assets

Link: [24 CFR 5.609\(b\) and \(c\)](#)

An asset is an item of value that can be converted into cash, and may or may not earn income. Annual income includes income amounts derived from assets to which the family has access. Assets include, but are not limited to checking and savings accounts, investment accounts, equity in real property, personal property held as an investment, whole life insurance policies, and assets disposed of for less than fair market value.

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



If the Household has net assets in excess of \$5,000, annual income will include the greater of the actual income derived from all assets or a percentage of the value of such assets based on the current passbook savings rate as determined by HUD.

### Jointly Owned Assets

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

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

### Disposed Assets

The LHA will include the value of assets disposed of for less than fair market value for two years. Reasonable costs that would be incurred when disposing of an asset include, but are not limited to, penalties for premature withdrawal, broker and legal fees, and settlement costs incurred in real estate transactions.

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

Assets placed by the family in non-revocable trusts are considered assets disposed of for less than fair market value except when the assets placed in trust were received through settlements or judgments. All assets disposed of as part of a separation or divorce settlement will be considered assets for which important consideration not measurable in monetary terms has been received. In order to qualify for this exemption, a family member must be subject to a formal separation or divorce settlement agreement established through arbitration, mediation, or court order.

Families must sign a declaration form at initial certification and each annual re-certification identifying all assets that have been disposed of for less than fair market value or declaring that no assets have been disposed of for less than fair market value.

### Checking and Savings Accounts

In determining the value of a checking account, the LHA will use the average monthly balance for the last six months. In determining the value of a savings account, the LHA will use the current balance. In determining the anticipated income from an interest-bearing checking or savings account, the LHA will multiply the value of the account by the current rate of interest paid on the account.

## Investments

In determining the market value of an investment account, the LHA will use the value of the account on the most recent investment report. How anticipated income from an investment account will be calculated depends on whether the rate of return is known.

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

In the case of capital investments owned jointly with others not living in a family's unit, a prorated share of the property's cash value will be counted as an asset unless the LHA determines that the family receives no income from the property and is unable to sell or otherwise convert the asset to cash.

The LHA will use the market value of K-1 investments less any debt owed on the investment/asset. The LHA will request business tax returns.

## Real Property, Personal Property, Other Capital Investments

In determining the value of personal property held as an investment, the LHA will use an appraisal or insured value.

For Real Property, LHA will use the market value less the payoff amount for the mortgage to calculate equity.

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

Necessary personal property consists of only those items not held as an investment. It may include clothing, furniture, household furnishings, jewelry, and vehicles, including those specially equipped for persons with disabilities.

## 6.5 Lump Sum Payments

### Prospective Calculation Methodology

If the payment is reported on a timely basis, the calculation will be done prospectively and will result in an interim adjustment calculated as follows:

- The entire lump-sum payment will be added to the annual income at the time of the interim.
- The LHA will determine the percent of the year remaining until the next annual re-certification as the date of the interim (three months would be 25% of the year).

- At the next annual re-certification, the LHA will apply the percentage balance (75% in this example) to the lump-sum and add it to the rest of the annual income.
- The lump-sum will be added the same way for any interims which occur prior to the next annual re-certification.
- If amortizing the payment over one year will cause the family to pay more than current HUD percentage of the family's adjusted income (before the lump sum was added) for total participant payment, the LHA and family may enter into a repayment agreement for the balance of the amount of the current HUD percentage calculation. The beginning date for this repayment agreement will start as soon as the one year is over.

#### Retroactive Calculation Methodology

- The LHA will go back to the date the lump-sum payment was received, or to the date of admission, whichever is closer.
- The LHA will determine the amount of income for each re-certification period, including the lump sum, and re-calculate the participant rent for each re-certification period to determine the amount due the LHA.
- The family has the choice of paying this retroactive amount to the LHA in a lump sum. At the LHA's option, the LHA may enter into a repayment agreement with the family
- The amount owed by the family is a collectible debt even if the family becomes unassisted.

#### Attorney Fees

The family's attorney's fees may be deducted from lump-sum payments when computing annual income if the attorney's efforts have recovered a lump-sum compensation, and the recovery paid to the family does not include an additional amount in full satisfaction of the attorney fees.

## 6.6 Excluded Income

Link: [24 CFR 5.609\(c\)](#)

The following are types of excluded income:

- Income from employment of children (including foster children) under the age of 18 years
- Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the participant family, who are unable to live alone);
- Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses
- Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;
- Income of a live-in aide, as defined [in 24 CFR §5.403](#);
- The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
- Amounts received in the following circumstances:
  - From training programs funded by HUD;
  - Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);
  - Amounts received by a participant in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and which are made solely to allow participation in a specific program;
  - Amounts received under a participant service stipend; and
  - Incremental earnings and benefits resulting to any family member from participation in qualifying State or local employment training programs (including training programs not affiliated with a local government) and training of a family member as participant management staff.
- Temporary, nonrecurring or sporadic income (including gifts);
- Reparation payments paid by a foreign government pursuant to claims filed under the laws of That government by persons who were persecuted during the Nazi era;
- Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household and spouse);
- Adoption assistance payments in excess of \$480 per adopted child;
- Deferred periodic amounts from supplemental security income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts, or any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts;
- Amounts received by the family in the form of refunds or rebates under State or local law for property taxes paid on the dwelling unit;

- Amounts paid by a State agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home; or
- Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs That includes assistance under any program to which the exclusions set forth in [24 CFR 5.609\(c\)](#) apply.
- The portion of education grants that include tuition and required fees and other charges.

#### Excluded Periodic Payment

The LHA will exclude payments for the care of foster children and foster adults only if the care is provided through an official arrangement with a local welfare agency.

## 6.7 Deductions from Income

Link: [24 CFR 5.611](#)

#### Anticipating Expenses

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

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

#### Medical and Dental Expenses

LHA will use the most current IRS Publication 502, Medical and Dental Expenses, to determine the costs that qualify as medical expenses

#### Disability Assistance Expenses

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

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

If the care attendant also provides other services to the family, the LHA will prorate the cost and allow only that portion of the expenses attributable to attendant care that enables a family member to work. Unless otherwise specified by the care provider, the calculation will be based upon the number of hours spent in each activity and/or the number of persons under care.

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

### **Both Medical and Disability Expenses**

This policy applies only to families in which the head, spouse, or co-head is 62 or older or is a person with disabilities. When expenses anticipated by a family could be defined as either medical or disability assistance expenses, the LHA will consider them medical expenses unless it is clear that the expenses are incurred exclusively to enable a person with disabilities to work.

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

Expenses incurred for maintaining or repairing an auxiliary apparatus are eligible. In the case of an apparatus that is specially adapted to accommodate a person with disabilities (e.g., a vehicle or computer), the cost to maintain the special adaptations (but not maintenance of the apparatus itself) is an eligible expense. The cost of service animals trained to give assistance to persons with disabilities, including the cost of acquiring the animal, veterinary care, food, grooming, and other continuing costs of care, will be included.

### **Child Care**

Child care is allowed as a deduction from income for children less than 13 years of age. The family must identify the family member(s) enabled to pursue an eligible activity: seeking work, pursuing an education or being gainfully employed.

### **Allowable Child Care Activities and Expenses**

For school-age children under 13 years of age, costs attributable to public or private school activities during standard school hours are not considered allowable child care expenses. Expenses incurred for

supervised activities after school or during school holidays (e.g., summer day camp, after-school sports league) are allowable forms of child care.

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

If a child care provider also renders other services to a family or child care is used to enable a family member to conduct activities that are not eligible for consideration, the LHA will prorate the costs and allow only that portion of the expenses that is attributable to child care for eligible activities. Unless otherwise specified by the child care provider, the calculation will be based upon the number of hours spent in each activity and/or the number of persons under care.

Child care expenses will be considered for the time required for the eligible activity plus reasonable transportation time.

For child care that enables a family member to go to school, the time allowed may include not more than one study hour for each hour spent in class.

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

#### *Seeking Work*

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

#### *Furthering Education*

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

#### *Being Gainfully Employed*

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

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

## **6.8 Anticipating Income**

When the LHA cannot readily anticipate income based upon current circumstances (e.g., in the case of seasonal employment, unstable working hours, or suspected fraud), the LHA will review and analyze historical data for patterns of employment, paid benefits, and receipt of other income and use the results of this analysis to establish annual income. The family file will be documented with a clear record of the reason for the decision, and how the LHA anticipated income.

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

## **6.9 Future Changes**

If the LHA verifies an upcoming increase or decrease in income, annual income will be calculated by applying each income amount to the appropriate part of the 12-month period. The family may present information that demonstrates that implementing a change before its effective date would create a hardship for the family.

In such cases the LHA will calculate annual income using current circumstances and then require an interim re-certification when the change actually occurs. This requirement will be imposed even if the LHA's policy on re-certifications does not require interim re-certifications for other types of changes. When participant-provided third-party documents are used to anticipate annual income, they will be dated within 60 days of the documentation request.

## **6.10 Total Tenant Rent and HAP**

Links: [24 CFR 5.628](#); [5.630](#); [5.634](#)

LHA follows HUD regulations for determining the family's portion of rent and the HAP subsidy to the owner.

### **Total Tenant Payment is the higher of:**

- 30% of adjusted monthly income; or
- 10% of monthly income;
- Not less than the Minimum Rent of \$50



## **Tenant Rent**

- Tenant rent is calculated by subtracting the utility allowance for participant supplied utilities (if applicable) from the Total Tenant Payment.
- Where the owner pays for all utilities and provides the stove and refrigerator, Tenant Rent equals Total Tenant Payment.

## **Tenant Rent to Owner**

Rent to owner is the greater of:

- The Payment Standard less the Housing Assistance Payment; or
- The Gross Rent less the Housing Assistance Payment
- Minimum rent

## **Payment Standards**

Link: [24 CFR 982.505](#)

The payment standard is used in the calculation of the housing assistance payment for a family. The payment standard for the family is the lower of:

- The unit size shown on the voucher, or
- The size of the actual unit selected by the family.

## ***Establishment of Payment Standards***

Link: [24 CFR 982.503\(b\),\(c\),\(g\)](#)

The payment standards are set by LHA between 90% and 110% of the HUD published Small Area Fair Market Rents (SAFMR). LHA will review the payment standards at least annually to determine whether an adjustment(s) should be made. As a reasonable accommodation, LHA may establish an exception to payment standards of not more than 120% of the published SAFMR.

## **Utility Allowances and Utility Reimbursements**

Link: [24 CFR 982.517](#); [Notice PIH 2016-05](#)

LHA maintains a Utility Allowance Schedule which is used in the housing assistance payment calculation to assist with the cost of utilities not included in the rent. The utility allowance calculation is based on the lower of:

- The voucher unit size based on LHA subsidy standards
- The size of the actual unit leased by the family
- In the case of a reasonable accommodation, LHA will use utility allowance for the unit size actually leased by the family

When the utility allowance exceeds the family's Total Participant Payment, LHA will provide the family a utility reimbursement payment.

An allowance for participant paid air conditioning will be calculated when central air-conditioning is present in the unit.

LHA will review the utility allowance schedule annually and revise it when needed. Revised utility allowances will be applied in a family's rent calculation at the next annual re-certification.

The LHA will in most cases make utility reimbursement payments monthly, however, the LHA has the option of making utility reimbursement payments not less than once per calendar-year quarter, for reimbursements totaling \$45 or less per quarter. In the event a family leaves the program in advance of its next quarterly reimbursement, the LHA will reimburse the family for a prorated share of the applicable reimbursement.

LHA may make reimbursement payments retroactively or prospectively. In the event that LHA chooses to make the reimbursement payments retroactively, LHA will allow a family to request a hardship exemption from the quarterly payments if it results in a financial hardship for the family. If a family receives a hardship exemption, then the LHA may either reimburse the family on a monthly basis or it may make prospective payments to the family, on a quarterly basis.

#### Welfare Rent

Welfare Rent does not apply.

### 6.11 Minimum Rent and Hardship Exemptions

Link: [24 CFR 5.630](#)

Participants in the housing choice voucher program are eligible for the hardship exception to minimum rent if they meet at least one of the following criteria:

- The family has lost eligibility for or is awaiting an eligibility determination for a federal, state, or local assistance program. A hardship will be considered to exist only if the loss of eligibility has an impact on the family's ability to pay the minimum rent. For a family waiting for a determination of eligibility, the hardship period will end as of the first of the month following: (1) implementation of assistance, if approved; or (2) the decision to deny assistance. A family whose request for assistance is denied may request a hardship exemption based upon one of the other allowable hardship circumstances. To make a claim under this hardship exemption, the family must provide LHA with proof of application for assistance, or termination of assistance. The proof would be provided by the agency responsible for granting assistance or terminating assistance.
- The family would be evicted because it is unable to pay the minimum rent. For a family to qualify under this provision, the cause of the potential eviction must be the family's failure to pay rent or

participant-paid utilities. The family must be able to document inability to pay the minimum rent at the time of the request

- The family income has decreased because of changed family circumstances, including the loss of employment. To make a claim under this criteria the loss of employment must not be the result of failure to meet employment requirements by the participant. Changed circumstance as defined in this section includes, but is not limited to:
  - Reduction in work hours
  - Reduction in pay rate
  - Reduction in work force
- If a death has occurred in the family. In order to qualify under this provision, a family must describe how the death has created a financial hardship (e.g., because of funeral-related expenses or the loss of the family member's income). The deceased family member must be an income producing member of the household, which contribute to the 30% of income used to calculate the participant's rent.

To make a claim under these provisions the applicant or participant must submit a request, in writing, to the LHA office. The applicant/participant must provide documentation to support the request for a hardship exemption.

- The LHA will make the determination of hardship within 15 calendar days.
- The LHA will require the family to repay the suspended amount within 30 calendar days of the LHA's notice that a hardship exemption has not been granted. The LHA will enter into a repayment agreement in accordance with the LHA's repayment agreement policy.
- If the LHA determines that a qualifying financial hardship is temporary, the LHA will reinstate the minimum rent from the beginning of the first of the month following the date of the family's request for a hardship exemption.

The LHA defines temporary hardship as a hardship expected to last 90 consecutive days or less. Long term hardship is defined as a hardship expected to last more than 90 consecutive days.

The hardship period ends when any of the following circumstances apply:

- At an interim or annual re-certification, the family's calculated TTP is greater than the minimum rent.
- For hardship conditions based on loss of income, the hardship condition will continue to be recognized until new sources of income are received that are at least equal to the amount lost.
- For hardship conditions based upon hardship-related expenses, the minimum rent exemption will continue to be recognized until the cumulative amount exempted is equal to the expense incurred.

## **CHAPTER 7 - Request for Tenancy Approval and Leasing**

After families are issued a voucher, they may search for a unit within the jurisdiction of LHA, or outside of LHA's jurisdiction if they qualify for portability. The family must find an eligible unit under the program rules, with an owner/landlord who is willing to enter into a Housing Assistance Payments (HAP) contract with LHA within the time frame listed on the voucher.

### **7.1 Information to Owners**

Link: [24 CFR 982.307\(a\)\(112\); \(b\)\(1\)](#)

It is the responsibility of the owner to determine the suitability of prospective families as the LHA does not screen for suitability as participants. Owners are encouraged to screen applicants for rent payment and eviction history, credit history, prior rental references and damage to units, and other factors related to the family's suitability as a renter. Owners may not discriminate on the basis of race, religion, sex, color, national origin, disability, sexual orientation, gender identity or familial status.

If requested by an owner, LHA will provide any of the following information in writing regarding a family's tenancy history, based on existing documentation relating to:

- Previous owner name, address and phone number
- Current owner name, address and phone number

LHA's policy on providing information to owners is included in the briefing packet and will apply uniformly to all families and owners. LHA will make an exception to this policy if the family's whereabouts must be protected due to domestic abuse or witness protection, and the protection requirements are documented.

### **7.2 Allowable Housing Types**

Link: [24 CFR 982.601\(b\)\(2\)](#)

The following types of rental units may be leased in the Housing Choice Voucher program, unless designated otherwise:

- Single family detached homes
- Duplexes
- Multi-plexus
- Garden apartments
- Condominiums, townhouses
- High-rises
- Manufactured homes where the tenant leases the mobile home and the pad
- Manufactured homes where the tenant owns the mobile home and leases the pad
- Other multi-family rental housing structures
- Shared Housing as described/permitted in 24 CFR 982.615 through 24 CFR 982.618

The following types of housing are not permitted in the HCV program:

- Hotels
- Motels
- Nursing homes
- College or school dormitories
- Other types disallowed by HUD regulations
- Unit occupied by its owner or a person with any interest in the dwelling unit
- Unless its lease was effective prior to June 17, 1998, a family may not lease a property owned by relatives, i.e.: sister, brother, mother, father, spouse, son, daughter, grandmother, grandfather.

LHA may permit use of any of the following types of special housing if needed as a reasonable accommodation for a person with disabilities:

- Independent Group Residences,
- Congregate Housing,
- Single Room Occupancy Facilities

### **7.3 Request for Tenancy Approval (RFTA)**

Link [24 CFR 982.352\(2\)](#); [982.305](#) & [308-309](#); [982.401](#); [982.507-508](#); [982 Subpart M](#); [Form HUD-52517](#)

Before a family leases a unit, LHA must approve the unit selected by the family. The voucher holder and the owner/landlord must submit the following:

- Complete RFTA, signed by both the family and the owner, including:
  - Dwelling lease
  - Proof of ownership of the unit to be leased (e.g. deed of trust, most recent year tax statement, warranty deed and management agreement, if applicable);
  - The Owner's EIN or social security number;
  - A W-9 form completed by the owner.
  - If the property is in a corporation, the names of all parties
  - Current street mailing address, Post Office Box addresses will not be accepted
  - Business and home telephone number
  - Owner responsibility form
  - No relative form
  - Direct deposit form
  - Utility verification form
  - Signatory form (if required)
  - For units constructed prior to 1978, owners must either
    - 1) certify that the unit, common areas, and exterior have been found to be free of lead-based paint by a certified inspector; or
    - 2) attach a lead based paint disclosure statement.

The original RFTA and all associated documents must be submitted in-person or by mail. The family may submit only one RFTA at a time. When the family submits the RFTA the LHA will review the RFTA for completeness. If the RFTA is incomplete (including lack of signature by family, owner, or both), or if the

dwelling lease is not submitted with the RFTA, the LHA will notify the family and the owner. The owner will be given 5 business days to submit an approvable RFTA from the date of disapproval.

### Tenancy Addendum

Link: [24 CFR 982.308](#); [HUD Form 52641](#)

The owner must use the HUD Tenancy Addendum or all provisions in the HUD-required Tenancy Addendum must be added to the owner's lease. If there is a conflict between the owner's lease and the Tenancy Addendum, the terms of the Tenancy Addendum will prevail over any other provisions of the lease.

### Dwelling Lease

Link: [24 CFR 982.308\(d\)](#)

When the RFTA and proposed lease are submitted, the LHA will review the terms of the RFTA for consistency with the terms of the proposed lease. If the terms of the RFTA are not consistent with the terms of the proposed lease, the LHA will notify the family and the owner of the discrepancies. The proposed lease must comply with HUD requirements, as well as State and local law. The LHA does not provide a model or standard dwelling lease for owners to use in the HCV program.

- Owners that use a standard lease for units rented to unassisted families must use the same lease, plus the HUD prescribed tenancy addendum for HCV assisted families.
- LHA will review the owner's lease, any optional charges, compliance with regulations, and any house rules.
- Responsibility for utilities, appliances and optional services must correspond to those provided on the RFTA.
- The initial lease term must be for one year.
- The owner must be approved and there must be no conflicts of interest (e.g. owner may not be a relative, etc.).

### *New Lease Required*

- If there are any changes in lease requirements governing tenant or owner responsibilities for utilities or appliances;
- If there are any changes in lease provisions governing the term of the lease;
- If the family moves to a new unit, even if the unit is in the same building or complex.

## 7.4 Voucher Term

Link: [24 CFR 982.303\(a\)](#)

The initial voucher term is 90 calendar days. The family must submit a Request for Tenancy Approval that is complete and a proposed lease within the 90 day period. If the family does not submit a Request for Tenancy Approval by the 75-day mark, a letter, phone call and email (if available) will be sent to the family to remind them of the upcoming 90-day deadline. The letter will be sent along with a voucher extension request form which can be completed by the client and sent back to the LHA to request the maximum voucher term of 120 days.

For Mainstream Vouchers, the initial voucher term is 120 calendar days. The family must submit a Request for Tenancy Approval that is complete and a proposed lease within the 120-day period. If the family does not submit a Request for Tenancy Approval by the 90-day mark, a letter, phone call and email (if available) will be sent to the family to remind them of the upcoming 120-day voucher term expiration date, the process for requesting an extension, and to inquire if the family is in need of assistance with their housing search.

### Voucher Extensions

Link: [24 CFR 982.303\(b\)](#)

The maximum time limit on the voucher term is 120 days, except when a reasonable accommodation is granted for persons with disabilities or to find new housing when an assisted household has to be divided as a result of the violence or abuse covered by VAWA, where one 30 day extension will be granted.

For Mainstream Vouchers, one 90-day extension will be granted as long as the request is made on or before the voucher term expiration date.

If the family must move due to the unit not meeting Housing Quality Standards for item(s) that are the responsibility of the owner, the LHA will provide the family with a voucher term of no less than 120 days.

### Voucher Suspension

The LHA will suspend the term of the voucher from the date a complete Request for Tenancy Approval and proposed lease is accepted by the LHA until the date the LHA makes a final determination with respect to that Request for Tenancy Approval. If the family chooses to cancel the Request for Tenancy Approval (RTA), the term of the voucher will be reinstated the date the LHA receives notice the RTA is cancelled by the family.

## 7.5 Subsidy Standards

Link: [24 CFR 982.401\(d\)](#)

LHA does not determine who shares a bedroom or sleeping room. The unit size on the voucher remains the same as long as the family composition remains the same, regardless of the actual unit size rented.

### Subsidy Standards Chart

Link: [24 CFR 982.402](#)

The standards listed below are consistent with HUD requirements and serve as general guidelines when LHA determines the unit size on the family's voucher:

<b>Voucher Unit Size</b>	<b>Persons in Household Minimum Number</b>	<b>Persons in Household Maximum Number</b>
0-BR	1	1
1-BR	1	2
2-BR	3	4
3-BR	5	6
4-BR	7	8
5-BR	9	10

LHA generally assigns one bedroom to two people. All requests for exceptions to the occupancy standards must be submitted in writing. An exception may be granted to allocate a separate bedroom to a family member, if a larger bedroom size is needed for medical equipment due to its size and/or function, or as a reasonable accommodation for a person with disabilities. Written verification of disability and need for the medical equipment may be required by LHA prior to allocation of the separate bedroom. The HQS inspector will conduct an inspection and if the medical equipment is such that a separate bedroom is warranted it will be considered.

- Authorized live-in aides will be allocated a separate bedroom. No additional bedrooms will be provided for the live-in aide's family.
- Foster children will be included in determining unit size only if they will be in the unit for at least six (6) consecutive months.
- Space may be provided for a child who is away at school, but who lives with the family during school recess.
- A household in which the parent shares joint custody of a dependent child will include the child on the lease and will be counted for purposes of establishing occupancy standards for unit size if:
  - The head of household is legally entitled to physical possession of the child more than 50% of the time; and
  - The child actually physically resides in the unit with the head of household more than 50% of the time.



### Exceptions to Subsidy Standards

A participating family may request a subsidy exception at any time; however, if the family is in the first term of the lease, or in a lease other than month-to-month, or is not eligible for move for any other reason, the request may be denied based upon the family's ineligibility to move at the time of the request.

### Unit Size Selected by Family

The family may select a different size unit than that listed on the voucher; however, the unit must meet housing quality standards, have a reasonable rent, and the rent must be less than 40% of the family's adjusted income at initial leasing. When calculating the Housing Assistance Payment (HAP), LHA will apply the payment standard and utility allowance for the lower of:

- The unit size shown on the voucher, or
- The size of the actual unit selected by the family.

### Under-Housed and Over-Housed Families

If a unit does not meet HQS space standards due to an increase in family size or change in family composition, LHA will issue the family a voucher to move to an appropriate sized unit. HQS requirements permit a maximum of two persons per living or sleeping room in the units.

Families will not be required to use rooms other than bedrooms for sleeping purposes in the voucher size determination. Participants may elect to use other areas of the unit as living/sleeping areas in determining the total number of persons eligible to live in the unit as a result of the family's request to add household members. A total of two additional members per living/sleeping area may be approved at the request of the participant. LHA will only grant increases in voucher size in cases of birth, adoption, court awarded or other legally documented custody.

LHA will also notify the family of the circumstances under which an exception will be granted, such as:

- If a family with a disability is under-housed and in an accessible unit.
- If a family requires the additional bedroom because of a health problem that has been verified by the LHA, and is considered a reasonable accommodation will be reviewed at each annual re-certification.

## 7.6 Security Deposit

Links: [24 CFR 982.313 \(a\) and \(b\)](#)

The owner may collect a security deposit from the participant. The deposit must be reasonable based on local security deposits charged and those charged by the owner for other assisted and non-assisted units and comply with state and local laws.

## **7.7 Separate Agreements**

Links: [24 CFR 982.451\(b\)\(4\)](#); [24 CFR 982.510\(c\)](#)

The LHA permits owners and families to execute separate, non-lease agreements for services, appliances (other than range and refrigerator) and other items that are not included in the lease. Any items, appliances, or other services that are not customarily provided to unassisted families as part of the dwelling lease with those families, are not permanently installed in the dwelling unit and where the family has the sole option of not utilizing the item, appliance or service, may be included in a separate non-lease agreement between the owner and the family.

Side payments for additional rent, or for items, appliances or services customarily provided to unassisted families as part of the dwelling lease for those families, are prohibited.

Separate non-lease agreements that involve additional items, appliances or other services may be considered amenities offered by the owner and may be taken into consideration when determining the reasonableness of the rent for the property.

## **7.8 Initial Rent Burden**

At initial lease, the family's rent cannot be more than 40% of the family's adjusted income. At the family's request, LHA will negotiate with the owner to reduce the rent. If the rent is not lowered to at or below 40% of the adjusted income, the family may not lease the unit.

## **7.9 Disapproval of RFTA**

If LHA determines that the Request for Tenancy Approval cannot be approved for any reason the owner and the family will be notified. LHA will instruct the family of the steps that are necessary to approve the RFTA.

If an RFTA is not approved and the voucher has not expired, LHA will furnish another RFTA to the family to continue searching for eligible housing.

## **7.10 Owner Disapproval**

Links: [24 CFR 982.54d\(8\)](#); [982.306](#); [982.161\(a\)](#)

LHA may disapprove the owner for any of the following reasons:

- The owner has committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;
- The owner has engaged in any drug-related criminal activity or any violent criminal activity;
- The owner has a history or practice of non-compliance with the HQS for units leased under the participant-based programs, or with applicable housing standards for units leased with project-based Section 8 assistance or leased under any other federal housing program;

- The owner has a history or practice of failing to terminate tenancy of participants of units assisted under Section 8 or any other federally assisted housing program for activity engaged in by the participant, any member of the household, a guest or another person under the control of any member of the household that: (i) Threatens the right to peaceful enjoyment of the premises by other participants; (ii) Threatens the health or safety of other participants, of employees of the LHA, or of owner employees or other persons engaged in management of the housing; (iii) Threatens the health or safety of, or the right to peaceful enjoyment of their residences, by persons residing in the immediate vicinity of the premises; or (iv) Is drug-related criminal activity or violent criminal activity;
- The owner has a history or practice of renting units that fail to meet state or local housing codes; or
- The owner has not paid state or local real estate taxes, fines, or assessment.
- When HUD has informed LHA that disapproval is required because:
  - Owner has been disbarred, suspended, or subject to a limited denial of participation
  - Federal government has instituted an administrative or judicial action against the owner for violating the Fair Housing Act or other federal equal opportunity requirements and such action is pending;
  - Court or administrative agency has determined that the owner violated the Fair Housing Act or other federal equal opportunity requirements.

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

If an owner commits fraud or abuse or is guilty of frequent or serious contract violations, LHA may debar or suspend the owner from future participation in the. LHA may terminate some or all contracts with the owner.

The LHA must not approve a tenancy in which any of the following classes of persons has any interest, direct or indirect, during tenure or for one year thereafter:

- Any present or former member or officer of the LHA (except a participant commissioner)
- Any employee of the LHA, or any contractor, subcontractor or agent of the LHA, who formulates policy or who influences decisions with respect to the programs
- Any public official, member of a governing body, or State or local legislator, who exercises functions or responsibilities with respect to the programs
- Any member of the Congress of the United States

HUD may waive the conflict of interest requirements, except for members of Congress, for good cause. The LHA must submit a waiver request to the appropriate HUD Field Office for determination. Any waiver request submitted by the LHA must include the following:

- Complete statement of the facts of the case;

- Analysis of the specific conflict of interest provision of the HAP contract and justification as to why the provision should be waived;
- Analysis of and statement of consistency with state and local laws. The local HUD office, the LHA, or both parties may conduct this analysis. Where appropriate, an opinion by the state's attorney general should be obtained;
- Opinion by the local HUD office as to whether there would be an appearance of impropriety if the waiver were granted;
- Statement regarding alternative existing housing available for lease under the HCV program or other assisted housing if the waiver is denied;
- If the case involves a hardship for a particular family, statement of the circumstances and discussion of possible alternatives;
- If the case involves a public official or member of the governing body, explanation of his/her duties under state or local law, including reference to any responsibilities involving the HCV program;
- If the case involves employment of a family member by the LHA or assistance under the HCV program for an eligible LHA employee, explanation of the responsibilities and duties of the position, including any related to the HCV program;
- If the case involves an investment on the part of a member, officer, or employee of the LHA, description of the nature of the investment, including disclosure/divestiture plans.

Where the LHA has requested a conflict of interest waiver, the LHA may not execute the HAP contract until HUD has made a decision on the waiver request.

In considering whether to request a conflict of interest waiver from HUD, the LHA will consider certain factors such as consistency of the waiver with state and local laws, the existence of alternative housing available to families, the individual circumstances of a particular family, the specific duties of individuals whose positions present a possible conflict of interest, the nature of any financial investment in the property and plans for disclosure/divestiture, and the possible appearance of impropriety.

## CHAPTER 8 - Housing Quality Standards and Inspections and Rent Reasonableness

Links: [24 CFR 982.305](#); [982.401](#); [982.405\(b\)](#); [HOTMA §101\(a\)\(1\)](#)

LHA performs four types of inspections:

- Initial Inspections
- Biennial and/or Annual Inspections
- Special/Complaint Inspections
- Quality Control Inspections

LHA adheres to Housing Quality Standards (HQS) standards as established in 24 CFR 982.401 to perform all required inspections. Interpretative guidance for HQS acceptability criteria is taken from Form HUD 52580-A dated 9/00, the HUD Housing Inspection Manual and LHA Inspection Policy and Procedure Manual. After conversion/transition to the NSPIRE inspection standards, inspections will be conducted using the more stringent standard (HQS/NSPIRE) with the exception of insignificant cosmetic matters, which will follow the NSPIRE standards.

### 8.1 Initial Inspections

The owner or owner's representative must be present at the initial inspection and any re-inspection. The applicant is permitted but not required to be present. All utilities must be in service at the initial inspection or the inspection will fail. For the re-inspection, the utilities must be turned on.

The unit must have an operating oven, a stove or range, and refrigerator, which may be supplied by the owner or family. If the participant is responsible for providing the stove and/or refrigerator, LHA will allow the stove and/or refrigerator to be placed in the unit after the passed inspection. The LHA will only execute the HAP contract following receipt of a signed certification from the family that the appliances are in the unit and working. LHA may conduct a confirmatory inspection to check the appliances.

LHA will conduct the initial inspection within 15 calendar days after receiving a completed RFTA from the family and the unit is ready for inspection.

If the unit fails the initial HQS inspection, the owner will be notified of the deficiencies. The owner is required to contact LHA within 10 calendar days of the initial inspection to advise the repairs have been made. If the unit fails the re-inspection, the family must select another unit. LHA may agree to conduct a second re-inspection when requested and there is good cause to grant the request.

LHA may deny a contract for a unit if the unit has a history of failed inspections for major infractions within the past 24 months. Major infractions include, but are not limited to failing paint issues, plumbing or sewage, heat or hot water, flooding or leaks at window or roofs, gas leaks, or ongoing electrical malfunctions, and evidence by previous participant tenants of excessive utility bills or other such infractions. A minimum of three or more complaint inspections or repeated failures during annual, quality control or complaint inspections in a 24-month period where major infractions were cited, or where ongoing HQS violations are documented may be cause for denial of a new contract or termination of an

existing contract. Owners are encouraged to inspect their property periodically during the term of the HAP contract to insure compliance.

## **8.2 Biennial and/or Annual HQS Inspections**

Link: [24 CFR 982.401](#)

An adult family member, or an adult designee of the family, must be present at the inspection. If an adult family member, or designee, cannot be present on the scheduled date, the family must contact LHA to reschedule the inspection. Inspections may be rescheduled once.

If the family misses the first scheduled appointment, the appointment will be rescheduled with the family. If the family misses the second scheduled appointment, the LHA will automatically send a termination notice and schedule a hearing at the family's request.

The LHA will perform biennial inspections of all units with the exception of the following, which will require annual inspections:

1. Units that have had significant/health and safety HQS failures on the previous inspection.
2. Units that have had verified HQS complaints by either the participant/tenant or landlord since the last inspection.
3. Marginal units/landlords that the LHA determines require inspections more frequently than biennial.

## **8.3 Special Inspections**

The LHA will conduct a special inspection if the owner, family, or another source reports HQS violations in

the unit. An adult family member, or adult family designee, must be present for the inspection. During a special inspection, LHA generally will inspect only those deficiencies that were reported. However, the inspector will record any additional HQS deficiencies that are observed and will require the responsible party to make the necessary repairs.

If the annual inspection has been scheduled or is due within 90 days of the date the special inspection is scheduled the LHA may elect to conduct a full inspection.

## **8.4 Quality Control Inspections**

Link: [24 CFR 982.405\(b\)](#)

LHA will conduct quality control inspections of a sample of units to ensure that each inspector is conducting accurate and complete inspections and that there is consistency in the application of the HQS. An adult family member must be present for the inspection.

## 8.5 Inspection Charges

Link: [PIH Notice 2016-05](#)

LHA has established a reasonable fee of \$25.00 to owners for a re-inspection in the following circumstances:

- if an owner notifies the LHA that a deficiency cited in the previous inspection has been repaired and a reinsertion reveals that it has not been corrected; and
- if the allotted time for repairs has elapsed and a re-inspection reveals that any deficiency cited in the previous inspection that the owner is responsible for repairing has not been corrected.

The owner may not pass this fee on to the participant. The owner must pay LHA the fee within 30 days of the fee notice or the HAP contract may be terminated, or the HAP will be reduced by \$25 to satisfy the fee.

## 8.6 Scheduling Inspections and Family Attendance

Link: [24 CFR 982.551\(d\)](#)

The family must allow the LHA to inspect the unit at reasonable times with reasonable notice. Except in the case of life threatening conditions, the family and owner will be given reasonable notice of at least five (5) business days' prior of all inspections. Inspections may be scheduled between 8:30am and 4:00pm (separated into morning and afternoon inspections), Monday through Friday. In the case of a life-threatening emergency, the LHA will give as much notice as possible, depending on the nature of the emergency.

### Missed and Rescheduled Inspections

An owner is not allowed to cancel an annual, special or quality control inspection.

The family may only request to cancel and reschedule the annual inspection for good cause: e.g. unavoidable conflict, which seriously affects the health, safety or welfare of the family. LHA may require the family provide documentation in support of the request. The family may only cancel and reschedule the annual inspection and/or any subsequent re-inspections once. If the family is unable to be present, they must reschedule the appointment so that the inspection is completed within 10 days.

LHA will process termination of family program assistance and inform the owner of contract unit termination when the following occurs:

- The family cancels, does not allow entry, or fails to have an adult present on two consecutive scheduled inspections.
- The family cancels or fails to be present at the first scheduled inspection and fails to reschedule the inspection.

- If the family does not allow entry, is not present for the inspection, or fails to have an adult present, the attempted inspection is considered a failed inspection.

## 8.7 Emergency Inspections

If a participant or government official reports a condition that is life-threatening, LHA will inspect the unit within 24 hours.

The owner and the family will be notified in writing of the results of all inspections. When an inspection identifies HQS failures, the LHA will determine if the failure is a life-threatening condition. Items considered life threatening or of an emergency nature include but are not limited to the following:

- Any condition that jeopardizes the security of the unit
- Major plumbing leaks or flooding, waterlogged ceiling or floor in imminent danger of falling
- Natural or LP gas or fuel oil leaks
- Any electrical problem or condition that could result in shock or fire
- Absence of a working heating system when outside temperature is below 60 degrees Fahrenheit.
- Utilities not in service, including no running hot water
- Conditions that present the imminent possibility of injury
- Obstacles that prevent safe entrance or exit from the unit
- Absence of a functioning toilet in the unit
- Inoperable smoke detectors

When life-threatening conditions are identified, the LHA will immediately notify both parties by telephone, fax or email. The notice will specify who is responsible for correcting the violation. The corrective actions must be taken within 24 hours of the LHA's notice.

When failures that are not life-threatening are identified, the LHA will send the owner and the family a written notification of the inspection results within 5 business days of the inspection. The written notice will state that the re-inspection will occur within 30 days, without a LHA approved extension. The owner must contact LHA when the unit is ready for re-inspection within the 30-day time requirement.

The notice of inspection results will inform the owner that if life-threatening conditions are not corrected within 24 hours, and non-life threatening conditions are not corrected within the specified time frame (or any LHA-approved extension), the owner's HAP will be abated in accordance with LHA policy.

The LHA will make all HAP abatements effective the first of the month following the expiration of the LHA specified correction period (including any extension).

- The LHA will inspect abated units within 5 business days of the owner's notification that the work has been completed.
- Payment will resume effective on the day the unit passes inspection.
- The maximum length of time that HAP may be abated is 60 days.



- However, if the owner completes corrections and notifies the LHA before the termination date of the HAP contract, the LHA may rescind the termination notice if (1) the family still resides in the unit and wishes to remain in the unit and (2) the unit passes inspection.

During any abatement period the family continues to be responsible for its share of the rent. The owner must not seek payment from the family for abated amounts and may not use the abatement as cause for eviction.

If the owner is unable to gain access to the unit to make repairs due to the family's lack of cooperation, the owner must enforce the lease and advise LHA of the lease violation.

In the case of family caused deficiencies, the notice will inform the family that if corrections are not made within the specified time frame (or any LHA-approved extension, if applicable) the family's assistance will be terminated in accordance with LHA policy.

## **8.8 HQS Certifications**

Link: [24 CFR 982.404\(a\)\(3\)](#); [Notice PIH 2011-29](#)

At LHA's sole discretion, LHA will either complete a re-inspection or allow the owner and participant to submit a Certification of Work Completed Notice.

If the owner is eligible to submit a Certification of Work Completed Notice, the Certification must be submitted to LHA within 15 calendar days of the failed inspection, must also contain the participant's signature, and documentation of the completed work must be attached, i.e. receipts, pictures, etc. Units where verification of repair by self-certification and/or photographs are used, may be subject to additional quality control inspections.

It is the owner's responsibility to obtain the participant's signature on the Certification and to submit the form to LHA within 15 calendar days of the date of the first inspection, unless an extension is granted.

LHA may utilize a Certification of Work Completed Notice when the repairs required are minor. The unit is not eligible for a Certification and must be re-inspected in the following circumstances:

- The owner is on the Re-Inspection Required List
- The unit has numerous failed items
- The fail is an emergency, 24-hour repair item
- The failed item(s) are of a serious or suspicious nature

## **8.9 Extensions**

Link: [24 CFR 982.404](#)

LHA will not grant extensions for life-threatening conditions. For conditions that are not life-threatening, the LHA may grant an extension for correcting the failed item(s), if the LHA determines that an extension

is appropriate. Extensions will be granted in cases where the LHA has determined that the owner has made a good faith effort to correct the deficiencies and is unable to for reasons beyond the owner's control. Reasons may include, but are not limited to:

- A repair cannot be completed because required parts or services are not available.
- A repair cannot be completed because of weather conditions.
- A reasonable accommodation is needed because the family includes a person with disabilities.

The length of the extension will be determined on a case by case basis, but will not exceed 60 days, except in the case of delays caused by weather conditions. In the case of weather conditions, extensions may be continued until the weather has improved sufficiently to make repairs possible. The necessary repairs must be made within 15 calendar days, once the weather conditions have subsided.

## **8.10 Family Responsibilities**

Link: [24 CFR 982.551\(d\)](#), [24 CFR 982.404\(b\)](#)

The family is responsible for correcting inspection failures caused by:

- Family-paid utilities not in service
- Failure to provide or maintain family-supplied appliances
- Damage to the unit or premises caused by a household member or guest beyond normal wear and tear.
- Infestation and damage to the unit caused due to housekeeping.

LHA will terminate the family's assistance if the family:

- Fails to correct a violation within the period allowed by the LHA (and any extensions);
- Fails to allow the owner entry into the unit to complete repairs.

## **8.11 Rent Reasonableness**

Link: [24 CFR 982.507](#); [982.305\(a\)](#); [982.505 9\(c\)\(3\)](#)

At all times during the assisted tenancy, the rent to owner may not exceed the reasonable rent determined by LHA. Rent reasonableness determinations may be completed by LHA at any time and will be completed:

- At initial lease up
- When an owner requests a rent increase
- If the FMR is decreased by 5% or more

LHA will determine and document on a case-by-case basis that the approved rent:

- Is reasonable in comparison to rent for other comparable, unassisted units in the market, and
- Does not exceed rents currently charged by the same owner for an equivalent assisted or unassisted unit in the same building or complex.

#### Decreases in the Fair Market Rent:

In the event that HUD FMRs' decrease during the term of a HAP contract, the LHA will implement the Hold Harmless provision as permitted in 24 CFR 982.505(c)(3) and PIH Notice 2018-01 and will continue to use the existing higher payment standard for the family's subsidy calculation for as long as the family continues to receive the voucher assistance in that unit.

#### Methodology

The LHA will collect and maintain data on market rents in the LHA's jurisdiction for unit rent reasonableness, or will contract with a provider to do so. Information sources may include newspapers, Internet, realtors, market surveys, inquiries of owners, owner information listed on the RFTA, and other available sources/services. The data is maintained by bedroom size and market areas. Market areas may be defined by zip codes, census tract, neighborhood, and identifiable natural or man-made boundaries. The data is updated on an ongoing basis.

The rent for a unit proposed for HCV assistance will be compared to the rent charged for comparable unassisted units in the same market area. Because units may be similar, but not exactly like the unit proposed for HCV assistance, the LHA utilizes a simplified rent reasonableness system that compares similar units and includes and considers the HUD factors. Attempts will be made to localize the unit within the Lakewood township. The average will be adjusted up or down based on the estimated dollar value of the comparable items.

The LHA will notify the owner of the unit's rent reasonableness amount. The owner may submit information about other comparable units at the same property within 7 calendar days of LHA's notification. The LHA will confirm the accuracy of the information provided and consider this additional information when making final rent reasonableness determinations.

By signing the HAP contract and accepting each monthly HAP payment, the owner certifies that the rent to owner is not more than rent charged by the owner for comparable unassisted units in the premises. LHA will not consider rent increase requests until after the initial occupancy period and only if the unit is not in failed HQS status.

## CHAPTER 9 - Housing Assistance Payment Contract

Link: [Form HUD 52641-a](#)

LHA makes every effort to execute the HAP contract with the owner as quickly as possible on or after the unit passes inspection and all required documents have been submitted. Required documents include:

- Executed lease between the owner and the participant
- Ownership and tax documents stated in the RFTA section of this Plan

### 9.1 HAP Payments

Link: [24 CFR 982.451\(a\)\(5\)](#)

Once the HAP Contract is executed, LHA will process housing assistance payments to the owner. Owners will be paid by direct deposit only. Owners must complete the Direct Deposit Authorization form and attach a voided check or deposit slip. If the owner refuses to complete the Direct Deposit Authorization form the unit will not be approved. The HAP contract is not effective until the unit has passed HQS. LHA is not responsible for any part of the rent prior to the date the unit passes inspection and the HAP contract is fully executed.

LHA will make Housing Assistance Payments to the owner in accordance with the HAP Contract, as long as the family continues to occupy the unit and the contract is not in violation. By accepting the monthly HAP payment, the owner certifies that: the family is still in the unit, the owner is in compliance with the contract, the unit is HQS compliant, and that the rent to the owner is not more than the rent charged by the owner for comparable unassisted units.

The Housing Assistance Payment to the owner may never exceed the rent charged by the owner, and is the lower of the:

- Payment Standard minus the Total Participant Payment, or
- Gross rent minus the Total Participant Payment.

Late payment of HAP to the owner is subject to the late fees specified in the owner's lease. LHA is not responsible for payment of late fees caused by:

- The participant's late payment of rent
- Late HUD fund transfer
- HAP payments on hold (HQS, etc.)
- Any other HUD allowed reason and circumstances beyond LHA control.

Owner payments will be placed on hold if:

- The unit fails HQS
- Ownership of the unit has changed
- Unit ownership is in question
- Any other reason LHA determines that the HAP contract may have been breached

## 9.2 Owner Rent Increases

Link: [24 CFR 982.308\(g\)\(4\)](#); [982.309\(a\)\(3\)](#)

After the initial lease period, the owner may request a rent increase according to the terms in the lease. All rent increases must be submitted in writing, at least 60 days in advance of the renewal/annual recertification effective date, to LHA by the owner, along with a copy of the rent increase notice to the participant.

LHA will advise the participant and owner if the rent increase is approved within 10 business days of receiving the request from the owner. If approved, the rent adjustment will be effective the first day of month on or after the contract anniversary date or 60 days following receipt of the owner request on the first of that month, whichever is later. If the rent is not reasonable and the owner is unwilling to negotiate an approvable rent amount, the participant will be issued a voucher to move and the HAP contract will be terminated.

LHA may, due to HUD funding constraints, limit and/or suspend rent increases.

## 9.3 Unit Ownership Changes

LHA must receive a written request by the initial owner in order to change the HAP Contract payee and/or the address to which payment is to be sent. LHA will process a change of ownership provided the following documents are received from the new owner:

- Proof of ownership, i.e. copy of escrow statement, deed of trust, or other document showing the transfer of title.
- Completed W9 with Social Security or Employee Identification Number
- In cases where the owner has elected to utilize the services of a property management company or has otherwise designated an agent to act on his/her behalf, LHA may request a copy of the management or agent agreement, a statement from the owner identifying the individual/s authorized to execute HAP Contracts on his/her behalf in addition to proof of ownership documentation.
- LHA utilizes direct deposit as the method of payment of HAP obligations. Owners are required to provide a Tax Identification Number (TIN) or a Social Security Number that matches their banking information. LHA will not enter into a contract where the owner is unable to establish a TIN/SSN that matches names or entities identified on ownership documents or where the owner elects not to accept direct deposit.
- Owner Certification
- The effective date of the HAP contract assignment;
- A written agreement to comply with the terms of the HAP contract; and

- A certification that the new owner is not a prohibited relative.
- When a change in ownership occurs, the new owner legally assumes the current lease and the current HAP contract. At LHA's or the new owner's request a new HAP contract may be executed, however the lease terms remain the same and new HAP term matches the existing lease.

## 9.4 HAP Contract Terminations

Link: [24 CFR 982.311\(b\)](#)

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

- A family vacates the unit either in violation of the lease or by mutual agreement with the owner before termination of the lease/contact
- The lease is terminated by the owner or the family
- The owner will not renew the HAP contract or extend the current lease
- The sole participant dies
- There has been no HAP for 180 calendar days
- LHA terminates assistance for the family
- HQS space requirements are not met or the unit failed HQS and has not been repaired in the required timeframe
- Owner violations of the HAP contract
- Family obligation violations

LHA may terminate the HAP contract when HUD funding is insufficient.

No future subsidy payments on behalf of the family will be made by LHA to the owner after the month in which the Contract is terminated. The owner must reimburse LHA for any subsidies paid by LHA for any period after the contract termination date.

If the family continues to occupy the unit after the HAP contract is terminated, the family is responsible for the total amount of rent due to the owner.

The owner may terminate the lease at the end of the lease term or at any time for lease violations. The owner must use the termination proceedings as prescribed in the lease and contract; the owner can:

- Institute court action, using the grounds for eviction cited in the lease;
- Try to obtain a mutual rescission of the lease with the participant. The mutual rescission must be signed by both parties and indicate the reason for the rescission.
- Issue proper notice not to renew the Lease Agreement.

If the owner has begun eviction and the family continues to reside in the unit, LHA will continue to make housing assistance payments to the owner until the owner has obtained a court judgment or other process allowing the owner to evict the family. HAP payment will stop the first of the month following the legal eviction or the date the family moves from the unit whichever is earlier.

If an eviction is due to other than lease violations and if LHA has no other grounds for the family's termination of assistance, and if the family is eligible to move; LHA may issue a new voucher to the family.

The owner may not terminate tenancy for the LHA's failure to pay the housing assistance payment.

## CHAPTER 10 - Verifications

Links: [24 CFR 982.516](#), [24 CFR 982.551](#), [24 CFR 5.230](#), [24 CFR 5.609\(d\)](#); [Notice PIH 2010-19](#); [Notice PIH 2013-23](#), [HCV GB p5-17](#),

The family must supply any information that LHA or HUD determines necessary to the administration of the program and must consent to the LHA verification of that information. All adult applicants and participants must sign the [HUD-9886, Authorization for Release of Information](#). Adult family members must sign other consent forms as needed to collect information relevant to the family's eligibility and level of assistance. Failure to sign consent forms will result in denial of admission for applicants and lease termination for participants. The family will be informed of the denial or termination in accordance with LHA policies, and will be provided information on requesting an informal hearing.

### 10.1 Methods of Verification

Link: [PIH Notice 2017-12](#)

LHA uses HUD's hierarchy of verifications, in the following order:

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

#### EIV Verification Process

Link: [24 CFR 5.233](#);

The LHA uses HUD's Enterprise Income Verification (EIV) system to verify participant employment, earned income, unemployment benefits, social security (SS), and supplement security income (SS) benefits information at annual and interim re-certifications. The LHA will also use HUD's EIV system to monitor potential duplicate subsidies, deceased individuals, household member identity, under and non-reported income, and immigration status.

The LHA will inform all applicants and participants of its use of the following UIV resources during the admission and re-certification process: HUD's EIV system.

#### *Requirements for Non-EIV Verifications*

The LHA's requirements for non-EIV verifications provided by the applicant or participant are:

- Any third party documents supplied by the applicant or participant used for verification must be original or authentic documents and must be dated within 60 days of the request date. The documents must not be damaged, altered or in any way illegible.
- Print-outs from web pages are considered acceptable documents.



- The LHA staff member who views the document will make a photocopy, note the copy with the name of the person who provided the document and the date the original was viewed, and sign the copy.

### Third Party Written Verifications

Third-party verification forms will be sent when third-party verification documents are unavailable or are rejected by the LHA and will be sent directly to the third party.

The LHA will use review of documents in lieu of requesting third-party verification when the market value of an individual asset or an expense is less than \$5,000 annually **and** the family has original documents that support the declared amount.

The LHA also will determine that third-party verification is not available when there is a service charge for verifying an asset or expense **and** the family has original documents that provide the necessary information.

### Third Party Oral Verifications

LHA staff will record in the family's file the name and title of the person contacted, the date and time of the conversation (or attempt), the telephone number used, and the facts provided.

### Family Self-Certifications

The documents in the application packet and annual re-certification packet serve as the family's self-certifications. When the LHA is unable to obtain third-party verification, the LHA will document in the family file the reason that third-party verification was not available. When information cannot be verified by a third party or by review of documents, family members will be required to submit self-certifications attesting to the accuracy of the information they have provided to the LHA. LHA may require the family to certify that a family member does not receive a particular type of income or benefit. The self-certification must be made in a format acceptable to the LHA and must be signed by the family member whose information or status is being verified.

## 10.2 Eligibility Verifications

The following information will be verified to determine qualification for admission and continued occupancy to LHA's housing:

- Household composition, demographics and type (Elderly/Disabled/Non-elderly)
- Annual Income
- Assets and Asset Income
- Deductions from Income
- Social Security Numbers of all household members
  - Pending disclosure and documentation of social security numbers, the LHA will allow the family to retain its place on the waiting list for 90 days. If not all household members have

disclosed their SSNs at the next time a voucher becomes available, the LHA will offer a voucher to the next eligible applicant family on the waiting list.

- Citizens and lawfully present noncitizens who state that they have not been assigned an SSN by the SSA will make such declaration in writing and under penalties of perjury to LHA.
  - If the family provides an unacceptable document, the LHA will explain to the applicant or participant the reasons the document is not acceptable and request that the individual obtain and submit acceptable documentation of the SSN to the LHA within 60 days.
  - If the family certifies that the required evidence is temporarily unavailable and it needs more time, the LHA may provide an extension of up to 30 days to submit evidence of eligible status, if the family has submitted the required declaration of eligible immigration status. To obtain an extension, the family must also certify that prompt and diligent efforts will be undertaken to obtain the evidence.
  - Once an individual's status is classified as "verified" in HUD's EIV system, the LHA may remove and destroy copies of documentation accepted as evidence of social security numbers.
- Applicant Criminal History Information
  - Citizenship or eligible immigration status

### 10.3 Legal Identity Verification

The LHA will require families to furnish verification of legal identity for each household member. A photo ID is required for each adult family member. Legal identity will be verified at application and on an as needed basis. Only the following identify documents are acceptable, in addition to the photo ID for each adult:

- Adults: Birth Certificate or Naturalization Papers
- Children: Birth Certificate, Adoption Papers, Court Award documents, Social Service Agency Award documents

#### Marriage Verification

A marriage certificate is required to verify that a couple is married. In the case of a common law marriage, the couple must demonstrate that they hold themselves to be married (filing joint income tax returns, joint bank statements, etc.).

#### Separation or Divorce Verification

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

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

If no court document is available, documentation from a community-based agency will be accepted.

### Adult Member Absence Verification

If an adult member who was formerly a member of the household is reported to be permanently absent, the family must provide 3 forms of evidence to support that the person is no longer a member of the family (e.g., lease at another address, benefit letter, driver's license or utility bill). If the family is unable or unwilling to provide the evidence any income of the "absent" member will continue to be counted.

### Foster Children and Foster Adults Verification

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

### Student Status Verification

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

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

### Student Head of Households

Link: [Federal Register / Vol. 81, No. 183 / Wednesday, September 21, 2016 / Notices](#)

LHA may provide housing assistance to Independent Student Head of Households who are defined by meeting one of the following characteristics:

- The individual is 24 years of age or older;
- The individual is an orphan, in foster care, or a ward of the court or was an orphan, in foster care, or a ward of the court at any time when the individual was 13 years of age or older;
- The individual is, or was immediately prior to attaining the age of majority, an emancipated minor or in legal guardianship as determined by a court of competent jurisdiction in the individual's State of legal residence;
- The individual is a veteran of the Armed Forces of the United States (as defined in subsection (c)(1) of HEA) or is currently serving on active duty in the Armed Forces for other than training purposes;
- The individual is a graduate or professional student;
- The individual is a married individual.

LHA will verify the Student Head of Household using the following:

- Previous address information to determine evidence of a separate household, or verifying the student meets the U.S. Department of Education's definition of "independent student";

- Reviewing a student's prior year income tax returns to verify the student is independent or verifying the student meets the U.S. Department of Education's definition of "independent student"; and
- Written certification from the individual providing the support. Certification is also required if the parent is providing no support to the student. Financial assistance that is provided by persons not living in the unit is part of annual income. (Except if the student meets the Department of Education's definition of "independent student"

### Disabled Status Verification

For family members claiming disability who receive disability payments from the SSA, the LHA will use HUD's EIV system to verify the disability. If documentation from HUD's EIV System is not available, the LHA will request a current (dated within the last 60 days) SSA benefit verification letter from each family member claiming disability status. If the family is unable to provide the document(s), the LHA will ask the family to request a benefit verification letter by either calling the SSA at 1-800-772-1213, or by requesting it from [www.ssa.gov](http://www.ssa.gov).

For family members claiming disability who do not receive SSI or other disability payments from the SSA, a knowledgeable professional must provide third-party verification that the family member meets the HUD definition of disability.

### US Citizens and Nationals

Family members who claim US citizenship or national status will be required to provide additional documentation such as a birth certificate.

## 10.4 Verification of Income

Link: Link: [24 CFR 960.259](#), [982.516](#)

### Wage Verification

The LHA requires two months current and consecutive paystubs for determining annual income from wages. If paystubs are not available, the LHA will accept an authentic document on employer letter head that states wages for previous 60 days, or an employer payroll print out.

### Tip Income Verification

Unless tip income is included in a family member's W-2 by the employer, persons who work in industries where tips are standard will be required to sign a certification of tips received for the prior year and estimated tips anticipated to be received in the coming year.

### Bonus Income Verification

For persons who regularly receive bonuses or commissions, the LHA will verify and then average amounts received for one year preceding admission or re-certification. The LHA will consider justification for not

using this history to anticipate future bonuses or commissions. If a new employee has not yet received any bonuses or commissions, the LHA will count only the amount estimated by the employer.

### Business and Self Employment Income Verification

Business owners and self-employed persons will be required to provide:

- An audited financial statement for the previous fiscal year if an audit was conducted. If an audit was not conducted, a statement of income and expenses must be submitted and the business owner or self-employed person must certify to its accuracy.
- All schedules completed for filing federal and local taxes in the preceding year. If accelerated depreciation was used on the tax return or financial statement, an accountant's calculation of depreciation expense, computed using straight-line depreciation rules.
- The LHA will provide a format for any person who is unable to provide such a statement to record income and expenses for the coming year. The business owner/self-employed person will be required to submit the information requested and to certify to its accuracy at all future re-certifications.
- At any re-certification the LHA may request documents that support submitted financial statements such as manifests, appointment books, cash books, or bank statements.
- If a family member has been self-employed less than three months, the LHA will accept the family member's certified estimate of income and schedule an interim re-certification in three months.
- If the family member has been self-employed for three to twelve months, the LHA will require the family to provide documentation of income and expenses for this period and use that information to project income.

### Social Security and SSI Benefits Verification

To verify the SS/SSI benefits of participants, the LHA will obtain information about social security/SSI benefits through HUD's EIV system. If the participant disputes the EIV-reported benefit amount, or if benefit information is not available in HUD systems, the LHA will request a current SSA benefit verification letter from each family member that receives social security benefits.

If a family member is unable to provide the document, the LHA will help the participant request a benefit verification letter from SSA's Web site at [www.socialsecurity.gov](http://www.socialsecurity.gov) or ask the family to request one by calling SSA at 1-800-772-1213. Once the family has received the benefit verification letter, it will be required to provide the letter to the LHA.

### Alimony and Child Support Verification

LHA verifies alimony and child support differently depending on whether the family declares that it receives regular payments. If the family declares that it receives regular payments, verification will be sought in the following order.

- If payments are made through a state or local entity, LHA will request copy of the receipts and/or payment stubs for the 90 days prior to LHA request and request that the entity disclose any known information about the likelihood of future payments.
- Copy of the latest check and/or payment stubs
- Copy of a separation or settlement agreement or a divorce decree stating amount and type of support and payment schedules.
- Third-party verification form from the person paying the support
- Family's self-certification of amount received and of the likelihood of support payments being received in the future, or that support payments are not being received

If the family declares that it receives irregular or no payments, in addition to the verification process listed above, the family must provide evidence that it has taken all reasonable efforts to collect amounts due. This may include:

- A statement from any agency responsible for enforcing payment that shows the family has requested enforcement and is cooperating with all enforcement efforts
- If the family has made independent efforts at collection, a written statement from the attorney or other collection entity that has assisted the family in these efforts

### Zero Income Verification

The LHA will check EIV to determine zero income. LHA will require all adult family members to execute verification forms to determine that certain forms of income such as unemployment benefits, TANF, SSI, etc. are not being received by the household. Status of a household will be verified initially and every 120 days thereafter. Every quarter the client will complete this worksheet until such time that they become employed or receive financial benefits.

### Student Financial Assistance

Link: [24 CFR 5.609\(b\)\(9\)](#)

For a student subject to having a portion of his/her student financial assistance included in annual income, the LHA will request written third party verification of both the source and the amount. Documents requested include:

- Family provided documents from the educational institution attended by the student
- Documents generated by any other person or entity providing such assistance, as reported by the student.
- Written verification of the student's tuition amount as required by HUD regulation.

### *Verification of Parental Income of Students Subject to Eligibility Restrictions*

If the LHA is required to determine the income eligibility of a student's parents, the LHA will request an income declaration and certification of income from the appropriate parent(s). The LHA will send the request directly to the parents, who will be required to certify to their income under penalty of perjury. The parents will be required to submit the information directly to the LHA. The required information must

be postmarked within 15 calendar days of the date of the LHA LHA's request or within any extended timeframe approved by the LHA.

The LHA reserves the right to request and review supporting documentation at any time if it questions the declaration or certification. Supporting documentation may include, but is not limited to Internal Revenue Service tax returns, consecutive and original pay stubs, bank statements, pension benefit statements, benefit award letters and other official and authentic documents from a federal, state, or local agency.

## **10.5 Verification of Assets**

Link: [24 CFR 960.259](#), [982.516](#), [Notice PIH 2016-05](#)

### **Assets Disposed of for Less Than Fair Market Value Verification**

LHA accepts the family's self-certification of whether any assets have been disposed of for less than fair market value in the past two years. The LHA needs to verify only those certifications that warrant documentation. The LHA will verify the value of assets disposed of only if:

- The LHA does not already have a reasonable estimation of its value from previously collected information, or
- The amount reported by the family in the certification appears obviously in error.

### **Income from Rental Verification**

The family must provide:

- A current executed lease for the property that shows the rental amount or certification from the current participant
- A self-certification from the family members engaged in the rental of property providing an estimate of expenses for the coming year and the most recent IRS Form 1040 with Schedule E (Rental Income). If schedule E was not prepared, the LHA will require the family members involved in the rental of property to provide a self-certification of income and expenses for the previous year and may request documentation to support the statement including: tax statements, insurance invoices, bills for reasonable maintenance and utilities, and bank statements or amortization schedules showing monthly interest expense.

### **Retirement Account Verifications**

The LHA will accept written third-party documents supplied by the family as evidence of the status of retirement accounts.

Before retirement, the LHA will accept an original document from the entity holding the account with a date that shows it is the most recently scheduled statement for the account but in no case earlier than 6 months from the effective date of the examination.

Upon retirement, the LHA will accept an original document from the entity holding the account that reflects any distributions of the account balance, any lump sums taken and any regular payments.

After retirement, the LHA will accept an original document from the entity holding the account dated no earlier than 12 months before that reflects any distributions of the account balance, any lump sums taken and any regular payments.

## 10.6 Verification of Expenses

### Expenses

Medical expenses will be verified by written third-party documents provided by the family, such as pharmacy printouts or receipts. The LHA will make a best effort to determine what expenses from the past are likely to continue to occur in the future. The LHA will also accept evidence of monthly payments or total payments that will be due for medical expenses during the upcoming 12 months.

LHA will also accept written third-party verification forms. The family will be required to certify that the medical expenses are not paid or reimbursed to the family from any source.

When anticipated costs are related to on-going payment of medical bills incurred in past years, the LHA will verify:

- The anticipated repayment schedule
- The amounts paid in the past, and
- Whether the amounts to be repaid have been deducted from the family's annual income in past years

### Disability Assistance Expenses

Expenses for attendant care will be verified through:

- Written third-party documents provided by the family, such as receipts or cancelled checks.
- Third-party verification form signed by the provider, if family-provided documents are not available.

Expenses for auxiliary apparatus will be verified through:

- Written third-party documents provided by the family, such as billing statements for purchase of auxiliary apparatus, or other evidence of monthly payments or total payments that will be due for the apparatus during the upcoming 12 months.
- Third-party verification form signed by the provider, if family-provided documents are not available.

The family will be required to certify that attendant care or auxiliary apparatus expenses are not paid by or reimbursed to the family from any source.

To verify the family member enabled to work, the LHA will verify that the expenses claimed actually enable a family member, or members, (including the person with disabilities) to work. LHA will request third-party verification from a rehabilitation agency or knowledgeable medical professional indicating that the



person with disabilities requires attendant care or an auxiliary apparatus to be employed, or that the attendant care or auxiliary apparatus enables another family member(s) to work. To be eligible for the disability expenses deduction, the costs must not be reimbursed by another source.

### Child Care Expense Verification

The family is required to certify that the child care expenses are not paid by or reimbursed to the family from any source. The LHA will verify that the family member(s) that the family has identified as being enabled to seek work, pursue education, or be gainfully employed, are actually pursuing those activities.

If a family member is seeking work, LHA will use documentation from a state or local agency that monitors work-related requirements (e.g., welfare or unemployment) or the LHA will request family-provided verification from the agency of the member's job seeking efforts to date and require the family to submit to the LHA any reports provided to that agency.

In the event third-party verification is not available, the LHA will provide the family with a form on which the family member must record job search efforts. The LHA will review this information at each subsequent re-certification for which this deduction is claimed.

If the family member is furthering education, the LHA will request third-party documentation to verify that the person permitted to further his or her education by the child care is enrolled and provide information about the timing of classes for which the person is registered. The documentation may be provided by the family.

The LHA will seek third-party verification of the work schedule of the person who is permitted to work by the child care. In cases in which two or more family members could be permitted to work, the work schedules for all relevant family members may be verified. The documentation may be provided by the family.

The type of care to be provided is determined by the family, but must fall within certain guidelines.

- The LHA will verify that the type of child care selected by the family is allowable.
- The LHA will verify that the fees paid to the child care provider cover only child care costs (e.g., no housekeeping services or personal services) and are paid only for the care of an eligible child (e.g., prorate costs if some of the care is provided for ineligible family members).
- The LHA will verify that the child care provider is not an assisted family member. Verification will be made through the head of household's declaration of family members who are expected to reside in the unit.
- The actual costs the family incurs will be compared with the LHA's established standards of reasonableness for the type of care in the locality to ensure that the costs are reasonable.

If the family presents a justification for costs that exceed typical costs in the area, the LHA will request additional documentation to support a determination that the higher cost is appropriate.

## CHAPTER 11 – Ongoing Program Operations

### 11.1 Annual Re-Certifications

Links: [24 CFR 982.516](#); [24 CFR 5.612](#)

The LHA will conduct a re-certification of income and family composition annually. The LHA will begin the annual re-certification process approximately 120 days in advance of the scheduled effective date. If the family size has changed, LHA will increase or decrease the voucher size as appropriate at the annual re-certification. The annual re-certification will be effective on the first of the month.

The current utility allowance schedule will be used to complete the annual re-certification.

If any documents are missing from the file (social security cards, birth certificates, citizen declaration forms, etc.) the participant is required to provide the documents upon request (at annual re-certification, interim certification, or at any time requested by LHA).

The annual re-certification will not re-verify eligibility income limits except where the Head of Household is a full-time student.

LHA shall follow up by telephone, email and/or require in-person appointments with participants, as needed to request additional information, seek clarification, review re-certification documents, and/or conduct quality control.

Participants will be provided up to two opportunities to complete the re-certification requirements within the prescribed timeframes. Persons with disabilities who require assistance completing required documents will be granted a reasonable accommodation to complete documents within prescribed timeframes. If all documents and information are not submitted to LHA within the timeframe, and any allowed extensions, the voucher will be terminated effective on the participant's re-certification effective date for the family's failure to comply with their family obligations. Termination processes begin after one failure to return mailed documents plus one missed appointment, two missed appointments, or other opportunities as provided (e.g. on-line, via telephone, mail, etc.).

#### Streamlined Income Determinations

Link: [Notice PIH 2016-05; Federal Register /Vol. 82, No. 237](#)

For any family member with a fixed source of income, the LHA may choose to determine that family member's income using a streamlined income determination by applying, for each fixed-income source, the verified cost of living adjustment (COLA) or current rate of interest to the previously verified or adjusted income amount.

A family member with a fixed source of income is a family member whose income includes periodic payments at reasonably predictable levels from one or more of the following sources: Social Security, Supplemental Security Income, Supplemental Disability Insurance; federal, state, local, or private pension

plans; annuities or other retirement benefit programs, insurance policies, disability or death benefits, or other similar types of periodic receipts; or any other source of income subject to adjustment by a verifiable COLA or current rate of interest.

LHA will use a COLA or current rate of interest specific to the fixed source of income in order to adjust the income amount and will verify the COLA or current interest rate from a public source or through tenant-provided, third party-generated documentation. If no such verification is available, then the LHA will obtain third-party verification of income amounts in order to calculate the change in income for the source.

For any family member whose income is determined by a streamlined income determination, the LHA will obtain third-party verification of all income amounts every 3 years.

## **11.2 Interim Reexaminations**

Link: [24 CFR 960.257](#), [966.4](#)

The family must report changes in income and/or household composition to LHA within 15 calendar days of the change. Families are not required to report cost of living adjustments to recipients of Social Security, TANF, Veteran's Assistance, and SSI.

### *Changes to Household Composition*

Families, must report all changes to household composition that occur between annual re-certifications in writing within 15 calendar days. The LHA will conduct interim re-certifications to account for any changes in household composition that occur between annual re-certifications

### *Household Additions*

Families must request in writing LHA approval to add a new family member, live-in aide, foster child, or foster adult. This includes any person not on the lease who is expected to stay in the unit for more than 14 consecutive days or a total of 14 cumulative calendar days during any 12-month period (not a guest). If the family adds a member by birth, adoption or court-awarded custody, the family must notify LHA within 15 calendar days of the addition.

Following a receipt of a family's request for approval, the LHA will review eligibility. The LHA will not approve the addition of a new family or household member unless the individual meets the LHA's eligibility criteria and documentation requirements.

If adding a person to a household (other than a child by birth, adoption, or court-awarded custody) will require larger voucher subsidy, the LHA will approve the addition only if the family can demonstrate that there are medical needs or other extenuating circumstances, including reasonable accommodation, that should be considered by the LHA. Exceptions will be made on a case-by-case basis.

If the LHA determines that an individual does not meet the LHA's eligibility criteria or documentation requirements, the LHA will notify the family in writing of its decision to deny approval of the new family or household member and the reasons for the denial.

The LHA will make its determination within 15 calendar days of receiving all information required to verify the individual's eligibility.

Participants who fail to notify the LHA of additions to the household, or who permit persons to join the household without undergoing eligibility, are in violation of the voucher. Such persons are considered to be unauthorized guests by the LHA, and the entire household will be subject to program termination and eviction.

#### Household Member Removals

The resident must notify the LHA of a family member move-out within 15 calendar days of its occurrence. The family must provide verification of the adult member move out: lease at another location, benefit letter, drivers' license, utility bill, etc. The LHA may verify the removal of the household member through inspection of the unit, interview with neighbors, property owner or through other means available.

The family subsidy standard may be lowered after the removal of the household member effective upon the next annual re-certification. Household members removed from the voucher will not be re-admitted to the household except under those conditions set forth for the admission of additional household members provided in this Administrative Plan.

#### Changes Affecting Income or Expenses

Interim re-certifications may be scheduled either because the LHA has reason to believe that changes in income or expenses may have occurred, or because the family reports a change. When a family reports a change, the LHA may take different actions depending on whether the family reported the change voluntarily, or because it was required to do so. For interim recertifications that result in increases in total household adjusted income, the LHA will only process the change if total household adjusted income increases by greater than two thousand dollars (\$2,000) per year.

#### LHA-Initiated Interim Re-Examinations

The LHA will conduct interim re-certifications in each of the following instances:

- An increase in income from zero income.
- Any other increase in income
- For families receiving the Earned Income Disallowance (EID), the LHA will conduct an interim re-certification at the start, to adjust the exclusion with any changes in income, and at the conclusion of the second 12-month exclusion period (50 percent phase-in period).

- If at the time of the annual re-certification, it is not feasible to anticipate a level of income for the next 12 months (e.g. self-employed, seasonal or cyclic income) the LHA will schedule an interim re-certification to coincide with the end of the period for which it is feasible to project income.
- If at the time of the annual re-certification, resident-provided documents were used on a provisional basis due to the lack of third-party verification, and third-party verification becomes available, the LHA will conduct an interim re-certification.
- The LHA may conduct an interim re-certification at any time in order to correct an error in a previous re-certification, or to investigate a resident fraud complaint.

#### *Family-Initiated Income Interim Re-Examinations*

A family may request an interim re-certification of family income or composition because of any changes since the last determination. LHA will process the interim re-certification within a reasonable time after the family's request and submission of all required documentation.

The LHA will provide an option for self-employed participants to report actual operating results over the past 6 months as annualized income for the next 6 months. The participant will be required to perform an interim reexamination six months later (twice per year) to report the actual operating results over the past 6 months and so on in order to avoid misrepresentation/misestimating of income.

#### *Interim Re-Examination Effective Dates*

If the participant rent is to increase:

- The increase generally will be effective on the first of the month following 30 days' notice to the family.
- If a family fails to report a change within the required time frames, or fails to provide all required information within the required time frames, the increase will be applied retroactively, to the date it would have been effective had the information been provided on a timely basis. The family will be responsible for any underpaid rent and may be offered a repayment agreement.

If the participant rent is to decrease:

- The decrease will be effective on the first day of the month following the month in which the change was reported and documentation was received.
- The family will be notified of the new resident rent and effective date. The family must report changes in income expected to last more than thirty days and/or household composition to LHA within 15 calendar days of the change.

The family will be notified of the new participant rent and effective date.

## 11.3 Family Moves

Link: [24 CFR 982.1\(b\)\(2\)](#)

A family may request to move to a new unit if:

- The initial term of the lease has expired and proper notice, at least 60 days' prior written notice, has been given to the landlord and to the LHA.
- The lease for the family's unit has been terminated by mutual agreement of the owner and the family.
- For non-lease violations only: the owner has given the family a notice to vacate, has commenced an action to evict the family, or has obtained a court judgment or other process allowing the owner to evict the family. The family must give the LHA a copy of any owner eviction notice and eviction for lease violation may result in termination from the program.
- The family or a member of the family is or has been the victim of domestic violence, dating violence, sexual assault, or stalking and the move is needed to protect the health or safety of the family or family member. This condition applies even when the family has moved out of its unit in violation of the lease, with or without prior notification to the LHA, if the family or family member who is the victim reasonably believed that he or she was imminently threatened by harm from further violence if he or she remained in the unit.
- The LHA has terminated the assisted lease for the family's unit for the owner's breach of the HAP contract.
- The LHA determines that the family's current unit does not meet the HQS space standards because of an increase in family size or a change in family composition.
- The family is in good standing with LHA.
- The family does not owe LHA money.

Participants are not permitted to move in the first term of the lease unless required to do so by LHA to meet HQS or other program objectives, to protect the health or safety (including as a protection under VAWA), as a reasonable accommodation, or in the case of an emergency. 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 the LHA. Participants must give a written 60-day notice to the landlord and the LHA 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 1<sup>st</sup> of the month only. The landlord must provide their own lease to the tenant and a copy must be furnished to the LHA.

Although participants may be issued multiple vouchers [e.g. where the family is unable to find a unit prior to the expiration of the voucher] the family may only move once during any 12-month period.

Situations such as witness protection program, victim of violent crime, medical necessity, employment necessity, and landlord caused failed HQS, may necessitate a move in the first term of the lease, or in the term of a subsequent lease. The circumstances must be documented in writing and approved by LHA. The owner and family must agree in writing to a mutual rescission of the lease in order for LHA to approve a move during the lease term. If the owner refuses to a mutual rescission, the family will not be allowed to move unless LHA otherwise determines VAWA or other health and safety provisions prevail.

### Denial of Moves

Link: [Notice PIH 2016-09](#)

LHA will deny moves in the following circumstances:

- Applicants who are seeking to move under Portability who are not income eligible in the receiving PHA's jurisdiction.
- Participant families that have moved out of their assisted unit in violation of the lease. LHA will grant an exception to this in the situation where the only reason for the violation of the lease was due to circumstances surrounding being a victim or domestic abuse, dating violence or stalking.
- The LHA will deny a family permission to move on grounds that the LHA does not have sufficient funding for continued assistance if:
  - the move is to a higher cost unit (within LHA jurisdiction) or to a higher cost area (for portability moves);
  - the receiving PHA is not absorbing the voucher (applicable only to portability moves); and
  - LHA would be unable to avoid termination of current participants during the calendar year in order to remain within its budgetary allocation for housing assistance payments (including any available HAP reserves).

This policy applies to moves within the LHA's jurisdiction as well as to moves outside it under portability.

In the event that LHA has denied a move due to insufficient funding, LHA will provide written notification to the local HUD Field office and to the family denying the request to move for this reason. LHA will advise the family that they may advise LHA if the request to move is due to a request for a reasonable accommodation or for protection due to domestic violence, dating violence or stalking (VAWA).

LHA will maintain a list of families who have been denied to move due to insufficient funding including the date of the original request and whether the request was due to a reasonable accommodation or VAWA. When funds become available, LHA provide families notice and will begin to process requests to move in the order received – from oldest to newest – with preference to families whose request to move was due to a reasonable accommodation or VAWA.

Families who do not respond to the notification that funds are again available and may again request to move will be removed from the list held by LHA.

## Duplicate Housing Assistance Payments with a Move

Link: [24 CFR 982.311\(d\)](#)

If a participant family moves from an assisted unit with continued participant-based assistance, the term of the assisted lease for the new assisted unit may begin during the month the family moves out of the first assisted unit. Overlap of the last housing assistance payment (for the month when the family moves out of the old unit) and the first assistance payment for the new unit, is not considered to constitute a duplicative housing subsidy. HAP payments to a former owner beyond the month of the move into a new unit must be recaptured by LHA and may not be kept by the former owner.

## 11.4 Portability

Link: [24 CFR 982.353\(b\)](#); [PIH Notice 2016-09](#)

### Outgoing Portability

Link: [24 CFR 982.353\(c\), \(d\)](#); [982.355\(c\)\(1\)](#);

If the applicant did not live in LHA's jurisdiction at the time that the family's application for assistance was submitted, the family must lease a unit within the LHA's jurisdiction for at least 12 months before requesting portability (with the exception of FUP, FUPY and Mainstream applicants, who will be permitted to lease anywhere within Ocean County for the first 12 months). The LHA will consider exceptions to this policy for purposes of reasonable accommodation or reasons related to domestic violence, dating violence, sexual assault, or stalking.

Families must notify the LHA when they want to move out of the LHA's jurisdiction using the portability feature. Families that are new admissions to the HCV program must meet the income eligibility requirements both for LHA and also in the jurisdiction where the family intends to move to ("the Receiving PHA"). Applicant families must also meet the income eligibility requirements in the area to which the family plans to move only (they will not be required to re-verify income eligibility with LHA). Families are informed of these requirements in the briefing session.

The LHA will approve no extensions to a voucher issued to an applicant or participant family porting out of the LHA's jurisdiction except under the following circumstance:

- the initial term of the voucher will expire before the portable family will be issued a voucher by the receiving LHA.

### Incoming Portables

LHA may absorb or administer some or all incoming portable vouchers based on funding available.

If the LHA decides to absorb a portable family upon the execution of a HAP contract on behalf of the family, the LHA will notify the initial LHA by the initial billing deadline specified on form HUD-52665. The effective date of the HAP contract will be the effective date of the absorption.



The LHA may not change its determination to bill or to absorb a voucher after that without the approval of the initial PHA.

For any family moving into its jurisdiction under portability, the LHA will conduct a new re-certification of family income and composition. However, the LHA will not delay issuing the family a voucher for this reason. Nor will the LHA delay approving a unit for the family until the re-certification process is complete unless the family is an applicant and the LHA cannot otherwise confirm that the family is income eligible for admission to the program in the area where the unit is located.

## CHAPTER 12 - Denial of Assistance to Applicants and Termination of Assistance to Participants

Links: [24 CFR 982.552\(a\)\(2\)](#); [24 CFR 982.553\(a\)](#)

### 12.1 Evidence and Considerations

The LHA may consider all relevant circumstances in evaluating a decision to terminate or deny assistance. Evidence of criminal activity includes, but is not limited to engaging in and/or any record of convictions, arrests, or evictions for suspected criminal activity of household members within the past 5 years.

The LHA will use the preponderance of the evidence as the standard for making all admission decisions. Preponderance of the evidence is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.

Credible evidence may be obtained from police and/or court records or other factual evidence. Other credible evidence includes documentation of drug raids or arrest warrants, evidence gathered by LHA inspectors and/or investigators, and evidence gathered from the LHA incident reports.

The LHA will consider the following factors prior to making its denial or termination decision:

- Evidence of the applicant or participant's participation in or willingness to participate in social service or other appropriate counseling service programs
- In the case of drug or alcohol abuse, whether the culpable household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program or has otherwise been rehabilitated successfully
  - The LHA will require the applicant/participant to submit evidence of the household member's current participation in or successful completion of a supervised drug or alcohol rehabilitation program, or evidence of otherwise having been rehabilitated successfully.
- Whether the cause of the unfavorable information may be that the applicant/participant is the victim of domestic violence, dating violence, sexual assault or stalking.
  - The LHA acknowledges that a victim of domestic violence, dating violence, sexual assault or stalking may have an unfavorable history (e.g., a poor credit history, a record of previous damage to a unit, a prior arrest record) that would warrant denial under the LHA's policies. Therefore, if the LHA makes a determination to deny admission to an applicant family, the LHA will include in its notice of denial/termination a statement of the protection against denial provided by VAWA A description of LHA confidentiality requirements.

- A request that an applicant/participant wishing to claim this protection submit to the LHA documentation meeting the specifications below with her or his request for an informal review for an applicant and an informal hearing for a participant.
- The existence of mitigating factors, such as loss of employment or other financial difficulties.
- If the family indicates that the behavior of a family member with a disability is the reason for the proposed denial of admission or termination of assistance, the LHA will determine whether the behavior is related to the disability. If so, upon the family's request, the LHA will determine whether alternative measures are appropriate as a reasonable accommodation. The LHA will only consider accommodations that can reasonably be expected to address the behavior that is the basis of the proposed denial or termination.

As a condition of receiving or keeping assistance, a family may agree to remove the culpable family member from the application or unit. In such instances, the head of household must certify that the family member will not be permitted to visit or to stay as a guest in the HCV unit. An incarcerated culpable family member may not be an applicant, participant or guest for five years from incarceration release date. The family must present evidence of the former family member's current address upon LHA request.

## 12.2 Denial of Assistance

LHA is required to deny admission if the applicant has:

- Engaged in criminal activity
- LHA has reasonable cause to believe that a household member's current use or pattern of use of illegal drugs or current abuse or pattern of abuse of alcohol may threaten the health, safety, or right to a peaceful enjoyment of the premises by other participants.
  - In determining reasonable cause, LHA will consider all credible evidence, including but not limited to, any record of convictions, arrests or evictions of household members related to the use of illegal drugs or the abuse of alcohol. LHA may, at its discretion, also consider evidence from treatment providers or community-based organizations providing services to household members.
- Any member of the household has been evicted from federally assisted housing in the last 3 years for drug related criminal activity. A family will be considered evicted if the family moves after a legal eviction order has been issued, whether or not physical enforcement of the order was necessary.
- Any household member is currently engaged in or has engaged in the use of illegal drugs in the past three years. "*Currently engaged in*" is defined as any use of illegal drugs during the previous year.
- Any household member has ever been convicted of drug related criminal activity for the production or manufacture of methamphetamine in any location, and/or on the premises of federally assisted housing.

- Any household member is currently registered as a sex offender under any State registration requirement, regardless whether it is for life time or not.
- The family fails to provide required documentation and/or fails to sign and submit any required consent forms.
- The head of household and/or spouse or co-head has been evicted from federally assisted housing in the last five years for anything other than drug related criminal activity.
- Has any household member who illegally possesses weapons.
- Any other HUD required reason.

The LHA will deny admission to an applicant family if the LHA determines that any household member is currently engaged in, or has engaged in any of the activities within the past five (5) years.

- Drug-related criminal activity, defined by HUD as the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute or use the drug.
- Violent criminal activity, defined by HUD as any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage. Criminal activity that may threaten the health, safety or welfare of other participants.
- Has a pattern of disturbance of neighbors, destruction of property, or living or housekeeping habits at prior residences which may adversely affect the health, safety, or welfare of other participants.
- Has been evicted from housing or termination from assisted housing programs (considering relevant circumstances).
- Owes rent or other amounts to this or any other PHA or owner in connection with any assisted housing program.
- Misrepresented or does not provide complete information related to eligibility, including income, expenses, family composition or rent.
- Has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program.
- The applicant or any member of the applicant household is a former participant of LHA housing program, who had a record of lease violations or whose tenancy was terminated by the LHA or private landlord. No previous participant may be readmitted unless all previous amounts owed have been paid to LHA; but payment of such debt does not necessarily entitle an applicant to eligibility under this section unless LHA has agreed in writing to grant eligibility upon payment of amounts due.

- Has engaged in or threatened violent or abusive behavior toward LHA personnel
  - Abusive or violent behavior towards LHA personnel includes verbal as well as physical abuse or violence. Use of racial epithets, or other language, written or oral, that is customarily used to intimidate may be considered abusive or violent behavior.
  - Threatening refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.
- A pattern of abuse of alcohol, including, but not limited to, public intoxication and driving while intoxicated. A pattern (for the purposes listed above) consists of three or more incidences, with a minimum of one incident occurring within the past year.
- If the family allows additional persons to move into the unit without LHA approval.
- Any other HUD required reason.

### **12.3 Notice of Denial**

LHA will notify applicant families in writing of any decision to deny assistance. The Notice will include notification of occupancy rights under the Violence Against Women's Act (HUD Form 5380) as well as the procedure to request informal review.

If, based on a criminal record or sex offender registration information an applicant family appears to be ineligible, the LHA will notify the family in writing of the proposed denial and provide a copy of the record to the applicant and to the subject of the record. The family will be given 15 calendar days to dispute the accuracy and relevance of the information. If the family does not contact the LHA to dispute the information within that 15-day period, the LHA will proceed with issuing the notice of denial of admission. A family that does not exercise their right to dispute the accuracy of the information prior to issuance of the official denial letter will still be given the opportunity to do so as part of the informal hearing process if requested within the prescribed timeframe.

### **12.4 Denial of Assistance for Noncitizens**

Link: [24 CFR 5.514\(d\)](#)

Denial of assistance based on immigration status is subject to special hearing and notice rules. The LHA will notify applicant families of denial of assistance in accordance with HUD regulations. When LHA determines that an applicant family does not include any citizens, nationals, or eligible noncitizens, following the verification process, the family will be sent a written notice within 15 calendar days of the determination. The notice will explain the reasons for the denial of assistance and will advise the family of its right to request an appeal to the United States Citizenship and Immigration Services (USCIS), or to request an informal hearing with the LHA. The informal hearing with the LHA may be requested in lieu of the USCIS appeal, or at the conclusion of the USCIS appeal process. The notice will inform the applicant family that assistance may not be delayed until the conclusion of the USCIS appeal process, but that it may be delayed pending the completion of the informal hearing process.

When the LHA receives notification that the USCIS secondary verification failed to confirm eligible immigration status, the LHA will notify the family of the results of the USCIS verification within 10 business days of receiving the results. The family will have 30 calendar days from the date of the notification to request an appeal of the USCIS results, made by the family directly in writing to the USCIS. The family must provide LHA with a copy of the written request for appeal and proof of mailing within 10 business days of mailing the request to the USCIS.

The LHA will send written notice to the family of its right to request an informal hearing within 10 business days of receiving notice of the USCIS decision regarding the family's immigration status.

## 12.5 Grounds for Termination

Links: [24 CFR 982.455](#); [24 CFR 982.551](#), [552](#), [553](#); [24 CFR 5.514\(c\)](#); [24 CFR 5.218\(c\)](#); [24 CFR 982.311\(d\)](#); [Notice PIH 2010-3](#); [Notice PIH 2010-9](#)

Termination of assistance for a Program participant may include any or all of the following actions by LHA:

- Refusing to enter into a HAP contract or approve a lease.
- Terminating housing assistance payments under a HAP contract.
- Refusing to process or provide assistance under portability procedures.

LHA must terminate the participant family for the following reasons:

- Family choice

The family may request that the LHA terminate housing assistance payments on behalf of the family at any time.

- Family with Zero Assistance

If the family has received zero assistance in 180 days LHA will terminate assistance. If the participating family receiving zero assistance experiences a change in circumstances that would cause the HAP payment to rise above zero. The family must notify the LHA of the changed circumstances and request an interim re-certification before the expiration of the 180-day period.

- Eviction

Link: [24 CFR 982.552\(b\)\(2\)](#), [24 CFR 5.2005\(c\)\(1\)](#)

The LHA must terminate assistance whenever a family is evicted from a unit assisted under the HCV program for a serious or repeated violation of the lease. A family will be considered *evicted* if the family moves after a legal eviction order has been issued, whether or not physical enforcement of the order was necessary.

- Failure to provide consent

Link: [24 CFR 960.259](#)

The LHA will terminate the lease if any family member fails to sign and submit any consent form s/he is required to sign for any re-certification.

- Failure to document citizenship

Link: [24 CFR 5.514](#); [24 CFR 960.259](#)

The LHA will terminate the lease if (1) a family fails to submit required documentation within the required timeframe concerning any family member's citizenship or immigration status; (2) a family submits evidence of citizenship and eligible immigration status in a timely manner, but United States Citizenship and Immigration Services (USCIS) primary and secondary verification does not verify eligible immigration status of the family, resulting in no eligible family members

If the LHA determines that a family member has knowingly permitted an ineligible individual to reside in the family's unit on a permanent basis.

- Failure to Disclose SSN:

Link: [24 CFR 5.218](#), [24 CFR 960.259](#)

The LHA will defer the family's termination and provide the family with the opportunity to comply with the requirement for a period of 90 calendar days for circumstances beyond the family's control such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family or other emergency, if there is a reasonable likelihood that the family will be able to disclose an SSN by the deadline.

- Threat to Other Participants

The LHA will terminate the lease when any household member engages in any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises by other participants or by persons residing in the immediate vicinity of the premises. Immediate vicinity means within a three-block radius of the premises.

- Methamphetamine Conviction:

Link: [24 CFR 966.4](#)

The LHA will immediately terminate the lease if LHA determines that any household member has ever been convicted of manufacture or production of methamphetamine in any location, and/or on the premises of federally-assisted housing.

- Furnishing False or Misleading Information Concerning Illegal Drug Use or Alcohol Abuse or Rehabilitation

The LHA will terminate the lease if the LHA determines that a household member has furnished false or misleading information concerning illegal drug use, alcohol abuse, or rehabilitation of illegal drug users or alcohol abusers.

- Other Serious or Repeated Violations of the Family Obligations of the HCV Program

- Fugitive Felon or Parole Violator

If a participant is fleeing to avoid prosecution, or custody or confinement after conviction, for a crime, or attempt to commit a crime, that is a felony under the laws of the place from which the individual flees, is a high misdemeanor; or violating a condition of probation or parole imposed under federal or state law.

- Persons subject to sex offender registration requirement

If any member of the household has, during their current participation in the HCV program, become subject to a registration requirement under a state sex offender registration program regardless whether it is for life time or not.

- Crime On or Off the Premises

- Drug related convictions; Alcohol related convictions (if it indicates an ongoing pattern); Fraud;
- Acts of violent behavior convictions; and or Crimes of violent behavior

Applicants/participants must report any convictions from criminal activity which occurs after the application review (this includes residents, participants and those that have not yet moved into LHA assisted housing program(s)).

LHA will allow applicants and participants to address and present mitigating circumstances regarding criminal background checks prior to final decision.

#### HCV Program Violations That May Lead to Termination

- Discovery of facts after admission to the program that would have made the participant ineligible.
- Discovery of false statements or fraud by the participant in connection with an application for assistance or with a re-certification of income.
- Failure to furnish such information and certifications regarding family composition and income as may be necessary for the LHA to make determinations with respect to rent, eligibility, and unit size.
  - Information not provided: After issuance of the termination notice, but before the effective date of the termination, the participant may provide the missing data. It is solely LHA's discretion whether to accept the data or to proceed with termination.
- Missed appointments per policy and procedure requirements.
- Failure to transfer to an appropriate size unit based on family composition, upon notice by the LHA that such a move is required for HQS compliance.
- Failure to permit access to the unit by the LHA after proper advance notification for the purpose of performing routine inspections.
- Failure to inform the LHA within 30 calendar days of the birth, adoption or court-awarded custody of a child.
- If the family has breached the terms of a repayment agreement entered into with the LHA.
- If a household member has engaged in or threatened violent or abusive behavior toward LHA personnel.
  - Abusive or violent behavior towards LHA personnel includes verbal as well as physical abuse or violence. Use of racial epithets, or other language, written or oral, that is customarily used to intimidate may be considered abusive or violent behavior.



- Threatening refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.
- Furnishing false or misleading information concerning illegal drug use, alcohol abuse, or rehabilitation of illegal drug users or alcohol abusers.
- If the family does not remedy family-caused HQS failures in the required timeframe.
- If the family does not allow LHA to inspect the unit at reasonable times and after reasonable notice.
- If any family member commits lease violations, including but not limited to:
  - If the family does not give proper notice to LHA and the owner before moving out of the unit.
  - The family does not give LHA a copy of any owner eviction notice as required in this Administrative Plan.
  - If the family is not using the assisted unit for residence by the family and/or the assisted unit is not the family's only residence.
  - If the family has non-approved persons residing in the unit.
  - If the family does not promptly notify LHA that a family member no longer resides in the assisted unit.
  - If the family engages in profit making activities in the assisted unit which are not incidental to the primary residential use of the unit. Limitation on Profit Making Activity in the Unit:
    - If the business activity area results in the inability of the family to use any of the critical living areas, such as a bedroom utilized for a business which is not available for sleeping, it is considered a violation.
    - If LHA determines that the use of the unit as a business is not incidental to its use as a dwelling unit.
- If the family subleases, lets, assigns the lease or transfers the unit.
- If the family does not notify LHA of an absence from the unit, and if the family does not provide LHA any requested information regarding the absence.
- If the family owns or has any interest in the unit (Except in the case of homeownership participants).
- If any family member is receiving or received Section 8 participant-based assistance while receiving another housing subsidy, for the same unit or for a different unit, under any duplicative housing assistance program.
- If the family breaches an agreement with LHA to pay amounts owed to LHA or amounts paid to an owner by LHA.
- Insufficient ACC funding to support continued assistance for families in the program. In such event, LHA will follow the procedures outlined in LHA's Management Procedures.
- If the family fails to disclose to LHA any HUD notification it has received regarding discrepancies in the amount or verification of family income.
- Any other HUD required reason.

### Special Termination of Assistance

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

1. Suspend the offering of repayment agreements for any newly discovered fraud related issue. The household will be terminated with full informal hearing rights.
2. If there is still insufficient HUD funding after terminating assistance to households as indicated in #1, those households with the highest asset value will have their assistance terminated as needed to the point that the funding is sufficient to cover the remaining monthly HAP payments to landlords.

### Family Self-Sufficiency (FSS) Participants

LHA will not deny or terminate the Section 8 assistance if a family fails to comply with the Contract of Participation. However, LHA may take the following action against a Family Self-Sufficiency family:

- Withhold Supportive Services
  - If the family has repeatedly failed to comply with the requirements of the Contract of Participation and/or other rules outlined in the FSS Action Plan, the LHA will withhold supportive services.
  - The family will be notified of the action to be taken.
- Recommend probation or terminate the family's participation in the FSS Program.
  - If after counseling and negotiating with the family, they still fail to comply with the Contract of Participation, LHA will inform the family of the action to be taken (probation or termination of their participation in the FSS Program).
  - The family will have 15 calendar days to request an informal hearing. The LHA will conduct the hearing and inform the family within 15 calendar days of the hearing of their final decision.
- Withholding of the Escrow Account
  - If a family fails to comply with the Contract of Participation and they are terminated from participation in the FSS Program or they leave the program before completion, the escrow account will be forfeited according to current regulations.

## **12.6 Termination Notification**

In any case where the LHA decides to terminate assistance to the family, the LHA will give both the family and the owner a 30 calendar day written termination notice. However, if a family vacates the unit without informing the LHA, 30 days-notice will not be given. In these cases, the notice to terminate will be sent and effective at the time the LHA learns the family has vacated the unit. The notice of termination will state:

- Specific reasons for the termination
- Effective date of the termination
- Family's right to request an informal hearing
- Family's responsibility to pay the full rent to the owner if it remains in the assisted unit after the termination effective date
- Copy of criminal record (if the criminal record is the basis of the termination).
- Protection Rights under the Violence Against Women's Act

When a family requests to be terminated from the program they must do so in writing to the LHA. The LHA will then send a confirmation notice to the family and the owner within 15 calendar days of the family's request, but no later than the termination effective date (as requested by the family).

## **12.7 Removal of a Family Member from the Application**

Link: [24 CFR 982.552\(c\)\(2\)\(ii\)](#)

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

After admission to the program, the family must present evidence of the former family member's current address upon LHA request.

## **12.8 Reasonable Accommodation Related to Denials or Terminations**

Link: [24 CFR 982.552\(2\)\(iv\)](#)

LHA's decision to deny or terminate the assistance of a family that includes a person with disabilities is subject to consideration of reasonable accommodation.

When applicants with disabilities are denied assistance, the notice of denial must inform them of LHA's informal review process and their right to request a review. In addition, the notice will inform applicants with disabilities of their right to request reasonable accommodations to participate in the informal review process. If the family indicates that the behavior of a family member with a disability is the reason for the proposed denial of assistance, LHA will determine whether the behavior is related to the disability. If so, upon the family's request, LHA will determine whether alternative measures are appropriate as a reasonable accommodation. LHA will only consider accommodations that can reasonably be expected to address the behavior that is the basis of the proposed denial of assistance.

## **12.9 Repayment Agreements**

Link: [PIH Notice 2018-18](#)

If a family owes amounts to the LHA, as a condition of continued occupancy, LHA may require the family to repay the full amount or to enter into a repayment agreement, within 30 calendar days of receiving notice from the LHA of the amount owed. The family will have the option to repay the amount owed as follows:

- In a lump sum payment; or
- Monthly installment; or
- A combination lump sum payment and monthly installments

Any repayment agreement between the LHA and a family must be signed and dated by the LHA and by the head of household and spouse/co-head (if applicable). If the family refuses to repay the debt, does not enter into a repayment agreement, or breaches a repayment agreement, LHA will terminate the family's tenancy and utilize other available collection alternatives including, but not limited to, the following:

- Collection agencies
- Small claims court
- Civil law suit
- State income tax set-off program

Notice PIH 2018-18 recommends that the total amount that a family must pay each month-the family's monthly share of rent plus the monthly debt repayment amount-should not exceed 40 percent of the family's monthly adjusted income. However, a family may already be paying 40 percent or more of its monthly adjusted income in rent. The PIH notice acknowledges that PHA's have the discretion to establish "thresholds and policies" for repayment agreements with families.

The repayment agreement will include the total amount owed, amount of lump sum payment made at time of execution, if applicable, and the monthly repayment amount. Generally, the LHA repayment agreements will not exceed a term of 24 months. If a family can provide evidence satisfactory to the PHA that the required payment applicable to the family's debt would impose an undue hardship, the PHA may, in its sole discretion, determine that a lower monthly payment amount is reasonable. In making its determination, the PHA will consider all relevant information, including the following:

- The amount owed by the family to the PHA
- The reason for the debt, including whether the debt was the result of family action/inaction or circumstances beyond the family's control
- The family's current and potential income and expenses
- The family's current share, as calculated under 24 CFR 982.515
- The family's history of meeting its financial responsibilities

The LHA generally will not enter into a repayment agreement with a family if:

- There is already a repayment agreement in place with the family
- If the LHA determines that the family committed program fraud
- If the amount is greater than \$2,000, or if the amount owed by the family exceeds the federal or state threshold for criminal prosecution.

LHA may at any time not enter into a repayment agreement and instead terminate the family's tenancy and pursue alternative collection methods. If the family's assistance is terminated and repayment has not been made, the money will still be considered to be owed and may be reported in HUD's EIV system as a debt owed. LHA may take such action, as necessary, to collect the amounts owed.

## CHAPTER 13 - Informal Reviews and Informal Hearings

LHA provides a copy of the Informal Review and Hearing procedures in the family briefing packet. When possible and allowed by regulation/law, LHA may conduct administrative reviews of informal hearing/review requests and provide alternate resolutions at its discretion before proceeding with the family's request for a review or hearing.

### 13.1 Informal Review Policy

Links: [24 CFR 982.554](#);

An applicant may request an informal review of the LHA's decision to deny the applicant's participation in the Housing Choice Voucher Program. Reviews are provided for applicants who are denied assistance before the effective date of the HAP Contract. The exception is that when an applicant is denied assistance for citizen or eligible immigrant status, the applicant is entitled to an informal hearing.

An applicant may request an informal review if the applicant:

- Is denied listing on the waiting list or for a preference
- Is denied a voucher
- Is denied participation in the Program including portability

Informal reviews will not be granted to applicants who dispute:

- The unit size (number of bedrooms) stated on the voucher.
- A determination that a unit does not comply with Housing Quality Standards including space requirements.
- A determination that a proposed lease is unacceptable.
- A decision to not approve a request for an extension of the term of the voucher.
- General policy issues, class grievances, or discretionary administrative determinations.

When the LHA determines that an applicant is ineligible for the program LHA will notify the applicant of their ineligibility in writing. The notice will contain:

- Reason(s) the family is ineligible
- Procedure for requesting a review if the applicant does not agree with the decision
- Time limit for requesting a review: The applicant must submit the written request for an informal review within 15 calendar days of the date of the denial notice.
- If the request is not submitted timely, it will mean that the applicant waived his/her right to request an informal review.

Informal review requests must be made in writing within the 15 calendar days from the date of the LHA's Denial. The informal review will be conducted by a person or panel including other than the one who made the decision under review or a subordinate of this person. The applicant will be provided an opportunity to present written or oral objections to the decision of the LHA. The review decision will be

based only on evidence presented at the review by both parties. The LHA may provide additional time to produce required/requested documentation.

The person or panel conducting the informal review will make a recommendation to the LHA, but the LHA Executive Director is responsible for making the final decision as to whether admission should be granted or denied. If the informal review decision overturns the denial, processing for admission will resume.

If the family fails to appear for their informal review, the denial of admission will stand and the family will be so notified.

## **13.2 Informal Hearing Policy**

Link: [24 CFR 982.555](#)

Informal hearings may be requested for the following reasons:

- Determination of the amount of the total tenant payment or tenant rent
- Determination of hardship regarding minimum rent
- Decision to terminate assistance
- Decision to deny a family move
- Appropriate utility allowance used from schedule
- Family unit size under LHA subsidy standards
- Termination of a family's FSS Contract, withholding supportive services, or proposing forfeiture of the family's escrow account

LHA is not required to provide an informal hearing in the following cases:

- Discretionary administrative determinations by LHA, or to consider general policy issues or class grievances
- Determination that the unit does not comply with LHA's Housing Quality Standards including space requirements for family size, that the owner failed to maintain the unit in a decent, safe, and sanitary manner in accordance with the Housing Quality Standards (HQS), (including all services, maintenance, and utilities required under the lease).
- Decision to exercise any remedy against the owner under an outstanding contract, including the termination of Housing Assistance Payments to the owner
- Decision not to approve a family's request for an extension of the term of the Voucher issued to an assisted family which wants to move to another dwelling unit with continued participation
- Establishment of LHA schedule of utility allowances for families in the program
- Disapproval of unit or lease

When the LHA determines that a participant should be terminated from the program, LHA will notify the participant of their proposed termination in writing. The notice will contain:

- Reason(s) for and timing of termination,

- The date the proposed action will take place
- Procedure for requesting a hearing if the participant does not agree with the decision

Time limit for requesting a hearing: The participant must submit the written request for an informal hearing within 15 calendar days of the date of the termination notice.

### **13.3 Conducting Informal Hearings**

LHA hearings will be conducted by a single hearing officer or a panel. The Executive Director will appoint a person or panel who has/have been selected in the manner required under the hearings procedure.

Hearings may be attended by the following applicable persons:

- A LHA representative(s)
- Any witnesses for the LHA
- The participant
- Any witnesses for the participant
- The participant's counsel or other representative
  - If the participant is bringing legal counsel to the informal hearing, the participant must notify LHA at least 24 hours in advance of the hearing.
- Any other person approved by the LHA will be as a reasonable accommodation for a person with a disability.

#### **Hearing Decision**

In rendering a decision, the hearing officer/panel will consider the following matters:

- LHA Notice to the Family
- LHA Evidence to Support the LHA Decision
- Participant Presented Evidence
- Validity of Grounds for Program Termination

#### **Invalid Decisions**

When the LHA considers the decision of the hearing officer/panel to be invalid based on HUD regulations and LHA Policy, the Executive Director will send a notice to all parties attending the hearing that the decision is null and void. The notice will set a date and time for a new hearing.

#### **Rights of the Applicant/Participant and LHA**

The applicant/participant must appear in person at the review/hearing and may be represented by an attorney, or other representative, at his/her own expense. If the family is being represented by an attorney, the family must notify LHA of such 24 hours in advance of the review/hearing.

- The applicant/family and LHA have the right to present evidence, both oral and written.
- The applicant/family and LHA have the right to question any witnesses, and the right to state his/her case prior to the hearing officer's decision.

- The applicant/family has the right to arrange for an interpreter to attend the review/hearing, at his/her own expense.
- The applicant/family has the right to seek redress directly through judicial procedures of the court.

The applicant/family and LHA have the right to review any documents directly relevant to the review/hearing. Review of documents will take place at the LHA office. Copying of any documents will be at the expense of the requesting party at the then current OPRA rates. If the applicant/family or LHA does not make the document available for examination on the request of the other party, that document may not be relied on during the review/hearing.

### Review/Hearing Process

The review/hearing will follow the following guidelines:

- The review will be conducted by any person or persons designated by LHA, other than a person who made or approved the decision under review or a subordinate of this person.
- All LHA Denial and Termination notices will advise the applicant/family of his/her right to a review/hearing and the process to request a review/hearing.
- The applicant/family must request the informal review/hearing in writing within the required time frame (15 calendar days after receipt of notice from the LHA).
- LHA will schedule the hearing within a reasonable timeframe, preferably before the effective termination date. If the hearing cannot be scheduled before the effective termination date, the effective termination date may be extended, based solely on the reason for the delay and at the sole discretion of LHA.
- The notification of hearing will contain:
  - Date and time of the hearing
  - Location where the hearing will be held
  - Family's right to bring evidence, witnesses, legal or other representation at the
  - Right to view any documents or evidence in the possession of LHA and upon which LHA based the proposed action and, at the family's expense, to obtain a copy (at the then current OPRA rates) of such documents prior to the hearing. Requests for such documents or evidence must be received no later than 5 business days before the hearing date.
  - Notice to the family that the LHA may request a copy of any documents or evidence the family will use at the hearing be provided to LHA by 12:00 p.m. 2 business days prior to the scheduled hearing date.
- If a family does not appear at a scheduled review/hearing and has not rescheduled the hearing in advance, the hearing officer will assume the family is no longer interested in the program and will uphold the denial/termination.
- The applicant/family will be given an opportunity to present written or oral objections to LHA's decision.



- LHA will notify the applicant/family of the LHA final decision within 10 calendar days after the informal review/hearing, including a brief statement of the reasons for the final decision.
- The Notice will contain the following information:
  - Applicant/family name
  - Applicant/family address
  - Date and time of review/hearing
  - Names of everyone in attendance at review/hearing
  - Final decision
  - Brief statement of the reason(s) for the final decision
  - HUD regulation for the denial/termination (if upholding the denial/termination)
  - Effective date of denial/termination (if applicable)
- A hearing decision letter will also be sent to the owner, stating whether the termination was upheld or overturned. The notice to the owner will contain the following information:
  - Family name
  - Unit address
  - Effective date of termination or
  - Effective date of re-instatement
- All requests for review, supporting documentation, and a copy of the final decision will be filed in the family's file.

#### Decisions Not Binding to LHA

LHA is not bound by a review/hearing decision on the following matters:

- A matter for which LHA is not required to provide an opportunity for an informal review/hearing or otherwise in excess of the LHA of the person conducting the review/hearing.
- A decision given contrary to HUD regulations, requirements, or otherwise contrary to Federal, State or Local law.

In the event that a review/hearing decision is not binding to LHA, the Executive Director or his/her designee will send a notice to all parties attending the review/hearing that the decision is null and void. The notice will set a date and time for a new hearing.

#### Hearing Provisions for Restrictions on Assistance to Non-Citizens

Assistance to the family will not be delayed, denied or terminated on the basis of immigration status at any time prior to the receipt of the decision of the USCIS appeal.

Assistance to a family will not be terminated or denied while the LHA hearing is pending; however, assistance to an applicant may be delayed pending the LHA hearing.

### **13.4 USCIS Determination of Ineligibility**

If a family member claims to be an eligible immigrant, and the USCIS SAVE system and manual search do not verify the claim, LHA will notify the applicant/family within 10 calendar days of their right to appeal to the USCIS within thirty calendar days or to request an informal hearing with LHA either in lieu of or subsequent to the USCIS appeal.

If the family appeals to the USCIS, they must give LHA a copy of the appeal and proof of mailing, or LHA may proceed to deny or terminate. The time period to request an appeal may be extended by LHA for good cause. Good cause includes medical emergency, employment emergency, family emergency, etc. The emergency must be documented in writing (doctor's statement, employer statement, independent agency statement, etc.)

The request for a LHA hearing must be made within 15 calendar days of receipt of the notice offering the hearing or, if an appeal was made to the USCIS, within 15 calendar days of receipt of that notice.

After receipt of a request for an informal hearing, the hearing is conducted as described in this Plan for both applicants and families. If the hearing officer decides that the individual is not eligible, and there are no other eligible family members the LHA will:

- Deny the applicant family.
- Terminate the family if the family does not qualify for deferral.

If there are eligible members in the family, the LHA will offer to prorate assistance or give the family the option to remove the ineligible members.

If any family member fails to provide documentation or certification as required by the regulation, that member is treated as ineligible. If all family members fail to provide, the family will be denied or terminated for failure to provide.

Families whose assistance is pro-rated (either based on their statement that some members are ineligible or due to failure to verify eligible immigration status for some members after exercising their appeal and hearing rights describes above) are entitled to a hearing based on the right to a hearing regarding determinations of Total Participant Payment.

Families denied or terminated for fraud in connection with the non-citizens rule are entitled to a review or hearing in the same way as terminations for any other type of fraud.

## CHAPTER 14 - Program Integrity

Link: 24 CFR [982.552\(c\)\(iv\)](#); [24 CFR 985](#)

The LHA anticipates that the majority of families and LHA employees intend to and will comply with program requirements and make reasonable efforts to avoid errors. To ensure that the LHA's program is administered effectively and according to the highest ethical and legal standards, the LHA will employ a variety of techniques to ensure that both errors and intentional program abuse are rare. The LHA will:

- Provide each applicant and participant with a copy of "Is Fraud Worth It?"
- Provide each applicant and participant with a copy of "What You Should Know about EIV", and require receipt confirmation
- Review and explain the contents of all HUD and LHA required forms prior to requesting family member signatures
- Place a warning statement about the penalties for fraud on key LHA forms and letters that request information from a family member
- Provide each LHA employee with the necessary training on program rules and the organization's standards of conduct and ethics

### 14.1 Detecting Errors and Program Abuse

The LHA will employ a variety of methods to detect errors and program abuse, including:

- Using the results reported in any IPA or HUD monitoring reports to identify potential program abuses as well as to assess the effectiveness of the LHA's error detection and abuse prevention efforts.
- Encouraging staff, participants, and the public to report possible program abuse.
- Reviewing all referrals, specific allegations, complaints, and tips from any source including other agencies, companies, and individuals, to determine if they warrant investigation.
- Investigating inconsistent information related to the family that is identified through file reviews and the verification process.

For each investigation the LHA will determine:

- Whether an error or program abuse has occurred
- Whether any amount of money is owed the LHA
- What corrective measures or penalties will be assessed

### 14.2 Consideration of Remedies

All errors and instances of program abuse will be corrected prospectively. Whether the LHA will enforce other corrective actions and penalties depends upon the nature of the error or program abuse.

In the case of family-caused errors or program abuse, the LHA will take into consideration:

- The seriousness of the offense and the extent of participation or culpability of individual family members

- Any special circumstances surrounding the case
- Any mitigating circumstances related to the disability of a family member
- The effects of a particular remedy on family members who were not involved in the offense

### **14.3 Notice and Effective Dates**

The LHA will inform the relevant party in writing of its findings and remedies within 10 business days of the conclusion of the investigation.

The notice will include:

- A description of the error or program abuse,
- The basis on which the LHA determined the error or program abuses,
- The remedies to be employed, and
- The family's right to appeal the results through an informal review or informal hearing.

Increases in the participant rent will be implemented retro-actively to the date of the un-reported increase. The participant may or may not be offered a repayment agreement, based on the seriousness and length of the unreported income.

Any decreases in participant rent will become effective the first of the month following the discovery or retro-actively if due to LHA error.

In the case of family-caused errors or program abuse, the family will be required to repay any amounts of rent underpaid. The LHA may offer the family a repayment agreement. If the family fails to repay the amount owed, the LHA will terminate the family's lease.

The LHA will reimburse a family for any family overpayment of rent.

### **14.4 Family Prohibited Actions**

Any of the following will be considered evidence of family program abuse:

- Offering bribes or illegal gratuities to the LHA Board of Commissioners, employees, contractors, or other LHA representatives
- Offering payments or other incentives to a third party as an inducement for the third party to make false or misleading statements to the LHA on the family's behalf
- Use of a false name or the use of falsified, forged, or altered documents
- Intentional misreporting of family information or circumstances (e.g., misreporting of income or family composition)
- Omitted facts that were obviously known by a family member (e.g., not reporting employment income)
- Admission of program abuse by an adult family member

- The LHA may determine other actions to be program abuse based upon a preponderance of the evidence.

## **14.5 LHA Prohibited Activities**

Any of the following will be considered evidence of program abuse by LHA staff:

- Failing to comply with any HCV program requirements for personal gain
- Failing to comply with any HCV program requirements as a result of a conflict of interest relationship with any applicant or participant
- Seeking or accepting anything of material value from applicants, participants, owners, vendors, contractors, or other persons who provide services or materials to the LHA
- Disclosing confidential or proprietary information to outside parties
- Gaining profit as a result of insider knowledge of LHA activities, policies, or practices
- Misappropriating or misusing HCV funds
- Destroying, concealing, removing, or inappropriately using any records related to the HCV program
- Committing any other corrupt or criminal act in connection with any federal housing program

When the LHA determines that program abuse by a family or LHA staff member has occurred and the amount of underpaid rent meets or exceeds the threshold for prosecution under local or state law, the LHA will refer the matter to the appropriate entity for prosecution. When the amount of underpaid rent meets or exceeds the federal threshold, the case will also be referred to the HUD Office of Inspector General (OIG).

Other criminal violations related to the HCV program will be referred to the appropriate local, state, or federal entity.

## **14.6 Owner Prohibited Activities**

Link: [Title 18 U.S.C. Section 1001](#)

An owner participating in the HCV program must not:

- Make any false statement to the LHA.
- Commit fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program.

Any of the following will be considered evidence of owner program abuse:

- Charging the family rent above or below the amount specified by the LHA;
- Charging a security deposit other than that specified in the family's lease;
- Charging the family for services that are provided to unassisted tenants at no extra charge;
- Knowingly accepting housing assistance payments for any month(s) after the family has vacated the unit;

- Knowingly accepting incorrect or excess housing assistance payments;
- Offering bribes or illegal gratuities to the LHA Board of Commissioners, employees, contractors, or other LHA representatives;
- Offering payments or other incentives to an HCV family as an inducement for the family to make false or misleading statements to the LHA; or
- Residing in the unit with an assisted family.

### Owner Remedies and Penalties

In the case of owner-caused errors or program abuse, the LHA will take into consideration (1) the seriousness of the offense; (2) the length of time since the violation has occurred; and (3) the effects of a particular remedy on family members who were not involved in the offense.

When the LHA determines that the owner has committed program abuse, the LHA may take any of the following actions:

- Terminate the HAP contract.
- Bar the owner from future participation in any LHA programs.
- Refer the case to state or federal officials including the HUD Office of Inspector General (HUD-OIG) for criminal prosecution.
- Require the owner to repay excess housing assistance payments.

LHA may recover overpaid amounts by withholding housing assistance payments due for subsequent months. If the debt is large, the LHA may allow the owner to pay in installments over a period of time.

### Corrections to Subsidy Payments

When an incorrect subsidy is identified as a result of an error, program fraud, misrepresentation or abuse, LHA will promptly correct the subsidy under- or overpayment. A subsidy under- or overpayment includes:

- An incorrect housing assistance payment to the owner;
- An incorrect family share established for the family; and
- An incorrect utility reimbursement to a family.

Families and owners will be notified of corrective actions and penalties, if any. Increases in the family share will be implemented only after the family has received 30 days advanced notice. Any decreases in family share will become effective the first of the month following the discovery of the error. The family will not be reimbursed when the family caused the underpayment.

When efforts to collect monies owed to the LHA (as described in the Family or Owner Remedies sections of this Plan) are unsuccessful, LHA may also pursue collection through credit bureaus, small claims court, civil law suit, state income tax set-off program or other debt recovery solutions.

## CHAPTER 15 - Project Based Vouchers

Link: [24 CFR 983; HUD PIH Notice 2017-21](#)

Except as noted in this chapter, the Administrative Plan policies stated for the HCV program also apply to the PBV program.

### 15.1 Overview

The LHA may use up to 20 percent of Housing Choice Voucher authorized units for project based assistance. The LHA may increase the use of Project Based Vouchers an additional 10 percent for homeless families, families with veterans, supportive housing for persons with disabilities or elderly persons, or in areas where vouchers are difficult to use.

The proposed location of any PBV units must comply with the goals of deconcentrating poverty, expanding housing opportunities, and affirmatively furthering fair housing.

The LHA uses project-based vouchers to encourage new construction or rehabilitation, promote voucher utilization and increase supportive housing options.

### 15.2 Proposal Selection

Link: [24 CFR 983.52\(a\)\(b\)\(c\); §8\(o\)\(13\)\(B\) of the 1937 Act](#)

Prior to issuing a Request for Proposal or selecting a project without following a competition process where the PHA has ownership interest, LHA will submit to the local field office all required information under §8(o)(13)(B) of the 1937 Act. The LHA will select proposals for PBV assistance using either the Request for Proposal method or the Previous Competition method.

#### [LHA Request for Proposals Method for Rehabilitated and Newly Constructed Units](#)

The LHA will advertise request for proposals for rehabilitated and newly constructed housing in local newspaper(s) and on the LHA web site. The advertisement will specify the number of units the LHA estimates that it will be able to assist and the submission deadline. Incomplete proposals will not be considered.

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

- Owner experience and capability to build or rehabilitate housing as identified in the RFP
- Extent to which the project furthers the LHA goal of deconcentrating poverty and expanding housing and economic opportunities
- The extent to which services for special populations are provided on site or in the immediate area for occupants of the property

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

#### LHA Requests for Proposals for Existing Housing Units

The LHA will advertise proposals for existing housing in local newspaper(s) and on the LHA web site. The advertisement will specify the number of units the LHA estimates that it will be able to assist. Owner proposals will be accepted on a first-come first-served basis and will be evaluated using the following criteria:

- Experience as an owner in the tenant-based voucher program and owner compliance with the owner's obligations under the tenant-based program
- Extent to which the project furthers the LHA goal of deconcentrating poverty and expanding housing and economic opportunities
- If applicable, extent to which services for special populations are provided on site or in the immediate area for occupants of the property
- Extent to which units are occupied by families that are eligible to participate in the PBV program.

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

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

In addition to, or in place of advertising, the LHA may also directly contact specific owners that have already been selected for Federal, state, or local housing assistance based on a previously held competition, to inform them of available PBV assistance.

Proposals will be reviewed on a first-come first-served basis. The LHA will evaluate each proposal on its merits using the following factors:

- Extent to which the project furthers the LHA goal of deconcentrating poverty and expanding housing and economic opportunities
- Extent to which the proposal complements other local activities such as the redevelopment of a public housing site under the HOPE VI program, the HOME program, CDBG activities, other development activities in a HUD-designated Enterprise Zone, Economic Community, or Renewal Community.



### **15.3 Notice of Owner Selection**

Link: [24 CFR 983.51\(d\)](#)

LHA will notify the selected owner in writing of the owner's selection for the PBV program pursuant to HUD requirements. LHA will notify in writing all owners that submitted proposals that were not selected and advise such owners of the name of the selected owner.

The LHA will make available its rating and ranking sheets and documents that identify the LHA basis for selecting the proposal for one month after publication of the notice. The LHA will not include sensitive owner information, such as financial statements, etc.

The LHA will make these documents available for review at the LHA during normal business hours. The cost for reproduction of allowable documents will be at the then current OPRA rates.

### **15.4 Agreement to Enter into HAP Contract**

Link: [24 CFR 983.152](#)

For rehabilitated or newly constructed units, LHA will enter into an Agreement to Enter into a HAP Contract with the property owner. In the Agreement the owner agrees to develop the PBV contract units to comply with HQS, and the LHA agrees that upon timely completion of development the LHA will enter into a HAP Contract with the owner for the contract units.

The LHA will enter into the Agreement with the owner after receiving both environmental review approval and notice that subsidy layering requirements have been met and before construction or rehabilitation work is started. Additional owner documents may be required. LHA will specify any additional documentation requirements in the Agreement.

For existing housing, the HAP contract will be executed after LHA determines that all units pass HQS.

### **15.5 Site Selection Standards**

Link: [24 CFR 983.57\(b\)](#)

LHA will follow HUD regulations regarding site selection requirements for existing housing, newly constructed housing and rehabilitated housing. Before entering into an agreement or HAP contract LHA will determine that the PBV assistance for housing at the selected site is consistent with the goal of deconcentrating poverty and expanding housing and economic opportunities.

In developing standards to apply in determining whether a proposed PBV development will be selected, LHA will consider the following:

- If the poverty rate in the proposed PBV development area is greater than 20%, LHA will consider whether in the past five years there has been an overall decline in the poverty rate;

- A census tract in which the proposed PBV development will be located in a HUD- designated Enterprise Zone, Economic Community, or Renewal Community;
- A census tract where the concentration of assisted units will be or has decreased as a result of public housing demolition;
- A census tract in which the proposed PBV development will be located is undergoing significant revitalization;
- A census tract where there are meaningful opportunities for educational and economic advancement.
- The site meets HQS standards.
- Other factors as determined by LHA to meet the needs of the community.

#### LHA Owned Units

Link: [24 CFR 983.51\(e\)](#), [983.59](#)

HUD or a HUD-approved independent entity must review the selection process for LHA owned units to confirm appropriate selection. Initial rents and annual rent changes for LHA-owned units will be determined by the independent entity based on PBV program requirements. The term of the HAP contract and any HAP contract renewal must be agreed upon by LHA and the independent entity. HQS inspections will be performed by the independent entity.

#### Eligible Units/Cap on PBV Units

Link: [24CFR 983.52](#), [24 CFR 983.56\(a\)](#)

Project based assistance may be attached to up to 25% of the total number of units in a project. Project is defined as a single building, multiple contiguous buildings, or multiple buildings on contiguous parcels of land. Units occupied by the disabled, elderly, or that are eligible for families to supportive services (whether actually receiving services or not) are exempt from this cap.

## 15.6 Uniform Relocation Act

Link: [24 CFR 983.7](#), [49 CFR Part 24](#)

If as a result of the PBV selection, there are existing households that are determined to be ineligible for PBV; LHA will require the owner to comply with the Uniform Relocation Act and the implementing HUD regulations of the Act.

## 15.7 Housing Assistance Payments (HAP) Contracts

Link: [24 CFR 983.205](#)

### Term of the HAP Contract

The term of all PBV HAP contracts will be no less than one year, and no more than 20 years, and will be negotiated with the owner on a case-by-case basis. Contracts may be extended for an additional term(s) not to exceed a total of 20 years (40 cumulative years).

### Extending the HAP Contract

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

- The cost of extending the contract and the amount of available budget authority; The condition of the contract units;
- The owner's record of compliance with obligations under the HAP contract and lease(s);
- Whether the location of the units continues to support the goals of deconcentrating poverty and expanding housing opportunities;
- The need for and availability of supportive services for the LHA population; and
- Whether the funding could be used more appropriately for tenant-based assistance.

### Amendments to the HAP Contract

The LHA will consider HAP Contract amendments to add additional PBV units in the same building. The LHA will consider adding contract units to the HAP contract when the LHA determines that additional housing is needed to serve eligible low-income families. Circumstances may include, but are not limited to:

- The local housing inventory is reduced due to a disaster (either due to loss of housing units, or an influx of displaced families); and
- Voucher holders are having difficulty finding units that meet program requirements.
- Adding additional PBV units which include supportive services.

## 15.8 Unit Inspections

Link: [24 CFR 983.103](#)

All contract units will be inspected and comply with Housing Quality Standards prior to HAP contract execution.

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

If more than 20 percent of the inspected units in a building fail, the LHA will re-inspect 100 percent of the contract units in the building.

In the case of a property assisted with project-based vouchers that is subject to an alternative inspection, the LHA may rely upon inspections conducted at least triennially to demonstrate compliance with the inspection requirement.

Inspections for the entire building will occur at the same time. LHA will abate and terminate PBV HAP contracts for non-compliance with HQS in accordance with the policies used in the tenant-based voucher program.

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

#### Lead-based Paint

Link: [24 CFR 983.101\(c\), PIH Notice 2017-13](#)

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

## 15.9 Initial Rent and Rent Increases

Link: [24 CFR 983, Subpart G](#)

#### Initial Rent

The amount of the initial rent to an owner of units receiving PBV assistance is established at the beginning of the HAP Contract term.

#### Rent Increases

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

## 15.10 Tenant Selection

Link: [24 CFR 983.255](#)

Except where noted in the Administrative Plan, the LHA's tenant selection procedures for its tenant-based programs apply for units assisted under the PBV Program. Except for units which are occupied by eligible tenants upon the commencement of the project based contract term, when a vacancy exists at a PBV site, the LHA will notify the next families on the LHA Wait List. LHA's letter to the applicants will also state that

if the applicant is interested in residing in the vacant PBV unit that the applicant will not lose his/her place on the LHA's HCV waiting list (if applicable) until that person has been leased in the PBV unit. An applicant who rejects an offer of a project-based unit or who is rejected by the owner of the housing unit will remain in the same position on the tenant-based assistance list, as if the offer had not been made. If a dwelling unit to which assistance is to be attached under the project-based voucher program is occupied, LHA must determine whether the unit's occupants are eligible for assistance. If a unit is occupied by an eligible family and the unit is selected by LHA, the family must be placed in an appropriately size project-based assisted unit in the project without requiring the family to be placed on the LHA's waiting list.

In the event that there are an insufficient number of eligible persons on the waiting list, the LHA will place applicants referred by the owner on the waiting list. Eligibility for selection in the Project-based voucher program will be consistent with the LHA's tenant-based and project-based assistance programs.

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

Applicants must meet all of LHA's applicable eligibility requirements. LHA will refer qualified applicants to the owner for all vacancies. If the LHA referrals do not provide the owner with a suitable tenant for the unit within 30 days, the owner may refer an eligible individual or family from the owner's waiting list to the LHA.

The owner chooses a tenant for occupancy from the qualified applicants referred by LHA based on their written tenant selection policy. The LHA must approve the owner's tenant selection procedures. When a family is approved by the owner, they will execute a lease with the owner.

The owner must notify the LHA in writing (mail, fax, or e-mail) within 5 business days of learning about any vacancy or expected vacancy. The LHA will make every reasonable effort to promptly refer families to the owner after receiving a vacancy notice from the owner.

### **15.11 Waiting List**

Link: [24 CFR 903.7\(b\)\(2\)\(ii\)-\(iv\)](#)

#### **Project Based Voucher Site Preference**

LHA has established a local preference for the Project Based Voucher sites for

- Residents living or working in Lakewood Township

The LHA use of the residency preference will not have the purpose or effect of delaying or otherwise denying admission to the program based on the race, color, ethnic origin, gender, religion, disability, or age of any member of an applicant family.

#### [RAD Converted Project based Voucher Sites](#)

The LHA will establish PBV site-based waiting lists for properties converted through RAD. LHA will ensure that applicants on LHA's public housing and HCV waiting lists are offered placement on the RAD project's initial site-based waiting lists. Applicants from the PH and/or HCV waiting lists will be placed on the new PBV site based waiting list(s) based on the date and time of their original application to the PH and/or HCV program.

The following RAD Converted PBV Sites have been designated for Senior and Disabled families.

### **15.12 Unit Moves/Transfers**

#### [Overcrowded, Under-Occupied, and Accessible Units](#)

Link: [24 CFR 983.259](#)

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

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

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

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

#### [Moves Requested by the Tenant](#)

Link: [24 CFR 983.261](#)

PBV vouchers are mobile: after one-year families have the option to leave the PBV unit and receive a tenant-based voucher, if a voucher is available. The LHA will supply the owner with a referral for a new PBV tenant. Families who wish to relocate with continued assistance must inform the owner and the LHA in writing not less than 30 days prior to the date they plan to vacate the unit and in accordance with the lease. The LHA will then place the family on a PBV-HCV Voucher program transfer list according to the date and time of receipt by the LHA of written notification of the family's 30-day notice of intent to vacate. The LHA will issue the next available tenant based voucher to families on the PBV-HCV transfer list before proceeding to its regular HCV waiting list. Families from the regular HCV waiting list who have been notified of an eligibility appointment for a tenant based voucher will not be delayed from receiving

their voucher.

### Moves from Excepted Units

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

In all other cases, when LHA determines that a family no longer meets the criteria for a "qualifying family" in connection with the 25 percent per project cap exception, LHA will provide written notice to the family and owner within 10 business days of making the determination. The family will be given 30 days from the date of the notice to move out of the PBV unit. If the family does not move out within this 30-day time frame, LHA will terminate the housing assistance payments at the expiration of this 30-day period. LHA may make exceptions to this 30-day period if needed for reasons beyond the family's control such as death, serious illness, or other medical emergency of a family member. LHA may refer other eligible families to the excepted units. However, if there are no eligible families on the waiting list and the owner does not refer eligible families to LHA, LHA will amend the HAP contract to reduce the total number of units under contract.

### Required Moves

The LHA subsidy standards determine the appropriate unit size for the family size and composition. If the LHA determines that a family is occupying either a wrong-size unit, or a unit with accessibility features that the family does not require, and the unit is needed by a family that requires the accessibility features, the LHA must promptly notify the family and the owner of this determination, and of the LHA's offer of continued assistance in another unit.

The LHA will provide continued assistance either:

- (i) Project-based voucher assistance in an appropriate-size unit (in the same project or in another project);
- (ii) Other project-based housing assistance (e.g., by occupancy of a public housing unit);
- (iii) Tenant-based rental assistance under the voucher program; or

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

If the LHA offers the family the opportunity for another form of continued housing assistance (not in the tenant-based voucher program), and the family does not accept the offer, does not move out of the PBV unit within 60 days, the LHA will terminate the housing assistance payments for the wrong-sized or accessible unit, at the expiration of the 60-day period, and remove the unit from the HAP contract.

## **15.13 Vacancy Payments**

[24 CFR 983.352](#)

The LHA will decide on a case-by-case basis if the LHA will provide vacancy payments to the owner. The HAP Contract with the owner will contain any such agreement, including the amount of the vacancy payment and the period for which the owner will qualify for these payments, which will in no event exceed 60 days.

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

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

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

## **15.14 Reduction in HAP Contract Due to Vacancies**

Link: [24 CFR 983.25](#)

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



## CHAPTER 16 - Rental Assistance Demonstration (RAD) Project Based Voucher Conversions

Link: [Notice PIH 2018-11](#); Notice 2017-

### 16.1 Overview

Public housing units converting to assistance under Rental Assistance Demonstration (RAD) long-term Project Based Voucher (PBV) contracts are no longer subject to the public housing program rules. The former public housing units which become PBV units are subject to the rules of the Section 8 program, as modified by a few rules specific to RAD converted units. These specific RAD-related rules apply a few important provisions of the public housing rules to the RAD converted units, even though they would not normally be applicable in the HCV context.

LHA has converted public housing units to PBV units using RAD conversions. The LHA has adopted the resident rights, participation, waiting list and grievance procedures applicable to the RAD PBV units. The units converted to PBV under the RAD program will be operated consistent with LHA's PBV program rules referenced in this Administrative Plan to the extent not specifically required to operate in a different manner by the regulatory and statutory requirements of the RAD PBV program referenced above.

### 16.2 Resident Rights

#### No Re-screening of Tenants upon Conversion

Pursuant to the RAD statute, at conversion current households are not subject to rescreening, income eligibility, or income targeting provisions. Current households will be grandfathered for conditions that occurred prior to conversion but will be subject to any ongoing eligibility requirements for actions that occur after conversion.

A unit with a household that was over-income at time of conversion would continue to be treated as an assisted unit. Once that remaining household moves out, the unit must be leased to an eligible family.

#### Right to Return

Any residents that need to be temporarily relocated due to rehabilitation or construction have a right to return to an assisted unit at the site once rehabilitation or construction is completed. If transferred, residents of the converting site have the right to reside in an assisted unit at the new site once rehabilitation or construction is complete.

Residents of a site undergoing RAD conversion may voluntarily accept LHA's offer to permanently relocate to another assisted unit, and thereby waive their right to return to the site after rehabilitation or construction is completed.

### Renewal of Lease

Under RAD, the LHA must renew all leases upon lease expiration, unless cause exists. This provision must be incorporated by the PBV owner into the tenant lease or tenancy addendum.

### Phase-in of Tenant Rent Increases

The LHA has established a policy setting the length of the phase in period at three years. If a tenant's monthly rent increases by more than the greater of 10 percent or \$25 solely as a result of RAD conversion, the rent increase will be phased in over 3 years.

The below method explains the percentage-based phase-in the LHA will follow. For purposes of this section "standard TTP" refers to the TTP calculated in accordance with regulations at 24 CFR §5.628 and the "most recently paid TTP" refers to the TTP recorded on line 9j of the family's most recent HUD Form 50058.

#### Three Year Phase-in:

- Year 1: Any re-certification (interim or annual) performed prior to the second annual re-certification after conversion – 33% of difference between most recently paid TTP or flat rent and the calculated PBV TTP
- Year 2: Year 2 Annual Recertification (AR) and any Interim Recertification (IR) prior to Year 3 AR 50% of difference between most recently paid TTP and calculated PBV TTP.
- Year 3: Year 3 AR and all subsequent re-certifications – Full calculated PBV TTP:

In the three-year phase-in, once the standard TTP is equal to or less than the previous TTP, the phase-in ends and tenants will pay full TTP from that point forward.

### Family Self-Sufficiency

Current FSS participants will continue to be eligible for FSS once their housing is converted under RAD, and LHA is allowed to use any remaining Public Housing FSS funds to serve those FSS participants who live in units converted by RAD.

### Choice-Mobility

LHA provides a Choice-Mobility option to residents of RAD projects based on the following:

- Resident Eligibility: Residents have a right to move with tenant-based rental assistance 12 months after the move-in date, subject to the availability of tenant-based vouchers. Households must submit a written request after the 12 month period has expired if they wish to be issued a tenant-based voucher. Households requesting tenant-based vouchers will be reviewed and if the required 12 month PBV period has occurred, will be moved to the top of the HCV waiting list based on the date and time of their written request.

- If a resident is already a resident of the covered project at the time of conversion to PBV, the resident may request a tenant-based voucher after 12 months of PBV assistance, subject to the availability of tenant-based vouchers. When requests for tenant-based vouchers are made after 12 months of PBV residency, residents must submit a written request for a tenant-based voucher which will be reviewed and if the required 12 month PBV period has occurred, will be moved to the top of the HCV waiting list based on date and time of written request.

### Resident Participation and Funding

Residents of RAD projects converting to PBVs have the right to establish and operate a resident organization for the purpose of addressing issues related to their living environment and are eligible for resident participation funding.

## 16.3 Earned Income Disregard (EID)

Link: [24 CFR 5.617](#)

Tenants who are employed and are currently receiving the EID exclusion at the time of RAD conversion will continue to receive the EID after conversion. Upon the expiration of the EID, the rent adjustment will not be subject to rent phase-in. The rent will automatically increase to the appropriate rent level based upon tenant income at that time.

Under the HCV program, the EID exclusion is limited to only persons with disabilities. However that requirement is not in the public housing program, i.e. the units prior to conversion to RAD. In order to allow all RAD public housing conversion tenants who are employed and currently receiving the EID at the time of conversion to continue to benefit from EID in the PBV project, the provision limiting EID to only disabled persons is waived. The waiver only applies to public housing tenants receiving the EID at the time of RAD conversion to PBV.

## 16.4 Termination Notification

Link: [24 CFR 5.617](#)

The termination procedure for RAD conversions to PBV will require LHA provide adequate written notice of termination of the lease which will not be less than:

- A reasonable period of time, but not to exceed 30 days:
  - If the health or safety of other tenants, LHA employees, or persons residing in the immediate vicinity of the premises is threatened; or
  - In the event of any drug-related or violent criminal activity or any felony conviction;
- 14 days in the case of nonpayment of rent; and
- 30 days in any other case, except that if a State or local law provides for a shorter period of time, such shorter period will apply.

## 16.5 Grievance Process

Link: [4 CFR 982.555\(a\)\(1\)\(i\)-\(iv\)](#)

For RAD converted PBV units, the additional RAD program rules apply:

- An opportunity for an informal hearing must be given to residents for any dispute that a resident may have with respect to an LHA (as owner) action in accordance with the individual's lease or the contract administrator in accordance with RAD PBV requirements that adversely affect the resident's rights, obligations, welfare, or status.
  - For any hearing for participants, the contract administrator will perform the hearing.
  - For any additional hearings required under RAD, LHA (as owner) will perform the hearing.

An informal hearing will not be required for class grievances or for disputes between residents not involving the LHA (as owner) or contract administrator.

LHA (as owner) will provide opportunity for an informal hearing before an eviction.

Notice and other informal hearing policies are the same as stated in this Administrative Plan for the HCV program.