



Housing Choice Voucher

Administrative Plan

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Montgomery Housing Authority

Housing Choice Voucher Program Administrative Plan

Introduction

The Housing Authority of the City of Montgomery, Alabama (MHA) administers a variety of tenant-based and grant programs under HCV of the 2937 Housing Act. Administration of these programs complies with the U.S. Department of Housing and Urban Development (HUD) regulations for the HCV Program, as set forth in title 24 of the Code of Federal Regulations (CFR), Part 982 et al. MHA complies with all federal, state and local housing laws. Definitions of terms used in this Administrative Plan are found in the last section of the Plan.

Purpose of the Administrative Plan

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

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

Only the Board of Commissioners of the Montgomery Housing Authority is authorized to approve changes to the Plan. The Authority is responsible for complying with all subsequent changes in HUD regulations pertaining to the programs administered by the Authority. If such changes conflict with the Plan, HUD regulations take precedence. When circumstances not addressed by provisions in this Plan arise they will reviewed on a case-by-case basis and appropriate actions will be taken as warranted. These actions will be documented by the Deputy Executive Director and/or the Director of Section 8. If a conflict arises between or among the regulations identified in this Plan, the regulations specifically promulgated for the applicable program will take precedence.

By the adoption of this Administrative Plan, the Board of Commissioners authorizes the Executive Director to make HUD-authorized changes [CFR 982.155] against the administrative fee reserve.

MHA staff shall develop (and revise when needed) operating procedures, systems, forms and methods designed to ensure that the policies set forth in this Administrative Plan are administrated correctly, fairly and uniformly by all program staff.

Section I. Objectives of Housing Choice Voucher (Section 8) Program

MHA’s objective in administering the Housing Choice Voucher Programs is to provide decent, safe and sanitary affordable housing to low-income Families otherwise unable to obtain adequate housing. The number of Families served is limited by the number of vouchers and funding available, MHA’s budget and the availability of adequate housing.

Through program administration, MHA shall:

- A. ensure eligibility and correct family share of rent for participating Families;
- B. ensure Housing Quality Standards are enforced;
- C. ensure rent reasonableness rents are paid for all units under contract in the HCV Program;
- D. offer all current and future HCV Program Families counseling and referral assistance on the following priority basis:
 - a. all HCV Families residing in a unit which payment to the Landlord is abated because of a failed inspection; and
 - b. all other HCV Families
- E. make every effort to assist a substantial percentage of its HCV Families to find units in non-poverty areas.

Section II. Fair Housing and Equal Opportunity

A. Nondiscrimination and Affirmatively Furthering Fair Housing

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

The Authority shall not discriminate against any applicant, participant, or landlord because of race, color, national or ethnic origin or ancestry, religion, sex, age, familial status, marital status, parental status, sexual orientation, military status or disability is a fundamental policy of the Montgomery Housing Authority.

The MHA is committed to diligence in assuring equal housing opportunities and non-discrimination in all aspects of its housing activities. MHA has embraced an ethical as well as legal imperative to aggressively ensure that MHA’s housing programs comply fully with all local,

state and federal fair housing laws including, the Fair Housing Act of 1968, as amended (Fair Housing Act) and its implementing regulations. Additionally, the MHA is implementing several special initiatives to affirmatively further fair housing as required by Section 808(c)(5) of the Fair Housing Act. These efforts to affirmatively further fair housing include promoting the de-concentration of poverty, income-mixing, and opportunities for families to live in the various diverse communities in the City of Montgomery.

B. Applicable Federal Laws and Regulations

Federal laws require PHA's to treat all applicants and participants equally, providing the same quality of service, regardless of family characteristics and background. The MHA will comply fully with all federal, state and local discrimination laws, and with rules and regulations governing fair housing and equal opportunity in housing and employment, including:

1. Title VI the Civil Rights Act of 1964
2. Title VII of the Civil Rights Act of 1968 (as amended by the Community Development Act of 1974 and the Fair Housing Amendments of Act of 1988)
3. Executive Order 11063
4. Section 504 of the Rehabilitation Act of 1973
5. The Age Discrimination Act of 1975
6. Title II of the Americans with Disabilities Act (to extent that it applies, otherwise Section 504 and the Fair Housing Amendments govern)
7. Violence Against Women Reauthorization Act of 2005 (VAWA)

When more than one Civil Rights Law applies to a situation, the laws will be read and applied together.

MHA will honor and comply with any applicable state and laws or local ordinances and any legislation protecting individual rights of tenants, applicants, or staff that may subsequently be enacted.

C. Equitable Treatment

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

1. Deny to any family the opportunity to apply for housing, nor deny to any qualified applicant the opportunity to participate in the housing choice voucher program
2. Provide housing that is different from that provided to others
3. Subject anyone to segregation or disparate treatment
4. Restrict anyone's access to any benefit enjoyed by others in connection with the housing program
5. Treat a person differently in determining eligibility or other requirements for admission

6. Steer an applicant or participant toward or away from a particular area based on any of these factors
7. Deny anyone access to the same level of service
8. Deny anyone the opportunity to participate in a planning or advisory group that is an integral part of the housing program
9. Discriminate in the provision of residential real estate transactions
10. Discriminate against someone because they are related to or associated with a member of a protected class
11. Publish or cause to be published an advertisement or notice indicating the availability of housing that prefers or excludes persons who are members of a protected class.

D. Equal Opportunity Posting Requirements

The MHA will maintain in the waiting room a bulletin board, which will accommodate the following posted materials:

1. Statement of Policies and Procedures governing the HCV Administrative Plan
2. Open Occupancy Notice (applications being accepted and/or not accepted)
3. Income limits for Admission
4. Utility Allowances
5. Informal Review and Hearing Procedures
6. Fair Housing Poster
7. "Equal Opportunity in Employment" Poster

E. Providing Information to Families and Owners

1. The MHA will ensure that families and owners are fully aware of all applicant civil right laws. As part of the briefing process, the MHA will provide information to applicant families about civil rights requirements and the opportunity to rent in a broad range of neighborhoods. **[24 CFR 982.301]**
2. The Housing Assistance Payments (HAP) contract informs owners of the requirement not to discriminate against any person because of race, color, religion, sex, national origin, age, familial status, or disability in connection with the contract.

F. Discrimination Complaints

1. If an applicant or participant believes that any family member has been discriminated against by MHA or an owner, the family should advise MHA.
2. HUD requires MHA to make every reasonable attempt to determine whether the applicant's or participant's assertions have merit and take any warranted corrective action
3. In addition, the Authority will provide information to applicants and participants regarding housing discrimination complaints in the family briefing session and program packets.

Information includes referrals to the Central Alabama Fair Housing Center, and low cost legal service provided through the Legal Services and Montgomery County Dispute Resolution Center.

4. All applicable Fair Housing Information and Discrimination Complaint Forms will be made available to applicants and participants, including form HUD-903 or form HUD-903A.

G. Reasonable Accommodations for People with Disabilities

1. MHA, as a public agency that provides low rent housing to eligible families has a legal obligation to provide “reasonable accommodations” to applicants and participants if they or any family members have a disability. **[24 CFR 8.4]**
2. An applicant or participant with a disability may request information or an accommodation by contacting the Montgomery Housing Authority at 525 South Lawrence Street, Montgomery, Alabama 36104 or by telephone by calling 334-206-7181 or by fax at 334-206-7204.
3. A reasonable accommodation is a modification or change MHA can make to its offices, methods or procedures to assist an otherwise eligible applicant or participant with a disability to take full advantage of and use MHA’s programs, including those that are operated by other agencies in MHA-owned public space. **[24 CFR 8.20]**
4. An accommodation is not reasonable if it: **[24 CFR 8.21(b) and 24 CFR 8.24(a)(2)]**
 - a. Causes an undue financial and administrative burden; or
 - b. Represents a fundamental alteration in the nature of MHA’s program
5. Subject to the undue burdens and fundamental alterations test, MHA will correct physical situations in its offices or procedures that create a barrier to equal housing opportunity for all.
6. To permit people with disabilities to take full advantage of the MHA’s housing program and non-housing programs in accordance with Section 504 and the Fair Housing Amendments Act of 1988, MHA shall comply with all requirements and prohibitions in applicable law.
7. Specific actions are described in the Procedures on **Civil Rights and Disability Rights** and the ***Procedure on Reasonable Accommodations for Applicants and HCV Participants***. **[24 CFR 8.4]**
8. Facilities and programs used by applicants and participants shall be accessible to persons in wheelchairs, persons with sensory impairments and other persons with disabilities. Application and administrative offices, hearing rooms, etc. will be usable by residents with a full range of disabilities. **[24 CFR 8.21]**
9. Documents and procedures used by applicants and residents will be accessible for those with vision, hearing or other sensory impairments. Also, all documents will be written simply and clearly to enable applicants with learning or cognitive disabilities to understand as much as possible. Methods used to ensure that communication is understandable by persons with disabilities are described in the ***Procedure on Civil Rights and Disability Rights***. **[24 CFR 8.6]**
10. Examples of reasonable accommodations include, but are not limited to: **[24 CFR 8.4]**
 - a. Making alterations to a MHA office or administrative facility to make it fully accessible so it could be used by a family member with a wheelchair;

- b. Permitting applications and reexaminations to be completed by mail when it is difficult for them to come to MHA offices because of a disability;
- c. Conducting home visits instead of requiring applicants and participants to come to MHA offices;
- d. Using higher payment standards (either within acceptable range, as an exception to the current payment standard up to 110 percent of the payment standard, or with HUD approval, of a payment standard above 110 percent of the payment standard) if the MHA determines this is necessary to enable a person with disabilities to obtain a housing unit equivalent to those available to families without disabled members;
- e. Providing time extensions to locate a unit when needed because of lack of accessible units or special challenges of the family in seeking a unit;
- f. Permitting an authorized designee or advocate to participate in the application or certification process and any other meetings with MHA staff;
- g. Displaying posters and other housing information in locations throughout MHA's office in such a manner as to be easily readable from a wheelchair;
- h. Permitting a participant to move from an apartment that cannot be made accessible to an apartment that is or can be made accessible, even when most moves are not permitted;
- i. Widening the door of a MHA-owned community room or public restroom so a person in a wheelchair may use the facility;
- j. Intervening with a landlord so that he/she will permit a participant with a disability to make unit modifications as permitted by the Fair Housing Act;
- k. Making sure that MHA processes are understandable to applicants and residents with sensory or cognitive impairments, including but not limited to: **[24 CFR 8.6]**
 - i. Making large type documents, Braille documents, cassettes or a reader available to an applicant or resident with a vision impairment during interviews or meeting with MHA staff;
 - ii. Making a sign language interpreter available to an applicant with a hearing impairment during interviews or meeting with MHA staff;
 - iii. Permitting an applicant or resident to be accompanied or represented by a family member, friend or advocate at all meetings and interviews with MHA if the individual desires such representation;
 - iv. Permitting an outside agency or individual to assist an applicant with a disability to meet the MHA's applicant screening criteria.

11. An applicant family that has a member with a disability must still be able to meet essential obligations of tenancy. They must be able **[24 CFR 8.3]**

- a. to pay rent and other charges (e.g. utility bills) as required by the lease in a timely manner;
- b. to care for and avoid damaging the apartment and common areas;
- c. to use facilities and equipment in a reasonable way;
- d. to create no health, or safety hazards, and to report maintenance needs;
- e. not to interfere with the rights and peaceful enjoyment of others, and to avoid damaging the property of others;
- f. not to engage in prohibited criminal activity that threatens the health, safety or right to peaceful enjoyment of the premises by other residents or staff; and not to engage in drug-related criminal activity; and
- g. to comply with necessary and reasonable rules and program requirements of HUD and MHA

But there is no requirement that they be able to do these things without assistance.

12. If an applicant or resident family member needs assistance with one of the essential obligations of tenancy, MHA will, as a reasonable accommodation, make a referral to an individual or agency that can provide such assistance. [24 CFR 8.20]
13. If an applicant or resident receives a referral to an agency or individual who can assist the applicant or resident with complying with the essential obligations of tenancy, the applicant or resident is not obligated to accept the service, but if refusing service results in a lease violation, the Landlord may terminate the lease and MHA may terminate assistance. [24 CFR 8.2]
14. An applicant or resident family with a member who has a disability and needs or wants a reasonable accommodation may request it at any time. [24 CFR 8.20]
15. If an applicant or resident would prefer not to discuss the situation with the MHA, that is his/her right.

H. Denial or Termination of Assistance

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

1. When applicants with disabilities are denied assistance, the notice of denial must inform them of MHA's informal review process and their right to request a hearing. In addition, the notice must inform applicants with disabilities of their right to request reasonable accommodations to participate in the informal hearing process. The process for requesting an Informal review is outlined in this document.
2. When a participant family's assistance is terminated the notice of termination must inform them of MHA's informal hearing process and their right to request a hearing and reasonable accommodation.
3. When reviewing reasonable accommodation requests, the MHA must consider whether any verifiable mitigating circumstances explain and overcome the problem that lead to MHA's decision to deny or terminate assistance. If a reasonable accommodation will meet the requirements the MHA must make the accommodation.

I. Providing Information in Languages other than English for persons with Limited English Proficiency

1. For persons with Limited English Proficiency (LEP), language can be a barrier to accessing important benefits or services, understanding and exercising important rights, complying with applicable responsibilities, or understanding other information provided by the HCV program.
2. In certain circumstances, failure to ensure that LEP persons can effectively participate in or benefit from federally-assisted programs and activities may violate the prohibition under Title VI against discrimination on the basis of national origin.
3. The MHA will take affirmative steps to communicate with people who need services or information in a language other than English. These persons will be referred to as Persons with Limited English Proficiency (LEP).
4. MHA's Procedure on Communication with Persons with Limited English Proficiency describes the specific methods MHA will use to accomplish this policy.
 - a. All forms, written materials and recorded voice-mail messages used to communicate with prospective applicants, applicants and residents shall be available in any language spoken by five percent of the eligible population of Montgomery. This includes documents related to intake, marketing, outreach, certification, reexamination and inspections.
 - b. Applicants and residents with low English comprehension may furnish an interpreter to assist in communication with MHA. When an applicant or resident needs interpretation services and a staff member of the Authority speaks the language needed, the staff member will provide translation services.
 - c. In a courtroom, a hearing, or situations in which health, safety, or access to important benefits and services are at stake, the MHA will generally offer, or ensure that the family is offered through other sources, competent services free of charge to the LEP person
 - d. The MHA will provide written translations of other vital documentations for each eligible LEP language group that constitutes 5 percent or 200 persons whichever is less, of the population of persons eligible to be served. Translation of other documents, if needed, can be provided orally.

Section III. General Administrative Provisions of Program Operation

A. Quality Control and Analysis of Data

1. Under the HCV Management Assessment Program (SEMAP), HUD requires the MHA to review a random sample of tenant records annually to determine if the records conform to program requirements and to conduct quality control inspections of a sample of units to ensure Housing Quality Standards (HQS) compliance [24 CFR Part 985]. MHA shall routinely exceed the number and percentage of quality control monitoring actions required by HUD by reviewing every staff member's work to regularly check for completeness, accuracy and compliance with both HUD's program regulations and guidance and this Administration Plan.

2. MHA will use the results reported in any Independent Public Audit (IPA) or HUD monitoring reports to identify potential program abuses as well as to assess the effectiveness of the MHA's error detection and abuse prevention efforts. In addition, MHA will use this information to design and target training designed to prevent future errors.
3. MHA will review all referrals, specific allegations, complaints, and tips from any source including other agencies, companies, and individuals, to determine if they warrant investigation. In order for the MHA to investigate, the allegation must contain at least one independently-verifiable item of information, such as the name of an employer or the name of an unauthorized household member.
4. MHA will investigate inconsistent information related to the family that is identified through file reviews and the verification process.

B. Privacy Rights of Clients

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

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

MHA is required to verify information on income, qualification for deductions from income and preferences. Such verifications shall be obtained as described in the Standard of Operating Procedures for Third-Party Verification. All applicant and participant files are treated as confidential and handled in accordance with the Section XVI - Records Retention and Management.

C. Legal Jurisdiction of the MHA's Program

The Authority's area of operation is the area geographically defined as any city in whole or in part Autauga, Elmore and Montgomery counties.

D. Compliance with Federal Rules and Regulations

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

E. Eligible Type of Housing

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

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

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

F. Continuously Assisted Families

An applicant is continuously assisted under the 1937 Housing Act if the family is already receiving assistance or was receiving assistance in the past 90 days under any 1937 Housing Act program when the family is admitted to the Housing Choice Voucher Program. As noted below, families being relocated from the Authority's public housing have first priority for vouchers and qualify as continually assisted. In addition, families assisted under the U.S. Housing Act (including all families occupying units in properties receiving HCV project-based assistance) are considered continually assisted. All such families are treated in the regulations [24 CFR 982.303] as "special non-waiting list admissions".

When continuously assisted families face a 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, conversion to a new use, sale or total rehabilitation, such as families may receive vouchers as continuously assisted families.

G. Management Assessment Objectives

The Authority operates its housing assistance program with efficiency and uses resources in a manner in that reflects commitment to quality and service. The Authority's policies and practices are consistent with the goals and objectives of the following HUD SEMAP indicators and any other such indicators as HUD's regulations are amended.

1. Selection from the Waiting List

2. Rent Reasonableness
3. Determination of Adjustment Income
4. Utility Allowance Schedule
5. HQS Quality Control Inspections
6. HQS Enforcement
7. Expanding Housing Opportunities
8. FMR/Exception Rent & Payment Standards
9. Annual Re-certifications
10. Correct Tenant Rent Calculations
11. Pre-Contract HQS Inspections
12. Annual HQS Inspections
13. Lease-Up
14. Family Self-Sufficiency Enrollment and Escrow
15. De-concentration Bonus Indicator

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

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

H. Outreach to Eligible Families

The MHA must conduct outreach as necessary to ensure that there is a sufficient number of applicants on the lottery pool based waiting list. HUD requires the MHA to serve a specified percentage of very low income families, the MHA may need to conduct special outreach to ensure that an adequate number of such families apply for assistance.

The MHA outreach efforts must comply with fair housing requirements. This includes:

1. Analyzing the housing market area and the populations currently being served to identify underserved populations.
2. Ensuring that outreach efforts are targeted to media outlets that reach eligible populations that are underrepresented in the program
3. Avoiding outreach efforts that prefer or exclude people who are members of protected class.

To reach families from all backgrounds, the Authority advertises through a wide variety of sources including: daily and local newspaper, minority media, service agencies and broadcast media. An effort will be made to notify government agencies and agencies that specifically

address the needs of individuals with disabilities and any other members of protected classes who may be proportionally underserved by the Program. The Authority will continuously monitor and evaluate outreach activities to ensure that the widest possible audience is reached.

I. Owner Outreach

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

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

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

J. Owner Outreach in Low Poverty Areas

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

K. The Family Self Sufficiency Program

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

L. The Homeownership Program

Policies related to the Authority's Homeownership Program are included Section XVII – Homeownership Program.

Section IV. Admission Standards

Applicants must meet basic eligibility requirements listed below at the time of selection from the Waiting List; otherwise, the Applicant shall be determined eligible and removed from the list. Applicants determined ineligible shall be entitled to an informal review of their file if they request such review as described in this Administrative Plan.

A. Eligibility Criteria

Income Eligibility:

A Family is eligible for assistance under the HCV Program if, at the time they receive assistance, the Family meets one of the standards listed below:

1. has been continuously assisted under the 1937 Housing Act with no breaks in assistance exceeding six consecutive months;
2. qualifies as a Very Low-Income Family (including Extremely Low-Income) under HUD's approved Income Limits;
3. qualifies as a Lower Income Family (other than Very Low-Income) and is displaced by Rental Rehabilitation or Development activities assisted under Section 17 of the 1937 Housing Act (42 U.S.C.) or as a result of activities under the Rental Rehabilitation Demonstration Program;
4. qualifies as a Moderate Income Family and is displaced while living in housing covered by the Low-Income Family Housing Preservation and Resident Homeownership Act of 1990; or

General Eligibility

MHA shall consider all Applicants for admission who, at the time of eligibility determination, meet all of the following conditions and requirements established by HUD:

1. Family: the Applicant must qualify and document their status as a Family, Elderly Family, Disabled Family, or a Single Person as defined herein. Families of more than one person must submit documentation that they comply with MHA's definition of "Family".
2. Income: the Family's Annual Income must be documented and may not exceed the HUD-determined Income Limits for the Family Size.
3. Citizenship or Eligible Immigration Status: MHA shall provide housing assistance to United States citizens and eligible non-citizens. A household with at least one ineligible member is considered a "Mixed Family". At least one Family member must be documented U.S. citizen or eligible non-citizen. The subsidy standard shall be based on the actual household member(s) and the housing assistance payment (HAP) will be prorated to assist only the eligible members of the Family.

4. Families must provide the following documents for each member as evidence of citizenship or eligible immigration status:
 - a. United States Citizens
 - 1) A written and signed Declaration for each Family member;
 - 2) A United States passport; or
 - 3) Birth Certificate or Certificate of Naturalization.
 - b. Non-Citizen
 - 1) A written and signed Declaration for each Family member;
 - 2) A signed Verification Consent Form; and
 - 3) One of the original U.S. Immigration and Naturalization Service documents listed on the on the Declaration.
5. Head of Household must be:
 - a. 19 years of age or older;
 - b. 18 years of age and married, or
 - c. A person that has been relieved of the disability of non-age by a juvenile court.

B. Criminal Background Check

MHA shall conduct a criminal background check for every member of the Applicant's Family age 18 and over. MHA shall screen to ensure that no member of the Family has engaged in criminal activity that threatened the health and safety of the public or in drug related criminal activity. If the results of the criminal background check indicate that there may be past criminal activity, but the results are inconclusive, the MHA may request a fingerprint card and request information from the National Crime Information Center (NCIC).

MHA shall not approve admission of Applicants with criminal backgrounds whose presence may compromise the health, safety, welfare and /or peaceful enjoyment of the housing by other residents.

To avoid admitting such Applicants, MHA shall examine the activity of the all applicable members of the Applicant's Family for a period of five (5) years prior to the date of the admission into the program. MHA shall take reasonable steps to ensure that neither the Applicant nor any member of the Applicant's family who will be included in the lease:

1. Is currently using illegal drugs or has a history of engaging in the illegal use of controlled substances in the past 3 years. The requirement may be waived if the Applicant demonstrates to MHA's satisfaction that he or she no longer engages in the illegal use of the controlled substance(s); the waiver is not available to individuals engaged in selling, producing or manufacturing illegal substances.
2. If the Family has lived in federally assisted housing and deny admission if any Family member was evicted from a federally assisted housing unit for drug related or violent criminal activities

within the last five (5) years of the eviction date. An exception may be made if the member responsible for the eviction is no longer a member of the household; successfully completed a supervised drug rehabilitation program approved by the MHA; the person who committed the crime is no longer living in the household; or the circumstances leading to the eviction no longer exist.

3. Has a history of incarceration, parole or probation for drug related crimes, violent crimes or crimes that threaten the health, safety and/or general well-being of the community in the past five (5) years.

C. Additional HUD Eligibility Criteria

MHA shall use the following standards to deny admission and/or terminate assistance to applicants or participants in the HCV Program.

1. Drug Related Eviction: MHA shall review residential history to determine if the Family has lived in federally assisted housing, and deny admission if any Family member was evicted from a federally assisted housing unit for drug related or violent criminal activity within five (5) years of the application date. An exception may be made if the member responsible for the eviction is no longer a member of the household due to long-term imprisonment or death, except for conviction for drug trafficking – ten (10) years.
2. Illegal Drug Use: MHA shall deny admission to any Family if there is a reason to believe that a Family member uses or sells illegal drugs or is engaged in related criminal activity; or that a Family member's use or pattern of use of illegal drugs will threaten the health, safety, or right to peaceful enjoyment of the premises by other residents. The requirements may be waived if the Family demonstrates to MHA's satisfaction that he or she no longer engages in the illegal use of the controlled substance(s). The waiver is not available to individuals engaged in selling, producing or manufacturing illegal substances.
3. Conviction for Methamphetamine Production: MHA shall permanently deny admission to Families if a member has been convicted for the manufacture of Methamphetamine (also known as speed) in Federally assisted housing.
4. Sex Offenders: MHA shall permanently deny admission to Families if a member is required to register as a lifetime sex offender. MHA will use the services of state and private agencies to check national registers to ensure that such sex offenders are not admitted to the program.
5. Alcohol Abuse: MHA shall deny admission if there is reason to believe that any Family member has a pattern of abusing alcohol that threatens the health, safety or right of peaceful enjoyment of the premises by other residents within the past year. This requirement may be waived if the Family demonstrates the MHA's satisfaction that he or she no longer abuses or misuses alcohol and:

- a. has successfully completed a supervised alcohol rehabilitation program licensed and approved by the Alabama Alcohol and Drug Abuse Association (AADAA) or other State program if Applicant is from another State; or
 - b. is participating in a supervised alcohol rehabilitation program.
6. Violent Criminal Activity: MHA shall deny admission to any Family if there is a reason to believe that a Family member engaged in any of the following acts within the last five (5) years:
- a. Crimes involving physical force, such as forcible rape, murder, robbery, assault and battery through use of a weapon; aggravated assault, domestic violence (as the individual who committed the violence, not the victim) or
 - b. Any activity involving the use of weapons against persons or property.
7. Crimes that Threaten the Peace, Health and Safety of Other: MHA shall deny admission to any Family if there is reason to believe that a member of the Family has engaged in any activity that threatens the peace, health and safety of others. Such crimes include but are not limited to:
- a. Voluntary Manslaughter – the unlawful taking of human life under circumstances falling short of willful or deliberate intent to kill.
 - b. Kidnapping - taking and carrying away a human being by force and against his will.
 - c. Mayhem – inflicting an injury that permanently renders the victim less able to fight offensively or defensively; dismemberment or disablement of a limb; or bodily disfigurement.
 - d. Burglary – unlawful entry to a building or occupied structure for the purpose of committing a crime.
 - e. Arson – starting a fire or explosion with the purpose of destroying a building or occupied structure of another; or destroying or damaging any property to collect insurance for the loss.
 - f. Terrorist Threats – threatening to commit any crime of violence with the purpose of terrorizing another or causing evacuation of a building; place of assembly, or facility of public transportation.
 - g. Prostitution – offering to engage, agreeing to engage or engaging in sexual conduct for a fee, or soliciting another in a public place to engage with him/her in sexual conduct for hire.

D. Other Admission Requirements – Debts Owed to MHA

- 1. Applicants to the HCV program must be free of any debts to MHA or another housing authority before being admitted to the program.
- 2. Families participating in MHA rental assistance programs may not be indebted to MHA or another housing authority as a result of unreported income, overpaid assistance, utility reimbursement over-subsidy, vacancy loss, damages, and/or unpaid rental claims. In some

instances, participants may be permitted to repay their debt in installments (see Section VIII, Part C).

E. Public Housing and Former Program Participants

Applicants moving from MHA public housing developments shall be screened using the same procedures as Applicants from the Waiting List. Additionally, the record of former HCV participants will be researched for possible program violations. The following violations are grounds for denial of admission:

1. While participating in the HCV Program, the Family violated any Family Obligation, as set forth in 24 CFR 982.551 as amended. An exception may be granted if the Family member who violated the Family Obligation is not a current member of the household.
2. No Family member may have committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program within the past five (5) years.
3. The Family must have paid an outstanding debt owed MHA or another housing authority as a result of prior participation in any federal housing program.
4. Families entering the HCV Program from MHA conventional housing programs must be in good standing under the terms of MHA lease. The rent and other payments due under the lease must be current, and there must be no evidence of lease violations that would constitute grounds for termination.
5. Families assessed a debt to MHA, prior to HCV HAP being executed on their behalf will be required to pay the public housing debt in full. If a Family is unable to pay a debt in excess of \$500, the Family may be offered the opportunity to enter into an agreement to repay the amount owed. Under such an agreement, and offer the Family a promissory note to repay the remaining balance within twelve (12) months. Failure to make payments under the repayment agreement is grounds for program termination.
6. No family member may have been evicted from public housing for non-payment of rent during the past 60 months.
7. No Family member may have engaged in threaten abusive or violent behavior toward MHA personnel which includes use of racial epithets, or other language, written or oral that is customarily used to intimidate during the past 60 months.

Section V. Admitting Applicants to the Voucher Program

A. When Applicants are Accepted

Applicants for the HCV Program are accepted periodically when the numbers of applicants already on the waiting list are insufficient to fill projected slots in the coming 12 months. Specific dates, times and locations for accepting non-preference applications are announced by public notice in area newspapers, minority media, on local radio stations and posted in MHA Administrative Offices.

B. How the Waiting List is Organized

MHA will use a lottery system to place families on the non-preference HCV Waitlist List. When using the lottery system, MHA shall post the time and date of lottery selection and the number of applicants that will be selected by the lottery. This notice shall be posted with the announcement of the opening of the Waiting List. Applicants placed on the HCV Waiting List using a lottery system will be randomly assigned numbers and according to MHA Preference(s). Applicants that are selected shall be informed in writing of their selection and placement on the HCV Waiting List. Applicants that are not selected by the lottery will not be placed on the Waiting List and will have to reapply when the Waiting List is re-opened.

MHA maintains two separate waiting lists for applicants. The first waiting list is maintained specifically for the tenant based HCV program. The second is maintained for the project-based HCV Program.

C. The Application

The application constitutes the basic record of Applicants applying for admission; therefore, Applicants must supply complete and true information. The application, together with all other materials relating to the Applicant's eligibility will be placed and retained in the Applicant's file.

D. Opening the Waiting List

MHA may periodically open the HCV Waiting List to target only admissions for categories of Families that meet specific preferences or funding criteria. MHA may limit the number of applications accepted for targeted admissions in order to meet program objectives. MHA may target information about this limited opening to individuals in the qualifying groups.

MHA will announce the opening of the waiting list at least 10 business days prior to the date applications will first be accepted. MHA will publish a notice in local newspapers of general circulation, minority media, and other suitable media outlets that MHA is reopening the waiting list. Such notice must comply with HUD fair housing requirements. MHA will who may apply, and where and when applications will be received.

E. Completion of Applications

1. Applications for the Housing Choice Voucher Program may be taken in person, electronically, by telephone or at designated MHA facilities. The application or pre-application constitutes the basic record of Applications applying for admission therefore MHA shall only accept completed applications. The application, together with all other materials relating to the Applicants eligibility shall be placed in the Applicants' file.

2. Applicants who need assistance in completing their applications or who need an alternative method of communication because of disabilities will be furnished with such assistance or alternative communication method.

F. Continuously Assisted Families/“Special Admissions”

Certain families are issued vouchers or project-based voucher units, outside the context of the waiting list. These families:

1. are being relocated from the Authority’s public housing properties or Low Income Housing Tax Credit properties in which MHA is participating that are being demolished, undergoing substantial capital improvements, modernization, or rehabilitation or change in use, or who are being relocated pursuant to agreements already in place between MHA and the tax credit property ownership entity; or
2. have lost assisted housing or are about to lose assisted housing because a private owner receiving project-based HCV assistance opts out of, chooses not to renew the HAP contract or fails quality inspections, requiring that their HAP contract be cancelled; or

A family qualifies for one of these vouchers when they receive notice that they will have to move from one of the reasons cited above. Eligible families will be issued vouchers in an order based on date on which they receive notice to move.

Generally MHA will receive replacement housing vouchers to assist these families, but if the process of obtaining these vouchers is delayed, the families will be issued vouchers to prevent them from becoming homeless.

G. Administration of Waiting List

1. Organization of the Waiting List

At a minimum, the HCV Waiting List will include the following information:

- a. The Applicants’ name, address and phone number;
- b. The names, relationship to head of household, sex and age of family members who will live in the assisted unit;
- c. The number of bedrooms for which the Family initially qualifies in accordance to MHA occupancy standards;
- d. The date and time of application or if selected by lottery, the date of lottery pull;
- e. Qualification for any local preference, if applicable; and
- f. Racial and ethnic designation of the Head of Household.

2. Updating the HCV Waiting List

When waiting time for applicants for housing average more than twelve (12) months, MHA may confirm Applicants' continued interest in the Housing Choice Voucher Program and update the Wait List accordingly.

To update the waiting list, MHA will send an update letter via first class mail to each applicant on the waiting list to determine whether the applicant is still interested in participating in the program. The update letter will be sent to the last known address that MHA has on record for the applicant. The update letter will provide a deadline by which the applicant must respond and will state failure to respond will result in the applicants name being removed from the waiting list.

Applicants must respond in writing and may be delivered by mail, email or fax. Responses should be postmarked or received by the MHA no later than fifteen (15) calendar days, from the date of the letter.

If the applicant fails to respond within 15 calendar days, the family will be removed from the waiting list without further notice.

If the notice is returned by the Post Office with no forwarding address, the applicant will be removed from the waiting list without further notice.

If the notice returned by the post office with a forwarding address, the notice will be resent to the address indicated. The family will have 15 calendar days to respond from the date the letter was re-sent.

If an applicant is removed from the waiting list for failure to respond, the Director of Assisted Housing Programs may reinstated the applicant if it has been determined the lack of response was due to a MHA error, or to circumstances beyond the family's control.

3. Suspension of Applications

When it becomes evident that the number of eligible Applicants on the Housing Choice Voucher Waiting List has increased to the extent that there is no reasonable prospect of housing additional Applicants within 24 months, the Executive Director may suspend the taking of further applications. Such suspension will be announced publicly. MHA may also close the Waiting List for administrative processes. During such periods MHA may continue to accept applications from Applicants qualifying for targeted funding for specific programs.

H. Selection from the Waiting List: The HCV Program

Applicants that are on the HCV Tenant-based Waiting List will be selected in the following order:

1. So long as available funding permits re-issuance of turnover vouchers, families involuntarily displaced from their current housing due to governmental action or federally designated natural disaster. Families qualifying for this preference shall have a first priority over all other Families applying for housing.
2. Applicants that do not meet any Admission Preferences will be considered non-preference applicants.
3. Within each group, applicants will be processed in lottery number order.
4. Public Housing residents' displaced by governmental action associated demolition of Public Housing units.
5. Residents who must relocate due to transformation changes at the mixed finance communities where MHA has a ground lease interest.

Applicants applying for or qualifying for a specific category of special use vouchers (e.g. Veterans Administration Supportive Housing [VASH] or Catastrophic Involuntary Displacement) may be selected ahead of higher placed Applicants on the HCV Waiting List that do not qualify for the targeting funding.

The final determination of eligibility is made when the Applicants are selected from the HCV Waiting List, and the Applicants income and Family composition is verified.

MHA maintains separate preferences for the project based voucher program (per Code of Federal Regulations 983.251).

1. Documentation to Determine Eligibility: All adult members of Applicant families are required to sign HUD's Form 9886, Authorization to Release Information Privacy Act Notice and disclose the social security number and card for each Family member six (6) years of age and older. If a social security number has never been issued for a Family member, the member must obtain a social security number. The parent or guardian of a child or disabled adult must sign a certification statement for each person.

If a Family member does not have the original Social Security card issued by the Social Security Administration (SSA), MHA shall accept:

- a. an original SSA-issued document, which contains the name and SSN of the individual; or
- b. an original document issued by a federal, stated, or local government agency, which contains the name and SSN of the individual.

2. Documentation of Familial Relationship: Families, as defined in Definition Section of this Plan, must be able to document their relationship as follows:
 - a. Birth Certificates

- b. Certificates of birth issued by a physician, midwife or hospital;
- c. Verification of adoption
- d. Guardianship or custody documents issued by a magistrate or judge;
- e. Award Letters showing benefits paid on behalf of a minor or disabled adult;
- f. Documents from school systems or doctors demonstrating kinship care;
- g. Prior year's tax returns showing sharing of expenses;
- h. Proof of living arrangements and sharing of expenses.

I. Admission Preferences

Admission preference does not guarantee admission. Preferences establish the order of placement on the waiting list. Every applicant must still meet MHA's Selection criteria before being offered a voucher.

At the time of application, initial determinations of an applicant's entitlement to a preference may be made on the basis of an applicant's certification of their qualification for that preference. Before selection is made, this qualification must be verified.

J. Administration of Preferences

1. Depending on the time an applicant may have to remain on the waiting list, the MHA will either verify preferences at the time of application (when the waiting list is short or nonexistent) or require that applicants certify to their qualification for a preference at the time of pre-application (when the wait for admission exceeds four months). Verifying preferences is one of the earliest steps in processing applicants for admission. Preference verifications shall be no more than 120 days old at the time of certification.
2. The MHA may use a pre-application to obtain the family's certification that it qualifies for a preference. The family will be advised to notify the MHA of any change that may affect their ability to qualify for a preference.
3. Applicants that are otherwise eligible and self-certified as qualifying for a preference will be placed on the waiting list.
4. Applicants that self-certify to a preference at the time of pre-application and cannot verify current preference status at the time of certification will be moved into the non-preference category, and to a lower position on the waiting list based on date and time of application, if applicable.

K. Income Targeting

In accordance with Income Targeting requirements established by HUD, seventy-five (75%) of the new admissions to the HCV Program each year from the waiting list will have incomes at or below thirty percent (30%) of the area median income (extremely low income applicants).

These applicants will be selected before other eligible applicants on an as needed basis to ensure the income targeting requirement is met.

It is not anticipated that it will be necessary to skip higher income families on the waiting list to achieve federally mandated income targeting requirements because the majority of families on the waiting list are extremely low income families.

Non-waiting list admissions are not subject to income targeting requirements. This would include continuously assisted families displaced from public housing, families issued vouchers because of project-based program REAC failures or owner opt outs, etc.

L. Determination of Ineligibility and Informal Review

1. Review for Determination of Ineligibility: MHA shall notify all Applicants found ineligible for assistance that they have been denied assistance. Applicants shall be notified in writing of the reason(s) for the determination and the right to request an Informal Review of the determination. Upon request, Applicants will be allowed to review a copy of relevant documentation regarding the determination.
 - a. Applicants who wish to contest a denial of assistance shall have the opportunity to submit information and evidence to the MHA designee for an Informal Review of the denial determination. An informal review does not involve a hearing – it is a review of the material present in the applicant’s file to ensure that a correct decision about the applicant’s status has been made.
 - b. The request for an Informal Review must be made in writing within ten (10) calendar days from the date of the written denial of assistance. An Applicant that fails to request the Informal Review within ten (10) calendar days will be ineligible for a review and the denial shall stand. The Informal Review shall be scheduled within twenty (20) calendar days of the Applicant’s request.
 - c. The MHA designee shall conduct the informal review of the file, and any additional information presented by the Applicant for consideration.
 - d. The outcome of the Informal Review shall be recorded in the Applicant’s file. If it is determined the Applicant is eligible, the Family’s name will be placed on the HCV Waiting List without loss of position during the period of ineligibility, or issued a voucher, whichever is appropriate. The MHA designee will notify the Applicant of the outcome, in writing, within five (5) calendar days after the Applicant’s review.

2. Reviews of Applicants after the Issuance of a Voucher: The Director of HCV will review matters presented by Applicants who have been issued a vouchers when no HAP has yet been paid on their behalf.
3. Matters Not Subject to Informal Review by Applicants: MHA shall not grant file reviews for matters to:
 - a. MHA's discretionary administrative determinations or to consider general policy issues or class grievances;
 - b. MHA's determination of Family's unit size under MHA subsidy standards;
 - c. MHA's determination not to approve leasing a unit under the HCV Program, or approve a proposed lease;
 - d. MHA's determination that unit selected does not comply with HQS;
 - e. MHA's determination that a unit selected is not in accordance with HQS because of the size of the Family;
 - f. MHA's refusal to extend Family voucher past the maximum time allowed under MHA policy
 - g. MHA's determination of rent reasonableness;
 - h. MHA's schedule of utility allowances; and
 - i. MHA's decision not to approve a unit or tenancy.

MHA is not bound by any decision that is in conflict with HUD regulations or MHA policy. The Executive Director or his/her designee may review all decisions to ensure compliance with HUD regulations and MHA policy.

M. Briefing and Issuance of Vouchers

MHA briefs all Families entering the HCV Housing Choice Voucher Program for the first time, relocating Families, and Families porting into Montgomery (HCV participants who transfer from another housing authority).

1. Conducting Briefing: Briefing attendance is mandatory. Applicants/tenants will receive notification of the date, time and location of the scheduled briefing by either letter or electronic communication. Applicant must call twenty-four (24) hours prior to the schedule briefing to reschedule. A maximum of two (2) appointments shall be granted per applicant/tenant. Any Applicant that does not attend one of the two sessions shall have his/her application withdrawn. Applicants are withdrawn are not entitled to an Informal Review. Briefings may be conducted in group sessions or individually.

MHA may conduct individual briefings as reasonable accommodation if needed by persons with disabilities.

Briefings may be conducted in the evenings and on weekends to accommodate applicants who work.

2. Briefing Information: In addition, to the HUD-required information provided during the briefings. MHA strongly encourages HCV Families to seek housing in non-poverty areas by providing:
 - a. information or access to addresses of units available to HCV Families, as well as the Landlords' name, and telephone numbers
 - b. information on individual units available for lease;
 - c. individual counseling and information about public transportation to view units;
 - d. information on neighborhood amenities, including information on crime, schools, day care, health care and public transportation; an
 - e. counseling to Families on program matters, or in instances of alleged program discrimination.

N. Promoting Housing Opportunities

MHA seeks to increase the participation of Landlords with units located outside of areas with a high concentration of low-income Families. To accomplish this goal, MHA conducts outreach to Landlords with properties in low-poverty areas and encourages them to accept vouchers holders. The local media, professional real estate organizations and Apartment Listing Network are used as resources to increase the interest private Landlords within MHA jurisdiction.

A low poverty census tract is defined as a census tract where the poverty rate is at or below 17.8% or at or below the overall poverty area for the principal operating area of MHA, whichever is greater. MHA uses the most recent Census data to determine the poverty rate and provides a listing of the eligible census tract areas to landlords and clients in the briefing packets and in vacancy listings.

O. The Term of Vouchers

Families shall be considered successful in their housing search should they submit a Request for Tenancy Approval (RFTA) prior to the expiration date on the HCV Voucher. The Family may submit only one RFTA at a time. Once the documents are received, MHA shall suspend (i.e. toll) the term of the Family's voucher. Should the Family be required to resume their search for housing (e.g. because the unit selected fails inspection), the Family shall be allowed to resume their search for housing using the remainder of the time left on the voucher.

The voucher shall be withdrawn if the Family fails to lease suitable housing during the term of the voucher. Expiration or withdrawal of a voucher does not preclude the Family from completing a new application for the HCV Waiting List, provided MHA has not suspended taking applications for the HCV program.

Section VI. Payment and Subsidy Standards

MHA shall determine the Family's unit size and Family contribution of housing cost in accordance with HUD regulations, as revised, using the verification hierarchy outlined in HUD's regulations and verification guidance. The HCV Department will determine the initial income and Family composition.

A. Payment Standards

1. MHA will establish program Payment Standards that will ensure Families can find and lease housing in non-impacted neighborhoods. The possible Payment Standards is between 110 percent and 90 percent of HUD's Fair Market Rent standard.
2. The Payment Standard for Housing Choice Vouchers shall be determined annually following the publication of the final Fair Market Rent (FMR) by HUD and shall be made effective January 1 of the following year for all existing Housing Choice Voucher Families.
3. The payment standard for new admissions and transfer Housing Choice Voucher Program participants shall be made effective the first month following HUD's publication. The payment standard may also be changed periodically through a resolution of the Board of Commissioners.
4. The payment standard for a family is the lower of:
 - a. The payment standard for the family unit size, which is defined as appropriate number of bedrooms for the family under the PHA's subsidy standards; or
 - b. The payment standard for the size of the dwelling unit rented by the family
5. The PHA is required to pay a monthly Housing Assistance Payment (HAP) for a family that is lower of:
 - a. The payment standard for the family minus the family's TTP; or
 - b. The gross rent for the family's unit minus the TTP.
6. If during the term of the HAP contract for a family's unit, the owner lowers the rent, the PHA will recalculate the HAP using the lower of the initial payment standard or the gross rent for the unit.
7. The following will be considered when determining the payment standard:
 - a. The amount received from HUD in its Annual Contributions Contract;
 - b. MHA shall seek to provide housing opportunities in all areas of its jurisdiction with particular emphasis on non-poverty areas.
8. If the amount on the payment standard schedule is decreased during the term of the HAP contract, the lower payment standard generally will be used beginning at the effective date of the family's second regular re-examination following the effective date of the decrease in the payment standard.
9. If the payment standard increased during the HAP contract, the increased payment standard will be used to calculate the monthly housing assistance payment for the family unless the PHA has subsequently increased the payment standard.

B. Family Subsidy Standard at Admission

1. The maximum subsidy standards for an eligible Family is determined based upon the members included on the application. All adult members must appear in person with photo identification.
2. Adult members that are not identified at the time of application will not be considered as a member of the household unless they are the spouse of the family head (and were married after the application was received) or were minors at the time of application who have become adults while on the waiting list. Children added by birth, adoption or court awarded custody between the time of application and admission will be added to the household when verification of the birth, adoption or court awarded custody to a family member listed on the application is provided to MHA. Spouse means the husband, wife of the head of household, it includes the partner in a common law marriage and same sex partners who reside in the same household. The term spouse does not include boyfriends, girlfriends, significant others or co-heads of households.
3. Both HUD and MHA's eligibility will need to be met. MHA will not approve the addition if the adult does not pass the criminal background screening.
4. The Director of Assisted Housing Programs shall review requests for additions to the household that are not described in the paragraph above to ensure additions are within MHA's policy. MHA will provide the Head of Household written notification of determination within ten calendar days of the Family's request. Families denied the opportunity to add an individual to their household will be provided the reason for denial.

C. Live-In Aides

1. MHA's decision about whether or not to permit the addition of a Live-in Aide to a voucher household shall be based upon verification that:
 - a. The person to be assisted by the Live-In Aide qualifies as an individual with a disability or is at least 50 years of age.
 - b. A qualified medical practitioner verifies that the live-in Aide is needed because of disability; and
 - c. The individual proposed as the Live-in Aide possesses the skills needed to provide the services needed by the person with a disability.
 - d. MHA shall notify the Family of the decision to approve or deny the Live-in Aide in writing within ten (10) business days from the date all required documentation is provided.
2. The Family and Live-in Aide will be required to submit a certification that the Live-In Aide is (1) not obligated to support of the person(s) needing the care, and (2) would not be living in the unit except to provide the necessary supportive services.
3. A live-in aide cannot have a job outside the unit or another place to live since he/she is verified to be necessary to provide care on a live-in basis.

4. Live-In Aides are required to attend the annual recertification appointments with the Head of Household and MHA must determine annually the eligibility of the household for the Live-in Aide.
5. Family members may be qualified to perform the services needed by the individual with disabilities, a live-in aide is not a family member, and his /her income is not counted for eligibility or rent purposes, and the live-in aide cannot receive the voucher as a “remaining member of a tenant/client family.”
6. The Live-In Aide must meet MHA’s screening criteria. Further, the live-in aide must not currently owe rent or other amounts to MHA or any other housing authority in connection with the HCV or Public Housing Programs.

D. Family Subsidy Standard during Participation

1. MHA will permit the addition of minors by birth, adoption or court awarded custody by a family member listed on the lease and voucher; such additions to the family must be reported within ten (10) days of occurrence;
2. MHA will not permit the addition of adult family members; unless meets the definition of spouse as stated in “*Family Subsidy at Admission*”, and meets MHA eligibility criteria.
3. MHA shall review the composition of the household at each annual recertification. If the addition of a family member results in overcrowding (more than two persons per living/sleeping room, MHA will notify the Head of Household of the need to move and issue the Family another Housing Choice Voucher at the termination of the family’s lease.

E. Occupancy Standards

MHA shall issue a voucher for the smallest unit possible using the following standards:

1. At least one person must occupy each bedroom.
2. A maximum of two (2) persons may occupy a bedroom.
3. Children will not be assigned a separate bedroom until they are two (2) years of age.
4. Persons of opposite sex will not be assigned a single bedroom, unless they are living together as spouses or children less than two (2) years of age. A single parent and child may occupy the same bedroom until the child reaches two (2) years of age.
5. A bedroom may be allocated for an approved Live-In Aide to provide continuous medical assistance to the Disabled Family member. Since a live-in aide is one person, no space will be considered for the Live-In Aide’s Family.
6. A bedroom will not be allocated for house furniture and a bedroom will not be allocated for medical equipment unless it is verified necessary for a family with a disability.

F. Unit Size Selected by Voucher Holder

The family may select a dwelling unit of a different size than listed on the Voucher; however, the unit must meet housing quality standards. The unit must provide adequate space so that there are no more than two family members for each living or sleeping room in the unit.

The Housing Assistance Payment (HAP) is based upon the lower of the Payment Standard for the family unit size or the Payment Standard for the unit size rented by the family.

G. Remaining Family Member

The original Family composition may be altered when the Head of Household leaves the unit. A Remaining Family Member, as defined by HUD, is an adult Family member already in the household at the time the Head of Household permanently leaves the household. Household members such as live-in aides, foster children, and foster adults do not qualify as remaining members of a family to assume the voucher.

1. If the Head of Household dies, or otherwise permanently leaves the household for any reason unrelated to criminal activity or incarceration, and there is another eligible adult Family member capable of assuming the Head of Household position, the voucher assistance will pass to that Remaining Family Member, who will then become Head of Household.
2. When the Head of Household leaves the unit because of criminal activity or incarceration, MHA will terminate the assistance, not permit another family member to take over the voucher.
3. The family may designate any qualified family member as the head of household.
4. Whenever an adult family member assumes the position of head as the remaining family member, he or she becomes responsible for any debts to the owner or MHA incurred by the previous head.
5. If the head of household dies or leaves the household permanently, the remaining family members must report this fact to MHA in writing within ten (10) days after the head of household's departure.

H. Temporary Absence of Head of Household

1. If the Head of Household is temporarily absent from the home due to illness requiring hospitalization, nursing home confinement, or employment outside of the local area, including military service, the HCV HAP will be provided for a maximum of 90 days. The absent Head of Household's income will continue to be counted and the Family will be responsible for their portion of rent to the Landlord for the 90 day period. If the Head of Household is unable to return to the HCV Housing Program after the 90-day period, MHA will no longer consider the absent Family member the Head of Household and the Family may utilize the provisions of Section G.
2. An exception will be considered for the benefit of minor children where there is no eligible remaining Family member that has the legal capacity to enter a lease under state and local law. If there is another eligible adult that was not previously a member of the household and is available to move into the unit and assume the role as Head of Household, MHA may

consider the addition of this adult as the Head of Household. The adult assuming the role as Head of Household must assume legal custody of the minor children. The newly designated Head of Household may assume permanent status as Head of Household if the initial Head of Household if the initial Head of Household is unable to return to the unit and grants written authorization. In such cases, the initial Head of Household's claim to HCV assistance is lost. The new Head of Household would assume any outstanding debt incurred by the former Head of Household.

3. If a child has been placed in foster care, the MHA 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. The Family is responsible for providing information to the MHA; failure to supply information in a timely manner is cause for termination of assisted voucher.
4. If a family member attends school away from home, the person will continue to be considered a family member unless information becomes available to the MHA indicating that the student has established a separate household or the family declares that the student has established a separate household.
5. The Family must request the MHA's approval for the return of any adult family members that the MHA has determined to be permanently absent. The MHA will only approve the return of elderly persons or persons with disabilities. The individual is subject to the eligibility and screening requirements.

I. Separation or Divorce

In cases of divorce or separation under a settlement or judicial decree, MHA shall follow a court's ruling in determining which Family members continue to receive HCV assistance. In cases where no settlement or judicial decree exists, MHA will:

1. grant the voucher to the Family member who retains custody of the minor children or who cares for Disabled Family members;
2. grant the voucher to the Family member forced to leave the unit as a result of actual or threatened physical violence against Family members by a spouse or other Family members of the household;
3. will grant the voucher to the Family member that provides housing for the minor children 51% or more of the time in the case of joint custody.
4. will not grant both parents of minor children a voucher.

J. Determination of Family Share of Housing Cost

The Family's contribution to the housing cost will be based upon the verified Annual and Adjusted Income as defined in HUD regulations.

The amount of Total Tenant Payment (TTP) will be calculated based on the highest of:

1. ten percent (10%) of the monthly unadjusted Family Income;
2. thirty percent (30%) of the Family's monthly adjusted income;
3. MHA minimum rent of \$50.00
4. The actual amount of the family's contribution will be Total Tenant Payment unless the family chooses a unit with a gross rent higher than the payment standard. In this instance the family's contribution to housing cost will equal the Total Tenant Payment plus the amount by which the gross rent exceeds the payment standard.

K. Exemption from Minimum Rent Requirement

Families paying the minimum rent requirement by MHA may request an exemption from the minimum rent requirements if they believe the imposition of minimum rent creates a hardship on their Family. MHA will consider the following hardships:

1. the Family has lost eligibility for, or is awaiting an eligibility determination of federal, state or local assistance program;
2. the income of the Family has decreased because of changed circumstances including loss of employment; or
3. a death in the Family had occurred.

L. Adjustments to Income

Adjusted income is the annual income of all household members after making the mandatory deduction as identified in **24 CFR 5.611 and 24 CFR 5.617**.

Mandatory Deductions include:

- a. \$480 for each dependent;
- b. \$400 for elderly or disabled Families;
- c. un-reimbursed disability assistance expenses for care or apparatus for disabled Family members that exceed three percent (3%) of annual adjusted income and permit an adult family member to work; and
- d. reasonable child care expenses to allow an adult Family member to work, actively seek work, or attend school.

M. Earned Income Disallowance for Qualified Participants with Disabilities

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

1. Incremental earned income of family members who were unemployed for a year or more and become employed (a person is considered to have been unemployed if he/she was employed,

but earned less in the previous 12 months than would be earned by a person working 10 hours per week making minimum wage working 50 weeks);

2. Incremental earned income of Family members whose employment income has increases during participation in a family self-sufficiency program or job training program, or
3. Incremental earned income of family members whose employment income has increased and who, within the last six months have received either an amount of cash grant from TANF or in-kind services funded through the TANF agency worth at least \$500.

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

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

N. Verification of Income, Assets and Deductions

MHA shall follow HUD's regulation and guidance on the verification of income, assets and asset income and deductions from income. See **Third-Party Verification Procedures**.

O. Non-Cash Contributions to Families

In determining Annual Income, regular non-cash contributions from persons outside the Family are included. This information shall be obtained from the Zero Income Interview Questionnaire, Contribution Form and Personal Declaration and Questionnaire; MHA shall verify the type and value of the non-cash contribution by contacting the source and obtaining an acceptable third party.

P. Maximum Initial Rent Burden

A family shall not initially pay more than 40% of their monthly adjusted income toward their portion of the rent and utility allowance for occupancy of a newly leased HCV assisted unit. This rent burden test is applied at the initial lease-up of a new unit (including whenever a family moves) but is not applied during subsequent years of occupancy in a unit already under lease.

Q. Utility Allowance

Annually the MHA shall obtain and analyze utility rate data for Utility providers in the local jurisdiction, and will determine whether there has been a change of 10% or more in the rate for any utility since the last revision of the Utility Allowance Schedule.

If there has been a change of 10% or more, an appropriate adjustment to the schedule shall be made. No adjustment shall be made for any increase less than \$1 per unit month.

R. Utility Reimbursements

When the unit leased by a participating family has tenant paid utilities and the amount of the utility allowance exceeds the Family's total tenant payment, MHA shall send the Family a check each month for the amount by which the utility allowance exceeds the total tenant payment. This is the Utility Reimbursement.

Section VII. Request for Tenancy Approval, Inspection and Leasing

A. Term of the Voucher and Extensions

Once a voucher has been issued, it is the family's responsibility to locate suitable housing. The housing unit's rent must fall within the rent reasonableness limitations set by the Housing Choice Voucher Program; must meet Housing Quality Standards requirement standards; and the family share for rent and utilities may not exceed 40 percent of their adjusted monthly income.

The initial voucher term will be 60 calendar days. The Family must submit a Request for Tenancy Approval and proposed lease within the 60-day period unless the Authority grants and extension. The Authority will grant extensions of search time in unusual circumstances. A Family may request an extension of the voucher time-period. All requests for extensions should be received in writing prior to the expiration of the date of the Voucher. Extensions are permissible at the discretion of the MHA primarily for extenuating circumstances such as hospitalization or family emergency for an extended period of time which has affected the family's ability to find a unit within the initial 60-day timeframe.

It is the MHA's policy to suspend the term of the voucher from the date the Request for Tenancy Approval and proposed lease is received by the MHA, while the Authority processes the request, until the date the Authority makes a final determination with respect to that Request for Tenancy Approval.

B. Relocation of Witnesses and Victims of Crime

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

C. Leasing to Relatives

The PHA must not approve a Request for Tenancy Approval if the owner is the spouse, parent, child, grandparent, grandchild, sister or brother of any member of the family. The PHA may make an exception as a reasonable accommodation for a family member with a disability. The owner is required to certify that no such relationship exists.

D. Request for Tenancy Approval

After the family is issued a voucher, the family must locate an eligible unit, with an owner or landlord willing to participate in the voucher program. Once a family finds a suitable unit and the owner is willing to lease the unit under the program, the owner and the family must request the MHA to approve the assisted tenancy in the selected unit.

E. Owner Information in the RFTA package

1. The following information will be required for new Landlords:
 - a. Tax identification letter
 - b. IRS W-9 form with original signature
 - c. Direct Deposit Agreement
 - d. Copy of Warranty Deed
 - e. Completed Request for Tenancy Approval (RFTA)
 - f. Copy of proposed lease agreement, including Tenancy Addendum
 - g. E-Verify Registration
 - h. Proof of current payment of property taxes
 - i. Management Agreement for Property manager or agent
2. for units constructed prior to 1978, owners must either
 - a. Certify that the unit, common areas, and exterior have been found to be free of lead-based paint by a certified inspector; or
 - b. Attach a lead-based paint disclosure statement
3. the RFTA and proposed lease must be submitted no later than the expiration date stated on the voucher
4. The initial term of the assisted dwelling lease must be for at least one year; MHA will not approve a less for less than one year.
5. If the RFTA is incomplete or incorrect the MHA will notify the family and the owner of the deficiencies. Missing and/or corrected information will only be accepted as original hard copies and in-person. Failure to provide this documentation within the specified time and without errors will result in nullification of the RFTA approval process.
6. Because of the time sensitive nature of the tenancy approval process, the MHA will attempt to communicate with the owner and family by phone, fax, or email. The MHA will use mail when the parties can't be reached by phone, fax or email.

F. RFTA Limitation

Only one Request for Tenancy Approval (RFTA) will be accepted at a time. The Family may only submit another RFTA if the previously submitted RFTA is voided.

G. Owner Screening and Security Deposit

MHA encourages all landlords to screen potential residents. MHA is not responsible for screening the family's behavior or suitability for tenancy on behalf of the owner.

MHA will provide if requested the following information:

- (1) Current and prior address of the prospective housing choice voucher tenant, as recorded by MHA; and
- (2) Name and address, if known to the MHA, of the prospective tenant's current and prior landlord.

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

H. HAP Execution Policies

1. Both the owner and voucher holder must sign the Request for Tenancy Approval (RFTA). The Request for Tenancy Approval and a copy of the owner's proposed lease must be submitted prior to the expiration of the Housing Voucher.
2. The Lease agreement must be the standard form used in the locality by the owner. The lease must contain terms consistent with State and local law, and that apply generally to unassisted tenants in the same property.
3. The HUD Tenancy Addendum to the lease must be used in conjunction with the owner lease and HAP contract.
4. The owner may be required to make changes to the lease agreement. If the lease does not meet HUD requirements, MHA will explain the problems to the owner and suggest how they may be corrected, by a specific date. If the lease cannot be approved for any reason, the owner and the family will be notified by phone or written communication (either letter or electronically) and the reasons provided.
5. If the rent is not approvable due to rent affordability (including rent burden and rent reasonableness), the MHA will attempt to negotiate the rent with the owner. If a new, approvable rent is negotiated, the tenancy will be approved. If the owner is not willing to negotiate an approvable rent, the family must continue to search for eligible housing within the timeframe of the issued voucher.
6. the unit must be inspected in accordance with the Housing Quality Standards (HQS) guidelines and all deficiencies must be corrected prior to the execution to the HAP contract. See **Section VIII Housing Quality Standards Requirements**

I. Non-Housing Leasing Agreements

Owners and tenants may not execute separate, non-lease agreements for services, appliances (other than range and refrigerator) and other items that are not include in the lease.

The owner may not demand or accept any rent payment from the family in excess of the rent to the owner minus the PHA's housing assistance payments to owner. 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 is prohibited.

The family is not liable and cannot be held responsible under the terms of the assisted dwelling lease for any charges pursuant to a separate non-lease agreement between the owner and the family. Non-payment of any charges pursuant to a separate non-lease agreement between the owner and the family cannot be a cause for eviction or termination of tenancy under the terms of the assisted dwelling lease.

Section VIII. Housing Quality Standards Requirements

A. Family HQS Responsibilities and Obligations

The family is responsible for breach of the HQS that is caused by the following:

1. Utilities that are required to be paid by the tenant are not in service
2. Appliances that are required to be provided by the tenant are absent or not working
3. Damage to the unit or premises caused by a household member or guest beyond normal wear and tear. "Normal wear and tear" is defined as items which could not be charged against the tenant's security deposit under state law or court practice.

B. Owner HQS Responsibilities and Obligations

1. the owner is responsible for all HQS violations not listed as a family responsibility. However, if the family's actions constituent serious or repeated lease violations the owner may take legal action to evict the family.
2. MHA does not enforce the lease agreement between the Family and the owner through the enforcement of HQS. A Family's living habits may cause damage to the unit and result in HQS violations that are the Owner's responsibility to repair. Owners are responsible for lease enforcement activities and any legal actions taken as a result of serious and/or repeated violations of the lease agreement. Lease violations and eviction paperwork must be submitted to MHA at the time of occurrence.
3. MHA shall review all communications sent from owners related to lease violations and/or evictions and take appropriate action based upon the type of violations. This may include termination of assistance for the Family that has violated the lease agreement.
4. Owners who fail to provide MHA with documentation throughout the Family's occupancy risk the possibility that a Family may be relocated and/or transferred even if serious lease violations have occurred.

5. Failure to provide MHA documentation at the time of occurrence and/or failure to properly enforce the lease agreement may not justify denial of a move request or the termination of assistance to the Family.

C. Special Requirements for Children with Elevated Blood-Levels [24 CFR 35.1225]

1. if the MHA is notified by a public health department or other medical health care provider, or verifies information from a source other than a public health department or medical health care provider, that a child of less than six (6) years of age, living in a HCV-assisted unit has been identified as having an environmental intervention blood lead level, the MHA must complete a risk assessment of the dwelling unit.
2. The risk assessment must be completed in accordance with program requirements, and the result of the risk assessment must be immediately provided to the owner of the dwelling unit. In cases where the public health department has already completed an evaluation of the unit, this information must be provided to the owner.
3. Within 30 days after receiving the risk assessment report from the MHA, or the evaluation from the public health department, the owner is required to complete the reduction of identified lead-based paint hazards in accordance with the lead-based paint **regulations [24 CFR 32.1325 and 35.1330]**.
4. if the owner does not complete the “hazard reduction” as required, the dwelling unit is in violation of the HQS and the MHA will take action.
5. MHA reporting requirements, and data collection and record keeping responsibilities related to children with an environmental intervention blood lead level are discussed in later in this section.

At least quarterly, MHA shall attempt to collect from public health department(s) within MHA’s area of operation the names and/or addresses of children under the age of 6 years of age with an identified environmental intervention blood lead level. MHA shall match this information with information for Families receiving HCV assistance. If a match occurs, MHA shall notify the owner and conduct a risk assessment inspection. If possible lead based paint violations are present, the owner shall be required to take action and provide documentation that the hazard has been removed.

D. Violation of HQS Space Standards [24 CFR 982.403]

If a unit does not meet the HQS space standards because of an increase in family size or a change in family composition, the MHA must issue the family a new voucher, and the family composition, the MHA must issue the family a new voucher, and the family and MHA must try to find an acceptable unit as soon as possible. If an acceptable unit is available for rental by the family, the MHA will terminate the HAP contract in accordance with its terms.

E. Additional Inspection Requirements

All assisted units must meet the HQS performance requirements both at commencement at assisted occupancy and throughout the assisted tenancy. In addition, the units must meet the acceptability criteria stated in the HUD guidelines 24 CFR 982.401.

F. Inspection Process

Before approving a lease agreement, the MHA shall ensure the dwelling unit is inspected for compliance with HQS. All inspections of units shall be conducted within seven (7) days of the date the unit is ready for inspection, as documented on the RFTA packet. MHA uses a third-party vendor to conduct all HQS inspections. Copies of the inspection reports shall either be mailed, emailed or available through website access for both the Landlord and Family to review. A report of every inspection shall be prepared and maintained in the Family's file.

1. Initial Inspection

MHA conducts initial inspections in response to a request from the family to approve a unit for participation in the HCV Program. The unit must pass the HQS inspection before the effective date of the HAP contract.

2. Annual Inspection

HUD requires the PHA to inspect each unit under lease for the HCV Program at least annually to confirm that the unit still meets HQS requirements.

3. Special (Compliant) Inspection

A special inspection may be requested by the owner, the family, or a third-party as a result of problems identified with a unit between annual inspections. Request for a special inspection are made to the HCV Director or his/her designee. Violations may be reported by phone or written submission.

Once the complaint is received, MHA shall schedule an inspection of the complaint. Notification will be sent to the Family and Landlord of the findings from the compliant and give the Landlord and/or Family a reasonable amount of time to address the complaint and make necessary repairs. If the compliant is not addressed appropriately within the timeframe specified, MHA shall take the appropriate actions as outlined in the HAP contract.

Hazards that pose no threat to the health and safety of Families must be corrected within thirty (30) days

4. Quality Control Inspection

HUD requires that a sample of unit be re-inspected by supervisor or other qualified individuals to ensure that HQS are being enforced correctly and uniformly by all inspectors.

5. Emergency Fail Items (abatement will follow)

Emergency inspections are conducted immediately upon receipt of the information that there are deficiencies in a unit that may be considered life threatening. Hazards that pose an immediate threat to the health and safety of the Family must be corrected within twenty-four (24) hours. Examples include any condition that jeopardizes the security of the unit including but not limited to:

- a. Any property determined uninhabitable due to fire, flood or natural disaster
- b. Any condition that jeopardizes the security of the unit (e.g. missing or broken locks on exterior doors)
- c. Major plumbing leaks, waterlogged ceilings, or floor in imminent danger of falling
- d. Inoperable/missing smoke detectors on any LEVEL of the unit
- e. Lack of working carbon monoxide detector in an area with fossil fuel burning system and or each level used for sleeping
- f. Utilities (electricity, gas, water, etc.) not in service, including
- g. Conditions that present imminent danger
- h. Unmovable obstacles that prevent safe entrance or exit from the unit
- i. Backed up sewer system in unit
- j. Any electrical problem or condition that could result in shock or fire
- k. Inoperable elevator
- l. Major structural damage
- m. Absence of heating system during winter months (November 1st – May 15th)
- n. Absence of a functioning toilet in unit
- o. Double keyed double bolt locks on unit entry doors

If an owner fails to correct the above conditions as required by MHA, the housing assistance payment will be abated and the HAP will be terminated.

If the family fails to correct a family caused life threatening condition as required by MHA, the MHA may terminate the family's assistance.

G. HQS Enforcement (Unit Abatement)

The owner and the family will be notified in writing of the results of all inspections. When an inspection identifies HQS failures, MHA will determine (1) whether or not the failure is a life threatening condition and (2) whether the family or owner is responsible.

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

When failures that are not life threatening are identified, MHA 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 specify who is responsible for correcting the violation, and the time frame within which the failure must be corrected. Generally, 28 calendar days from the date of the inspection that identifies the failures are allowed for the correction.

The notice of inspection results will inform the owner that if life threatening conditions are not corrected within 24 hours and non-life threatening conditions are not corrected within the specified time frame (or any MHA-approved extension); the owner's HAP will be abated in accordance with MHA policy. Likewise, in the case of family caused deficiencies, the notice will inform the family that if corrections are not made within the specified time frame (or any MHA-approved extension, if applicable) the family's assistance will be terminated in accordance with MHA policy.

For conditions that are life-threatening, MHA cannot grant an extension to the 24 hour corrective action period unless the immediate emergency has been corrected and the remaining deficiency is not life-threatening. (For example, a broken window has been boarded over; removing the hazardous condition, but the window must still be replaced.) For conditions that are not life-threatening or lead-based paint, the MHA may grant an exception to the required time frames for correcting the violation, if MHA determines that an extension is appropriate.

Extensions will be granted in cases where the MHA 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. The owner's request for an extension must be made in writing to the MHA. Reasons may include, but are not limited to:

1. A repair cannot be completed because required parts or services are not available.
2. A repair cannot be completed because of weather conditions.
3. A reasonable accommodation is needed because the family includes a person with disabilities.
4. The length of the extension will be determined on a case by case basis, but will not exceed 30 calendar 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 after the weather conditions have subsided.

MHA will send the owner written notification within 7 days of the request a determination of the extension.

H. Verification of Correction for HQS Deficiencies

MHA may elect to do a re-inspection to comply with 23 CFR 982.404 (a) (3) to verify that all HQS deficiencies have been corrected. A re-inspection is not mandatory. MHA can obtain verification by other means, including written certification of the corrective action by the owner and tenant.

If MHA elects to receive this verification in lieu of a re-inspection, it must be received within 30 days of the failed inspection, or MHA will presume the unit has failed the inspection and take appropriate HQS enforcement actions.

Other than in the case of life threatening deficiencies MHA may accept an owner's and/or family's written certification that the deficiencies have been corrected. Re-inspections will be performed for all life threatening deficiencies.

When the deficiencies are the responsibility of the family, the owner or a representative of the owner must also certify that the deficiencies have been corrected.

When the deficiencies are the responsibility of the owner, the family must also certify that the deficiencies have been corrected. Verification that repairs were completed may be made at the next on-site inspection.

MHA will base the decision to use means other than a re-inspection to verify the correction of inspection deficiencies on a case by case basis. Based upon on the severity of corrections to be made and/or MHA's experience with the owner, tenant, and property MHA will decide whether the method to be used.

If it is determined that the owner and/or tenant has falsely certified that repairs have been made, MHA may take all permissible enforcement actions including, but not limited to the termination of the HAP contract, abatement of payments, recoupment of payments for periods the unit was out of compliance, and the enforcement of family obligation violations.

If MHA elects to conduct a re-inspection, it will be scheduled within five business days after the receipt of the certification that the repairs have been made. The family and owner will be given reasonable notice of the re-inspection appointment. If the deficiencies remain at the time of the re-inspection, MHA will send a notice of abatement to the owner. In the case of family caused violations or if MHA is unable to gain access to the unit to conduct the re-inspection, MHA will take appropriate actions to enforce family obligations. This may result in termination of the family's assistance.

I. Owner HQS Enforcement

If the owner fails to maintain the dwelling unit in accordance with HQS, MHA must take prompt and vigorous action to enforce the owner obligations.

If an owner fails to correct HQS deficiencies by the time specified by MHA, HUD requires MHA to abate housing assistance payments no later than the first of the month following the specified correction period (including any approved extension) [24 CFR 985.3(f)]. No retroactive payments will be made to the owner for the period of time the rent was abated. Owner rents are not abated as a result of HQS failures that are the family's responsibility. MHA will make all HAP abatements effective the first of the month following the expiration of MHA specified correction period (including any extension).

MHA will inspect abated units within 5 business days of the owner's notification that the work has been completed. This inspection will not take place if the HAP Contract has been terminated. Payment will resume effective on the day 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.

The maximum length of time that HAP may be abated is 30 calendar days. However, if the owner completes corrections and notifies MHA before the termination date of the HAP contract, MHA 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. Reasonable notice of HAP contract termination by MHA is 30 calendar days. If the owner does not make the necessary corrections by the end of the abatement period, MHA will send a notice of HAP termination to the owner and a notice to the family that the HAP contract is being terminated and the family must move in order to continue to receive assistance. The notice will be mailed 1st day of abatement period. . Once the termination goes into effect, MHA will not rescind it.

J. Family HQS Enforcement

Families are responsible for correcting any tenant caused HQS violations. If the family fails to correct a violation within the period allowed by MHA (and any extensions); MHA will terminate the family's assistance. If the owner carries out a repair for which the family is responsible under the lease, the owner may bill the family for the cost of the repair.

K. MHA Owed Units

MHA shall obtain the services of an outside contractor for all properties in which MHA or an affiliate MHA owns and/or has an owner interest. The outside contractor shall communicate the results of the inspection to MHA and the Family.

Section IX. Rent Reasonableness Determination

A. Rent Reasonableness

MHA cannot approve a HAP contract until the Authority has determined that the rent for the unit is reasonable. The purpose of the rent reasonableness test is to ensure that the Authority pays a fair rent for each property in the unit rented under the HCV Program.

HUD regulations define a reasonable rent as one that does not exceed the rent charged for comparable, unassisted units in the same market area. HUD also requires that owners not charge more for assisted units than for comparable units on the premises.

1. Factors to consider when determining rent reasonableness

HUD requires PHA's to take into consideration the factors listed below when determining rent comparability. The PHA may use these factors to make upward or downward adjustments to the rents of comparable units when the units are not identical to the HCV-assisted unit:

- a. location and age
- b. unit size, including the number of rooms and square footage of rooms;
- c. the type of unit, including construction type (e.g. single family, duplex, garden, low-rise, high-rise);
- d. the quality of units including the quality of the original construction, maintenance and improvements made; and
- e. amenities, services, and utilities including in the rent; and

2. Units that Must Not be Used as Comparables

Comparable units must represent unrestricted market rents. Therefore, units that receive some form of federal, state, or local assistance that impose rent restrictions cannot be considered comparable units. These include units assisted by HUD through any of the following program:

- a. HCV property-based assistance,
- b. Section 236 and Section 221(d)(3) Below Market Interest Rate (BMIR) projects
- c. Home or Community Development Block Grant (CDBG) program-assisted units in which the rents are subsidized
- d. Units subsidized through federal, state and local tax credits
- e. Units subsidized by the Department of Agriculture rural housing programs
- f. Units where the rent is collected by local ordinance.

3. Rents Charged for Other Units on the Premises

- a. The Request for Tenancy Approval (HUD-52517) requires owners to provide information, on the form itself, about the rent charged for other unassisted comparable units on the premises if the premises include more than 4 units.

- b. By accepting payment from MHA each month the owner certifies that the rent is not more than the rent charged for comparable unassisted units on the premises. If asked to do so, the owner must give MHA information regarding rents charged for other units on the premises.
- c. In accordance with the voucher program regulation at 24 CFR 982.507 which requires MHA to certify that the rent charged to the housing choice voucher tenant is not more than the rent charged for other unassisted comparable units in the open market.

4. MHA's Rent Reasonable Approach

MHA utilizes a rent reasonableness system and database that compares similar units and includes and considers all of HUD's rent reasonable factors. MHA may use three (3) comparable units for each rent reasonableness determination.

MHA shall use a database to identify and compare the program subject unit to the most similar private market rental property units within a specific geographic radius, drawing on a database of non-subsidized comparables and current property listings in compliance with HUD Rent Reasonable requirements.

Section 982.507(c) states the owner must provide MHA information requested on rents charged by the owner for other units in the premises or elsewhere. The RFTA, Form HUD 52517 was revised to add information from owners of multifamily properties on the rents charged for three (3) recent rentals of comparable unassisted units in the same complex. The owner supplies this information in Section 12a of the form to determine and document rent reasonableness for comparable unassisted units in the same apartment complex.

5. How Market Data is Collected

MHA database utilizes landlord listings to continuously update a database used to determine rent reasonableness. The database allows staff to use a variety of techniques to assure the data is current and acceptable. Techniques include but not limited traditional print media (newspaper, marketing material, etc.), local real estate publications and listings, appropriate market surveys, inquires of owners, web-based data sources (rent.com, apartment.com, Craigslist, Bulletin Board, etc.) and any other source determined to be accurate and documentable.

Unit data will include the location, quality, size, type and age of unit, as well as amenities, housing services, maintenance and utilities to be provided by the owner. Data will be updated on an ongoing basis and rent information that is more than twelve (12) months old will not be used to determine rent reasonableness.

6. How Rents are Determined

The MHA shall use unit-to-unit comparison, is similar to the real estate appraisal method, by which by which the rent for a unit proposed for HCV assistance is directly compared to the rents for one or more unassisted units selected as comparables within the same market area.

In determining rents, MHA will take into consideration critical market factors that impact rent, including the location, quality, size, unit type, and age of the contract unit, as well as any amenities, housing services, maintenance and utilities to be provided by the owner in accordance with the lease.

MHA shall notify the owner of the rent approved based upon its analysis of rents for comparable units. If the owner disagrees with this analysis, the owner may submit additional information in support of their requested rent. MHA may consider this information when making rent determinations. The owner must submit any additional information within 5 business days of the MHA notification.

B. Rental Increases to Owner

On or after the anniversary of the first year or term of the lease and HAP contract, owners may request a rental adjustment. All adjustment requests submitted to the Authority must be requested in writing in the format prescribed by the Authority. The owner must provide a sixty (60) day advance notice to the family and supply a copy to the Authority. Owner rent adjustments, if determined reasonable by the Authority, are effective the first day of the first month commencing on or after the contract anniversary date or sixty (60) days from the first of the month following receipt of the owner request, whichever is later.

In order for the tenant to remain on the Housing Choice Voucher Program in the unit, the new rent must meet rent reasonableness. If it does not, the Authority will attempt to negotiate the rent with the owner to an amount acceptable. If the Authority is unsuccessful and the owner proceeds with the rent increase, the tenant will be issued a voucher to move to a program acceptable unit.

C. Housing Assistance Contracts with Landlords

1. When a complete and correct RFTA package is received, the unit passed the HQS inspection, the rent is determined to be reasonable, and the Family's share of the rent will not exceed forty (40) percent of the Family's adjusted monthly income, MHA will execute a Housing Assistance Payment (HAP) with the owner.
2. MHA shall execute HAP contracts for new admission Families on any day of the month after the unit passed inspection and the rent has been agreed to by MHA and the landlord.
3. MHA shall execute HAP contracts for moving Families on the 1st day of the month after the unit has passed inspection and the rent has been agreed to by MHA and the landlord. MHA

shall terminate all HAP Contracts of families transferring on the last day of the month. If the Family remains in the unit beyond the last day of the month and has taken occupancy of the new unit, the Family will be responsible for the rent due to the landlord in one of the units (MHA will not make HAP payments on two units at the same time).

4. MHA shall inform the Family and the landlord of the approved date of the move in for the Family and the approved date of HAP contract effective date. The lease between the landlord and the Family must have the same initial dates as the HAP contract.

D. Monthly Housing Assistance Payments (HAP)

1. Monthly payments will be made to an owner on behalf of a family participating in the HCV Program. Payments will be issued in accordance with the Housing Assistance Payment Contract. The checks or electronic deposits will be issued on a monthly basis and mailed/deposited directly to the participating owner by the fifth (5) working day of each month. A copy of the check/transfer will be kept and serve as a record of payment.
2. Landlords are required to enroll in the direct deposit program.
3. MHA can recover overpayments by deducting from the HAP disbursement.

E. Changes in Lease or Rent

If the tenant and owner agree to any changes in the lease agreement, such changes must be in writing, and the owner must immediately give the PHA copy of such changes. Any lease changes proposed by either the tenant or the owner that require execution of a new HAP contract, as specified below, cannot take effect until a new HAP contract is executed by the PHA and the owner.

Generally, the PHA approval of tenancy and execution of a new HAP contract are not required for changes in the lease. However, under certain circumstances, voucher assistance in the unit shall not be continued unless the PHA has approved a new tenancy in accordance with program requirements and has executed a new HAP contract with the owner. These circumstances include:

1. Changes in the lease requirements governing tenant or owner responsibilities for utilities or appliances;
2. Changes in the lease provisions governing the term of the lease;
3. The family moves to a new unit, even if the unit is in the same building or complex.

In these cases, if the HCV assistance is to continue, the family must submit a new Request for Tenancy Approval (RTA) along with a new dwelling lease containing the altered terms.

Section X. Ongoing Program Operations

A. Annual Recertification

1. Families are required to provide information on income, assets, deductions and family composition at least annually. Also, the need for and the eligibility of a live-in aide will be verified annually at recertification.
2. Re-certification dates will change when a family moves.
3. Recertification packets will be mailed to the participating Families at least 90 – 120 days in advance of the scheduled annual recertification effective date.
4. The head of household will be notified that she/he is required to attend a recertification interview on a specified date and must complete the included information packet, including providing signatures on any third party verification forms needed.
5. It is the Authority's preference to conduct face-to-face Annual Recertification's, however, exceptions will be granted if required to provide reasonable accommodations to persons with a disabilities.
6. If an in-person recertification is performed, the head of household and all members of the family 18 years and older must attend the interview, and bring the completed packet and all required documentation.
7. At the time of the annual recertification a criminal background screening will be conducted for all members of the household 18 years and older.
8. If the family fails to bring all required documentation to the interview, the interview will be conducted and the family will be allowed 5 additional days to submit the required data. If the data is not then submitted, the family will be terminated for violation of family obligations.
9. The interview may be re-scheduled once, based upon approval of extenuating circumstances, i.e. disability or work-related reasons, etc.
10. If the family fails to attend two (2) scheduled recertification appointments without contacting the Authority, the family will be terminated for failure to comply with program requirements.
11. If the client is more than 15 minutes it is constituted as a "no show" appointment.
12. Upon completion of the recertification, the Authority will notify the owner and tenant in writing of the new rent to be paid by the tenant (and of the new Housing Assistance Payment, if applicable).
13. If there is an increase in tenant income that increases the tenant portion of rent, the tenant will be given thirty (30) day notice of the increase in rent. If recertification completion was delayed by the tenant, the increase will be made retroactive to the original effective date of the recertification.
14. If there is a decrease in tenant rent, the decrease will become effective on the scheduled effective recertification date.
15. During the annual recertification process, the MHA will determine the ongoing eligibility of each student who is subject to the eligibility restrictions in 24 CFR 5.612 by reviewing the student's individual income as well as the income of the student's parents. If the student had been determined "independent" from his/her parents based on the policies.

16. If the student is no longer income eligible based on his/her own income or the income of his/her parents, the student's assistance will be terminated.
17. If the student continues to be income eligible based on his/her own income and the income of his/her parents (if applicable), the MHA will process a reexamination in accordance with the policies in this chapter.

B. Interim Change Requirements

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

1. Family experience any change in income (including Social Security, Veterans Assistance, TANF, and unearned income);
2. A family member is added by birth, adoption or court-awarded custody, with or without increased income;
3. The family wants permission to add a member by any method other than birth, adoption or court-awarded custody;
4. The family loses a member;
5. The family experiences an increase in allowances and deductions;
6. If a family receiving Temporary Assistance to Needy Families (TANF) has their TANF grant reduced because of welfare fraud or failure to comply with economic self-sufficiency requirements, MHA is not permitted to reduce tenant rent.
7. When a Family's TANF grant is reduced MHA will verify the reason for the reduction through the Alabama Department of Health and Human Services.

C. Interim Changes in Family Composition

1. MHA is required to approve the addition to the family of children by birth, adoption, or court-awarded custody, and
2. MHA may permit the admission of other household members who were not a party to the lease, based on the following criteria provided:
 - a. Marriage
 - b. Legal Guardianship
 - c. Temporary custody of foster children
 - d. Civil Union
 - e. Domestic Partnership
 - f. Other members additions (e.g. kinship care)
3. Before persons age 18 or older will be added to the family, they will be subject to the same criminal history screening used for all applicants.
4. Other than children added by birth, adoption or court awarded custody, additional family members must be authorized by the Authority in writing and approved by the owner in writing through an amendment to the lease agreement.

5. If there is a change in family unit size resulting from a change in family size of composition, the new family unit size will be used to compute the payment standard, although the family will not be authorized to move to a new, larger unit until the lease on their current housing expires.
6. Failure on the part of the owner to approve an additional Family Member to the assisted unit does not constitute automatic grounds for termination of the lease agreement or automatic grounds for the Authority to issue a new Housing Voucher to the family to facilitate their moving to another unit. Instead, it means that addition of the requested family member is a lease violation and may subject the family to termination of assistance.
7. A family member over the age of 18 who has been removed from the lease will not be allowed to return to the household.
8. The family may receive authorization to transfer to an accessible unit, as may be required.
9. The Authority will increase and decrease a family's voucher to the appropriate bedroom size at the time of the annual recertification and move.
10. All requests to remove a household member (e.g. because the member has been involved in criminal activity that threatens the entire family with program termination) must be accompanied by substantial supporting documentation that the member to be removed has another address. Examples of such documentation could include utility bills in the name of the subject, canceled check verifying payment of rent; driver's license indicating address is at a location corresponding to utility bills or lease agreement or in their name at another location.
11. Failure of the family to report an over-housed situation may result in MHA requirement for repayment of excess HAP payments and/or termination from the program.

D. Zero Income Redeterminations

For Families who report an annual income of less than \$2400 will be scheduled for an interview every ninety (90) days. For Families whose annual income cannot be projected with any reasonable degree of accuracy, recertification may be scheduled every ninety (90) days.

E. Timing of Interim Rent Adjustments

1. Interim rent increases will be effective thirty (30) days after the first of the month.
2. Decreases in the tenant rent will be effective the first of the month following the month the change was reported, so long as the facts alleged by the family are verified.
3. If a family's rent is increased due to unreported income or overstated deductions, the increase will be effective retroactive to the date when rent should have increased.
4. If the family's rent is decreased due to unreported change in income, the decrease will be effective the first date of the month after completion of the recertification.

F. Earned Income Disallowance

1. If a resident with a disability goes to work or has new or additional earned income and qualifies under one of the following three criteria, that individual will receive an Earned Income Disallowance (EID) as described below and in the MHA Procedure on Earned Income Disallowances. To qualify, a Resident must qualify as a person with a disability and:
 - a. Goes to work after having been unemployed for at least twelve months, or goes to work after having earned less in the last 12 months than would be earned working ten hours per week for a fifty week year earning minimum wage; or
 - b. Receives new or increased earned income during participation in an education, job training, or other economic self-sufficiency activity; or
 - c. Receives new or increased earned income within six months of having received a cash benefit or in-kind services funded through the program of Temporary Assistance to Needy Families. If an in-kind benefit (child care, clothing or transportation subsidies, for example) was received it must be worth at least \$500 in the past six months.
2. During the first 12 months after the date when the resident qualified for the EID, the resident's rent will not be increased because of the new earned income. Rent during this period will be based on the resident's income before qualifying for the EID plus any increases in unearned income that may occur after qualifying for the EID.
3. During the second 12 months after the date the resident qualified for the EID, the resident's rent will be increased by an amount equal to fifty percent of what the increase would be if not for the EID.
4. The disallowance periods described in number 3 and 4 above only occur while the resident is employed. If the resident stops working, the disallowance stops and resumes again when the resident goes back to work.
5. Even if the full 24 months of disallowance (12 months of full disallowance plus 12 months of 50% disallowance) have not been used, the EID will terminate 48 months from the date when the resident first qualified for the EID.
6. An EID is awarded to a person, not an entire family. More than one adult family member can receive an EID at the same time if they qualify as described under number 1 above.
7. No one receives more than one EID in a lifetime.

G. Family Absence from the Unit

The family may be absent from the unit for up to 14 consecutive day periods with owner approval and written notification to the Authority. Absences longer than 14 consecutive days require advance approval by the owner and the Authority. The family may not be absent from the unit for a period of more than 180 consecutive days for any reason or the family will be terminated from the program, per HUD regulations. During the family absence, assistance payments are terminated and the family is responsible for the full contract rent.

Assistance for the entire household will be terminated if the head of household or spouse or adult child is absent due to incarceration for drug related or violent criminal activity.

H. Remaining Family Members

A remaining family member is defined as a family member listed on the most recent recertification who is 18 years of age or older, who meets all other eligibility criteria, and is a member of an Authority tenant family, but not a signatory to the lease and who continues to live in the unit after all other family members have left.

If the head of household leaves the Housing Choice Voucher program for any reason, any remaining adult in the household may be designated by the remaining family as the head of household. If there are no remaining adults in the household, the Authority may at its discretion allow another person related to the remaining tenant family by blood or marriage or court action to assume head of household responsibilities even though that person was not previously listed on the lease.

Families will not be permitted to add adult members to the Family for the purpose of “leaving them the voucher”.

Section XI. Moving with Continued Assistance and Portability

A. Restrictions on Elective Moves

The MHA will deny a family permission to make an elective move during the Family’s initial lease term. This policy applies to moves within the MHA’s jurisdiction or outside it under portability.

The MHA will deny a family permission to make an elective move if the family has been issued a Notice of Program Termination. The family must go through the hearing process, if requested by the family, and the decision must be overturned before the move is approved by MHA.

The MHA will withdraw a voucher, at any time during the term of the voucher, if MHA is made aware of any violations of the family obligations or other reasons that result in a Notice of Program Termination. The family must go through the hearing process, if requested by the family, and the decision must be overturned before the move is approved by the MHA. The MHA will limit the times the MHA will issue moving papers to a family to make more than one elective move during any twelve (12) month period. This policy applies to all assisted families residing in the MHA’s jurisdiction.

The MHA will consider exceptions to these policies for the following reasons: to protect the health or safety of a family member (e.g. domestic violence, sexual violence, witness protection programs) or to address an emergency situation over which family has no control. In addition, MHA will allow exceptions to these policies for purposes of reasonable accommodation of a family member who is a person with disabilities.

B. Conditions for Elective Moves

The family may terminate the lease at any time after one year of occupancy provided that the family has not violated any of its family obligations. The family must request permission to move and be determined eligible by the Housing Specialist. If eligible, the family will be given the Intent to Transfer and Notice to Vacate forms. Once the forms are signed by the Owner and returned to the office, the Housing Specialist will complete the Acknowledgement Notice which will allow the family to be scheduled for a Transfer Briefing.

All written notices must be to the owner in accordance with the lease and provide a minimum of 30 days. All forms will be placed in the family's file. For families approved to move to a new unit within MHA's jurisdiction.

Families who intentionally cause their assisted unit to fail Housing Quality Standards will not be eligible to receive another Housing Voucher to relocate to another unit and will be terminated from the program.

The Authority will not issue a voucher to a family who wishes to move due to an eviction action initiated by the owner. Both the owner and the family are required to notify the Authority whenever an eviction is filed. Housing assistance payments will continue until the court date, unless payments have been abated for owner-caused HQS violations. If the court rules that the family was evicted for violating the terms of the lease, including failure to pay rent, the family is ineligible for further assistance and will be terminated from the HCV program. If the court rules for the family, the family is eligible to receive another voucher.

If the family with permission to move does not locate a new dwelling unit to move into, they will be required to submit an Agreement to Continue the Assisted Tenancy, and the assisted tenancy may extended for any reasonable period of time mutually agreed upon by owner and tenant. In the absence of the Agreement to Continue the Assisted Tenancy, HAP payments and the HAP contract will terminate at the end of the notice issued by the tenant.

C. Re-examination of Family Income and Composition

For families approved for a unit transfer and portability the income will need be updated within the last sixty (60) days.

D. Portability and Moves

Portability is a feature of the HCV Program under which voucher holders may use their vouchers in jurisdictions other than the jurisdiction of voucher issuance. The details of portability are covered in the **Portability Procedures**. Eligible families are permitted to port to another jurisdiction that runs a HCV Program, submit to following policy:

Outgoing Vouchers:

1. Families whose head and spouse lived somewhere other than Montgomery Housing Authority jurisdiction on the date of application must lease within MHA's jurisdiction for twelve (12) months before becoming eligible for portability.
2. Families whose head and spouse live in the Montgomery Housing Authority jurisdiction on the date of application are eligible for portability as soon as they receive their voucher as long as they hold a valid Housing Voucher, have not violated any Family Obligations, do not owe the Authority money and are moving to a location where their housing assistance payment is affordable under MHA's budget authority if the receiving PHA cannot absorb their voucher.
3. Families that are new admissions to the program must meet income eligibility requirements applicable to the area where the family initially leases a unit with assistance.
4. Participate families must meet the income eligibility requirements in the area the family plans to move. Families must notify the Authority in writing when they want to move out of the Authority's jurisdiction using the portability feature.

Incoming Vouchers

MHA may absorb some or all incoming portable vouchers when it has funding available. Otherwise, when the MHA reaches full utilization (or when there are questions about the availability of HUD HAP payments), the MHA will not absorb incoming portable vouchers but will bill the sending Authority for the family's costs under the program.

The MHA will deny a family permission to move on the grounds that the MHA does not have sufficient funding for continued assistance if (a) move is initiated by the family, not the owner or the MHA; (b) the MHA can demonstrate that the move will, in fact, result in higher subsidy cost; and (c) that it does not have sufficient funding in its annual budget to accommodate the higher subsidy costs.

The MHA, prior to denying a portability move because it does not have sufficient funding, will contact the receiving PHA and confirm that the receiving PHA will not absorb the family. If the receiving PHA will absorb the family, the MHA will approve the move under portability.

If the MHA denies the move under portability because it does not have sufficient funding, the MHA will promptly notify the family (assuming the family is still a participant in the MHA HCV Program) once there is sufficient funding to support the family's move.

E. Owner Termination of a Participant's Lease: Grounds for Lease Termination

1. The owner may terminate the lease for lease violations at any time.
2. The owner may terminate the lease for any other reason only after the initial period of the lease.
3. When an owner terminates a lease for reasons not related to participant lease violations, the family's status will be reviewed and, if the family is in full compliance with family obligations, the family will be issued a Move Packet.
4. The owner must follow state and local laws and must provide the Authority with a copy of the termination notice immediately.

F. Required Notice for Lease Termination

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

G. Change in Ownership or Property Management Company

1. The MHA must receive a written request from the owner in order to make changes regarding who is to receive the Housing Assistance Payment (HAP).
2. The MHA will process the change of ownership only upon written request and accompanied by documentation of the title transfer: i.e. recorded deed, legal sale documents, etc.

H. The Violence Against Women Act

The Violence Against Women and Justice Department Reauthorization Act of 2005 (VAWA) protects Families who are victims of domestic violence, dating violence or stalking. In accordance with PIH Notice 2006-42, MHA will not terminate assistance if it is determined that criminal activity of the part of any Family member is directly related to domestic violence, dating violence, or stalking of a member of the Family's household or any guest or other person under the Family's control. VAWA defines domestic violence, dating violence, stalking and immediate family member as the following:

- a. Domestic Violence: Includes felony or misdemeanor crimes of violence committed by a current or former spouse of the victim, by a person with whom the victim share a child in common, by a person who is cohabitated with or has cohabited with the victim as a spouse, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies, or by any other person against an adult or youth victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction.
- b. Dating Violence: Violence committed by a person:
 1. who is or has been in a social relationship of a romantic or intimate nature with the victim; and
 2. where the existence of such a relationship shall be determined based on a consideration of the following factors:
 3. the length of the relationship;
 4. the type of relationship; and
 5. the frequency of interaction between the persons
 6. involved in the relationship.
- c. Stalking: to follow, pursue, or repeatedly commit acts with the intent to kill, injure, harass, or intimidate; or to place under surveillance with the intent to kill, injure, harass, or intimidate another person; and in the course of, or as a result of, such following, pursuit, surveillance, or repeatedly committed acts, to place a person in reasonable fear of the death of, or serious bodily injury to, or to cause substantial emotional harm to (i) that

person; (ii) a member of the immediate family of that person; or (iii) the spouse or intimate partner of that person.

- d. Immediate Family Member: a spouse, parent, brother or sister, or child of the person, or an individual to whom that person stands in loco parentis (in place of a parent); or any other person living in the household of that person and related to that person by blood or marriage.

MHA will notify landlords and HCV participants of the protections provided by VWA during termination proceedings, Landlord and client briefings, and available information from MHA staff.

HCV participants requesting protection from termination or eviction for incidents of actual or threatened domestic violence, dating violence or stalking must complete, sign and submit HUD Form 50066 within 14 business days of notification of the termination or eviction.

I. Foreclosure

In the case of any foreclosure, the immediate successor in interest in the property pursuant to the foreclosure shall assume such interest subject to the lease between the prior owner and the tenant and to the HAP contract between the prior owner and the PHA for the occupied unit. This provision does not affect any State or local law that provides longer time periods or other additional protections for tenants.

J. Termination of Assistance to Participants

Grounds and policy covering Termination are covered in Section XIII of this Administrative Plan.

K. Terminating MHA HAP Payments

1. The HAP contract will be terminated and any overpayments of HAP will be recouped on the last day of the month after a tenant has died and no eligible remain families are in the unit and/or on the last day of the month after a tenant has vacated the unit, with or without notice to the landlord.
2. MHA will use public records to verify the date of death.
3. If tenants have abandoned the unit and vacated without notice to MHA and/or the landlord, MHA will use records such as inspection dates, dates of unit being leased or public utility consumption records to verify last month of occupancy.

Section XII. Special Programs, Features and Options

MHA operates several HCV Programs under special allocations and regulations from HUD. Applicants are admitted to these programs based on the special criteria of each program. MHA may, with HUD authorization, establish separate waiting lists or open the waiting list for these programs. When the waiting list is open for target admissions only, MHA shall only accept applications from qualified Applicants.

Applicants are admitted as a special admission when HUD allocates funding that is targeted for specific types of Families. The existing programs are outlined below.

A. U.S. Department of Housing and Urban Development – Veterans Affairs Supportive Housing Program (HUD-VASH)

The HUD-VASH Program assists homeless veterans and their families based on selection by the local Veterans Affairs (VA) Office for participation in the HUD-VASH initiative. The program targets homeless veterans who initially agree to work with the VA Office to receive support services to assist with becoming self-sufficient. Under the VASH program, restrictions on assistance to persons with certain drug-related and criminal history problems are waived.

B. Housing Choice Voucher Homeownership Program

MHA shall provide Homeownership opportunities to any Housing Choice Voucher program participant. MHA shall allocate up to no less than 25 vouchers to assist eligible Families in attaining Homeownership. This program is covered in Addendum 2 of this Administrative Plan.

Section XIV. Termination of Participation

A. Termination of Families Based on Program Regulations

MHA may terminate the participation of Families at the family request or for any violation of program rules and family obligations including but not limited to the following reasons:

1. Families notify MHA that they wish to voluntarily terminate their assistance.
2. No Housing Assistance Payment has been paid on the family's behalf for six months.
3. Any family member does not certify to either citizenship or eligible immigration status and does not elect not to contest his/her eligible status.
4. Any member of the Family refuses to sign and submit the HUD and MHA required consent form(s) for obtaining information.
5. Any family members do not provide their Social Security information and documentation within the time required and specified by the Authority.
6. Families move out of their dwelling unit without giving proper written notice to MHA and their Landlord.
7. MHA determines the Landlord is entitled to payments due to non-payment of rent, damages, or other amounts owed under the Landlord's lease by the Family, and it is

- verified that the Family has failed to satisfy any such liability.
8. The family has not reimbursed MHA or another PHA for amounts paid to an owner under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease, or if the family breaches an agreement with MHA to pay amounts owed;
 9. A family does not report an increase of income or change of family composition as stipulated in this Administrative Plan.
 10. The Family fails to comply with the requirements to recertify after two scheduled re-examination appointments.
 11. Any member of the Family has engaged in drug related criminal activity, or violent criminal activity as outlined in Section III.
 - a. Criminal activity directly relating to domestic violence, dating violence, or stalking shall not be considered cause for termination of assistance for any participant, or immediate member of a participant's family who is the victim of the domestic violence, dating violence, or stalking.
 12. Any family member is subject to a lifetime registration requirement under a state sex offender registration program.
 13. Any member of the Family has been convicted of manufacturing methamphetamine on the premises of Federally assisted housing.
 14. Any family member engages in illegal use of a controlled substance.
 15. Any family member engages in abuse of alcohol in a manner that threatens the health, safety or peaceful enjoyment of the premises by other residents or neighbors.
 16. Any household member illegally possesses weapons.
 17. Any member of the Family misrepresents, bribes or commits any other corrupt or criminal act in connection with any federal housing program.
 18. Any Family member or guest of the Family threatens MHA personnel. The family engages in or threatens abusive or violent behavior toward Authority personnel
 19. All members of the Family are absent from the unit for more than 14 days without notification to MHA and landlord.
 20. A family is evicted for serious or repeated lease violation(s).
 21. Any family member who enters into a side payment agreement without MHA's authorization.
 22. Any family member or guest causes damage to the unit as verified by a MHA inspection.
 23. Any member of the Family has violated any Family Obligation under the HCV Program as outlined in **24 CFR 982.551**, as amended.
 24. Any other HUD-allowed reason.

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

B. Participant Termination Notification

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

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

Section XIV. Informal Hearings

A. Situations in which MHA will offer informal hearings

MHA must give an opportunity to the participant for a hearing to consider whether the MHA decisions relating to the individual circumstances of a participant family are in accordance with the applicable state and federal laws, HUD regulations, and MHA policies under the following circumstances:

1. the amount of the total tenant payment or tenant rent;
2. appropriate utility allowance;
3. family unit size under payment standard;
4. termination of assistance.

B. Situations in which MHA will not offer informal hearings

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

1. that are administrative determinations by the Authority, or to consider general policy issues or class grievances.
2. that a unit does not comply with the Authority's Housing Quality Standards, that the owner has failed to maintain or operate a contract unit to provide decent, safe, and sanitary housing in accordance with the Housing Quality Standards (HQS), (including all services, maintenance, and utilities required under the lease), or that the contract unit is not decent, safe, and sanitary because of an increase in family size or change in family composition.
3. when Authority wishes to exercise any remedy against the owner under an outstanding contract, including the termination of Housing Assistance Payments to the owner.

4. not to approve a family's request for an extension of the term of the Voucher issued to an applicant or an assisted family that wants to move to another dwelling unit with continued participation in the Authority's Housing Choice Voucher Program.

C. Notice to Participant

1. The Authority shall give the participant prompt written notice of the decision made regarding the above stated issues.
2. The written notice shall contain a brief statement of the reasons for the decision, and a statement that if the participant does not agree with the decision, she/he may request an informal hearing on the decision within ten (10) calendar days from the date of the notice.
3. If the request for an Informal Hearing is not submitted timely, it shall mean that the participant waived his/her right to request an informal hearing.
4. If an informal hearing request is submitted within the required timeframe, the Authority will timely schedule the informal hearing and send written notice to the client.
5. The written notice shall contain the date, time, and place where the informal hearing will be conducted.
6. The informal hearing shall occur prior to the date of termination of housing assistance payments, if at all possible.
7. If the informal hearing cannot be held before the scheduled date of termination of assistance, assistance will be paid until the hearing has been held and a decision rendered.
8. For those individuals showing a criminal history involving drug-related criminal activity, violent criminal activity, and/or other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises:
 - a. The participant will be notified of such a finding, along with MHA's intent to terminate assistance based upon such finding.
 - b. The notification will be in writing and will provide:
 - c. the applicable provisions of the HCV guidelines and/or applicable law governing termination of benefits due to criminal history of a tenant;
 - d. the name of the resident having found to have a criminal history;
 - e. the criminal history discovered, including offense, date and jurisdiction (city, county, etc.);
 - f. hearing rights of the HCV recipient;
 - g. the procedure to request information, documents and hearing;
 - h. the contact information of the person(s) at the MHA to communicate with on this matter; and
 - i. that the HCV participant will have ten (10) days from the date of the written notification to request a hearing.

D. The Hearing Officer

1. The Authority will designate a hearing officer(s) to conduct the informal hearing.

2. The hearing officer shall be a person other than a person who made or approved the decision under review, or a subordinate of such person

E. Rights of the Participant

1. The participant must appear in person at the hearing, and may be represented by an attorney at his/her own expense.
2. The participant shall have the right to review and copy (at his/her expense) any relevant information relied upon by the Authority.
3. The participant shall have the right to present both oral and written evidence.
4. The participant has the right to question any witnesses deposed herein and the right to argue his or her case prior to the hearing officer's decision.
5. The participant shall have the right to arrange for an interpreter to attend the hearing, at the client's expense. If a participant has a hearing impairment or speaks Spanish or Vietnamese, MHA will provide an interpreter at MHA's expense.
6. The participant shall have the right to have the hearing recorded by audiotape at the client's expense.
7. The participant shall have the right to seek redress directly through judicial procedures of the court.

F. Rights of Montgomery Housing Authority

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

G. Conduct of the Informal Hearing

1. The hearing officer will regulate the conduct of the hearing in accordance with hearing procedures commonly accepted and followed.
2. If the participant fails to appear at the hearing without prior request to re-schedule the hearing based on legitimate and allowable grounds or is more than 10 minutes late for the scheduled hearing, the matter will be decided ex-parte, or dismissed forthwith with no right for its restoration.
3. Participants may not re-schedule a hearing more than once.

H. The Decision

1. Factual determinations relating to the individual circumstances of the participant shall be based on the evidence presented at the hearing.
2. The decision shall be in writing and based on the facts established, HUD regulations, Authority policies and rules, and the applicable law.
3. The decision shall clearly state the reasons on which the decision is arrived.
4. A copy of the decision shall be furnished promptly to the participant, but in no case shall the decision take more than 14 calendar days from the date of the hearing.
5. The decision of the hearing officer shall be final and shall constitute notification to the participant by the MHA of the final decision.

I. Situations in which Informal Hearing Decisions are not binding by MHA

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

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

If the Authority determines that it is not bound by a hearing decision, the Authority shall promptly notify the participant of the determination, and the reasons for the determination.

Section XV. Project Based Voucher Program

A. General

MHA will provide Project-Based Voucher (PBV) Housing Choice Vouchers in accordance with the provisions set forth in CFR Part 983 and any applicable guidance issued by HUD, the plan set forth herein, and any future notices issued by HUD.

B. Program Funding

The maximum number of project based units that will be made available for the PBV Program will be a maximum of 20% of the total funding available under the Annual Contributions Contract (ACC) for tenant based assistance (Housing Choice Voucher funding), equivalent to 20% of the baseline units established by HUD.

Up to 20% of any new funding increments may also be designated for project-based assistance provided that funding is not designated for any other special purpose under the Housing Choice Voucher Program.

C. Deconcentration

Prior to entering into a Housing Assistance Payment Contract for Project-Based Voucher, MHA will determine that said contract is consistent with the HUD deconcentration goals. Consistency will be

determined through the existence of circumstances indicating that project-basing of HCV Program assistance, rather than tenant-basing of the same amount of assistance, is an appropriate option and is consistent with the requirements of "deconcentrating poverty and expanding housing and economic opportunities." To assure consistency with deconcentration of poverty all new Project-Based Voucher agreements or Housing Assistance Payment contracts must be for units located in census tracts with poverty rates of less than 20% or otherwise meets this goal after consideration of the following factors:

1. Whether the site is in an Enterprise Zone, Economic Community, or Renewal Community;
2. Whether the concentration of assisted units will be or has decreased as a result of public housing demolition;
3. Whether the census tract is undergoing significant revitalization;
4. Whether government funding has been invested in the area;
5. Whether new market rate units are being developed in the area which are likely to impact the poverty rate in the area;
6. Whether in the past five years, there has been an overall decline in the poverty rate; and
7. Whether there are meaningful opportunities of educational and economic advancement in the area.

All of these factors do not have to be met. However, sufficient information must be available to ensure that after considering all of these factors collectively, MHA can conclude the proposal meets the goal of de-concentrating poverty.

In addition, PBV units shall not be awarded for units in an area of minority concentration unless one of the following is met:

1. Sufficient comparable opportunities exist to house minority families in the income range to be served by the project in areas outside of minority concentration; or
2. The project is necessary to meet overriding housing needs in the market area. Projects that are deemed by MHA to be an integral part of the overall local strategy for the preservation or restoration of the immediate neighborhood or that are experiencing significant private investment to improve the economic character of the area shall be deemed to meet these criteria.

"Sufficient" does not require there be an equal number of assisted units within and outside of areas of minority concentration. Rather, application of this standard should produce a reasonable distribution of assisted units and appropriate balance of housing choices within and outside areas of minority concentration. An appropriate balance will be determined in light of local conditions affecting the range of housing choices available for low-income minority families and in relation to the racial mix of the population of MHA's jurisdiction. Units will be considered "comparable opportunities" if they have the same household type (elderly, disabled, family, large family) and tenure type (owner/renter); require approximately the same tenant contribution towards rent, serve the same income group, are located in the same housing market, and are in standard condition.

Application of the "comparable opportunities" standard involves assessing the overall impact of HUD-assisted housing on the availability of housing choices for low-income minority families in and outside areas of minority concentration, and must take into account the extent to which the following factors are present, along with other factors relevant to housing choice:

1. A significant number of assisted housing units are available outside areas of minority concentration.
2. There is significant integration of assisted housing projects constructed or rehabilitated in the past 10 years, relative to the racial mix of the eligible population.
3. There are racially integrated neighborhoods in the jurisdiction.
4. Programs operated to assist minority families that wish to find housing outside areas of minority concentration
5. Minority families have benefited from local activities undertaken to expand choice for minority families outside of areas of minority concentration.
6. A significant proportion of minority households have been successful in finding units in non-minority areas under the tenant-based assistance programs.
7. Comparable housing opportunities have been made available outside areas of minority concentration through other programs. Housing will only be selected if consistent with these goals regarding poverty and minority concentrations.

D. Eligible Housing Units

MHA may limit the types of housing to which it will attach assistance to one or more of the following types: existing housing rehabilitated housing or new construction. Any RFP selection process will specify the housing type or types being sought under the process. A housing unit will be considered an existing unit for purposes of the project-based voucher program, if, at the time of selection of the project, the unit requires a maximum expenditure of less than \$1,000 per assisted unit to comply with the Federal Housing Quality Standards (HQS). A housing unit will be considered a rehabilitation unit if the unit requires a minimum of more than \$1,000 per unit to comply with HQS.

The MHA may not provide PBV assistance for housing types inclusive of, but not limited to the following:

1. Shared housing;
2. Units on the grounds of a penal, reformatory, medical, mental, or similar public or private institution;
3. Nursing homes or facilities providing continuous psychiatric, medical, nursing services, board and care or intermediate care;
4. Units that are owned or controlled by an educational institution or its affiliate and are designed for occupancy by students of the institution;
5. Manufactured homes;
6. Cooperative housing;
7. Transitional housing;
8. Owner occupied units;

9. Hi-rise family units (without prior HUD approval); or
10. For units occupied by families that are ineligible for Project-Based Assistance based upon local PHA admittance criteria.

Additionally, the MHA may not provide PBV assistance to the following types of assisted units in accordance with 24 CFR 983.54:

1. A public housing dwelling unit;
2. A unit subsidized with any other form of HCV Program assistance (i.e. tenant-based or project-based assistance);
3. A unit subsidized with any governmental subsidy that covers all or any part of the operating costs of the housing;
4. A unit subsidized with Section 236 / Section 521 / Section 202 / HCVP11 / Section 101 rental assistance payments;
5. A unit subsidized with any form of tenant-based rental assistance (i.e. HOME funded programs); or
6. A unit with any other duplicative federal, state or local housing subsidy.

Other federal requirements to determine eligibility of units include the following: Compliance with the Uniform Relocation Act, Equal Opportunity, and Environmental Requirements as per 24 CFR 983, and Uniform Federal Accessibility Standards (UFAS) as defined in 24 CFR HCVP.23.

E. Income Mix

MHA will not consider any proposal of less than 5 units or no more than 25% of the total units in a multi-family development may receive project-based assistance unless the assisted units are made available to elderly or disabled families, the units are available for persons receiving support services, or the units are single family, defined by HUD as containing four or less dwelling units. This provision only applies to units assisted with project-based vouchers; there is no limitation on the income of other tenants in a PBV project or on households with tenant-based voucher assistance. In addition, MHA will not consider any proposal for less than 5 units.

Supportive services are defined as services provided to tenants for the purpose of enhancing the tenants' ability to maintain independent living. Supportive services must address the special needs of the tenants to be served. These services may include: (a) medical or mental health care; (b) medical and psychological case management; (c) benefits advocacy and income support assistance such as SSI, TANF, GA, food stamps, Social Security Disability Income, tenant assistance or representation to address landlord/tenant issues; (d) money management/payee services; (e) nutritional counseling; and (f) assistance in obtaining other resources and support for tenants such as clothing, furniture and household items, transportation, job training and job placement. These services may be provided by an arrangement with other service providers.

F. Program Availability (Non-Competitive Awards)

MHA will consider applications for the PBV program for units which were previously awarded competitive funding from another Federal, State, or Local funding source on a case by case basis. Each proposal will be reviewed to assure it complies with the requirements of 24 CFR 983 and this Administrative Plan.

G. Notification of Program Availability (Competitive Awards)

MHA will accept applications for the PBV program on a periodic basis. The availability of project-based assistance will be advertised in a newspaper of general circulation in compliance with 24 CFR 983.51. The following items will be included in the program advertisement:

1. The deadline for submission of applications (not less than 30 days from the date of the announcement of availability).
2. The total estimated number of units to be selected for assistance.
3. How to obtain the application and selection criteria.
4. The contact name and telephone number to obtain the Project-Based Voucher Application package.

H. Owner Application Requirements

Property owners responding to the notification of PBV funding must submit an application in the form prescribed by MHA. The application must contain at a minimum the following information:

1. A description of the housing including the number of units by size, bedroom count, bathroom count, sketches of the proposed new construction or rehabilitation, unit plans and estimated date of construction, if applicable. Amenities and other services should also be included in this description.
2. Evidence of site control and for new construction, identification and description of the proposed site, site plan and neighborhood.
3. Evidence of current zoning or evidence to indicate that rezoning is likely and will not delay the project.
4. The proposed contract rent for the project including which utilities are included and for those units not included an estimated of average monthly costs for the first year of occupancy.
5. A statement identifying all information related to displacement and relocation and identification of the responsible party that will carry out relocation.
6. Identification of the owner and other project principals, investors and other parties that have a substantial interest in the project and information on the qualifications and experience of the principal participants.
7. A management and maintenance plan for the project.
8. Evidence of financing to support the project.
9. Evidence of compliance with environmental requirements.
10. Evidence to demonstrate compliance with poverty and minority concentration requirements.
11. Other relevant information as determined by MHA.

I. Program Selection Criteria

In addition to the criteria identified above under eligible units, the following threshold criteria must be met for an application to be considered for selection for the PBV program:

1. The proposed project must not permanently displace any current tenants. Tenants may be temporarily relocated if necessary during rehabilitation of the unit at the expense of the owner.
2. Rental levels must not exceed 110% of the Fair Market Rent or any approved exception payment standard and must be reasonable in relation to rents charged in the private market for unassisted comparable units.

Following are the review criteria with associated point values that will be used by MHA in the evaluation process of proposals received under the PBV program. The minimum passing score is 51. Projects will be ranked by score and the highest ranked projects will undergo further review by MHA. The selected projects must comply with all requirements set forth in this plan and all application HUD regulations.

A. Selection and Ranking of Applications

- a. Only applications submitted in response to the advertisement will be considered
- b. Only the highest-rated application will be selected for participation in the Program.
- c. Incomplete applications will be rejected prior to ranking and selection.
- d. Applications for ineligible units will be rejected prior to ranking and selection
- e. Applications with an acceptable rating, which have a greater number of units than those available for funding, can be approved if the applicant accepts the adjusted distribution, and if the project is determined to be feasible and in compliance with other Program requirements as determined by the MHA.

B. Ranking of Application

- a. An Evaluation Committee consisting of staff members of the MHA will independently rate each of the applications based upon the selection criteria identified in this section.
- b. A total combined score from the Evaluation Committee will be calculated for each applicant.
- c. Available units will be awarded beginning with the application with the highest total score until all available units are distributed.
- d. In instances of applications with tied scores, the application listing a greater scope of rehabilitation/construction will be given priority.
- e. Selected applications, which have a greater number of units than those available for funding, can be approved if the applicant accepts the adjusted distribution, and if the project is determined to be feasible and in compliance with other Program Requirements as determined by the MHA.
- f. The Evaluation Committee will certify the acceptability of the awarded units using a standard MHA selection form.

g. The Evaluation Committee will evaluate and give a score to each Firm or Individual that has submitted a complete Proposal. Responses may receive a maximum score of one hundred (100) points disbursed as follows:

Evaluation Criteria	Points
<u>Overall Property and Unit Design</u> - quality of construction, size and bedroom count of units, and amenities included. Evidence that the proposed property will meet or exceed HUD’s Housing Quality Standards (HQS)	20
<u>Ability to Deliver Completed Units within Required Time Constraints</u> – offeror has provided evidence of its ability to complete all requirements and make all units available for occupancy within established time limits.	10
<u>Overall Feasibility of the Project</u> – feasibility of the proposed project-based on financial and leasing projections, including financial commitments and marketability of the development.	10
<u>Site and Location of Units</u> - proposed property is located in appropriate residential or mixed-used neighborhoods; near public transportation and appropriate facilities and services such as schools, medical facilities, shopping and recreation, and is not located near undesirable businesses such as liquor stores, bars or adult businesses.	25
<u>Previous Experience of Owners/Developer</u> – experience in development/rehabilitation, marketing and management of similar types of rental housing	20
<u>Provision for Accessible Units</u> – evidence that the development includes units that meet Section 504 requirements and ADA requirements	10
<u>Small, Minority-Owned and Women-Owned Business Participation</u> – evidence that the firm is a minority-owned business and/or that the firm has included small businesses, minority enterprises and/or women-owned enterprises on the project team.	5
TOTAL MAXIMUM POINTS	100

Prior to selecting the units for Project-Based Voucher, MHA will make a determination that the application is responsive and in compliance with all selection criteria and is otherwise in compliance with HUD program regulations and requirements.

J. Housing Quality Standards

Except as otherwise provided in section, 24 CFR 982.401 (Housing Quality Standards) applies to the PBV program. The physical condition standards at 24 CFR 5.703 does not apply to the PBV Program.

1. HQS for special housing types. For special housing types assisted under the PBV Program, housing quality standards in 24 CFR part 982 apply to the PBV Program.

2. Lead-based paint requirements at 982.401(j) do not apply to the PBV Program.
3. The Lead-based Paint Poisoning Prevention Act (42 U.S.C. 4821-4843, 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.
4. HQS enforcement. Parts 982 and 983 of this chapter do not create any right of the family or any party, other than HUD or the HA, to require enforcement of the HQS requirements or to assert any claim against HUD or the HA for damages, injunction, or other relief for alleged failure to enforce the HQS.

K. Program Accessibility for Persons with Disabilities

The housing must comply with program accessibility requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR part 8. The MHA shall ensure that the percentage of accessible dwelling units complies with the requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), as implemented by HUD's regulations at 24 CFR part 8, subpart C. b Design and construction. Housing first occupied after March 13, 1991, must comply with design and construction requirements of the Fair Housing Amendments Act of 1988 and implementing regulations at 24 CFR 100.205 as applicable.

L. Unit Eligibility and Inspections

1. MHA must examine the proposed site before the selection date
2. Inspection and Existing Units – if the units to be assisted already exist, MHA must inspect all the units before the proposal selection date, and must determine whether the units substantially comply with the HQS. To qualify as existing housing, units must substantially comply with the HQS on the proposal selection date. However, the MHA may not execute the HAP contract until the units fully comply with the HQS.
3. Pre-HAP Contract Inspections – MHA must inspect each contract unit before execution of the HAP contract. MHA may not enter into a HAP contract covering a unit until the unit fully complies with the HQS.
4. Turnover Inspections – before providing assistance to a new family in a contract unit. MHA must inspect the unit. MHA may not provide assistance on behalf of the family until the unit fully complies with the HQS.
5. Annual Inspections – at least annually during the term of the HAP contract, MHA must 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 annual inspection requirement. The MHA will have in its discretionary authority, the ability at any time, to inspect more than 20 percent of the contract units.
6. If more than 20 percent of the annual sample of inspected contract units in a building fails the initial inspection, MHA must re-inspect 100 percent of the contract units in the building.

7. MHA must inspect contract units whenever needed to determine that the contract units comply with the HQS and that the owner is providing maintenance, utilities, and other services in accordance with the HAP contract. MHA must take into account complaints and any other information coming to its attention in scheduling inspections.
8. MHA must conduct follow-up inspections needed to determine if the owner (or, if applicable, the family) has corrected an HQS violation, and must conduct inspections to determine the basis for exercise of contractual and other remedies for owner or family violation of the HQS. (Family HQS obligations are specified in 24 CFR 982.404(b).
9. In the case of MHA-owned units, the inspections required under this section must be performed by an independent agency designated in accordance with 24 CFR 983.59, rather than by the MHA.

M. Award of Proposal

MHA will give written notification to the successful proposer(s) within five (5) business days of Board approval. Public notice of the selected proposals will be published in the Montgomery Advisor, which is the newspaper of general circulation for the jurisdiction. MHA will also notify those proposers that weren't selected within five (5) business days from Board approval.

MHA will make documentation available for public inspection regarding the basis for the MHA selection of a Project-Based Voucher proposal.

If proposers wish to appeal the selection process, they may do so by presenting their complaint in writing to the Executive Director within ten (10) calendar days from the date contained on the denial letter from Montgomery Housing Authority.

MHA will seek to resolve all appeals in as informal a manner as possible. The appeal must contain, at a minimum, the following information:

1. Name, address, and telephone number of the proposer appealing;
2. Identification of the RFP being appealed;
3. A statement of the reason for appealing;
4. Supporting exhibits, evidence, or documents to substantiate any arguments; and
5. The form of relief requested.

MHA shall issue a decision on the appeal as expeditiously as possible after receiving all relevant information requested. MHA may decide to suspend the award of project-based vouchers if the facts presented in the appeal warrant such action. This action will only be taken if the evidence is clear and convincing as to the existence of an impropriety and there are no other means of resolving the matter. If MHA's Executive Director believes that an impropriety exists, then the proposed award of project-based vouchers will be canceled or revised to comply with the decision of the Executive Director.

If the appeal is not granted, the Executive Director will provide a written decision with justification for the denial of the appeal.

N. Establishment of Initial Rents

MHA will contract with State certified general appraiser and establish the rents in accordance with the provisions outlined above or seek approval of proposed rents from HUD for any MHA or MHA affiliate owned units or HUD insured or co-insured mortgage. All other rents must be determined reasonable as compared to comparable non-subsidized units.

O. Rehabilitation Work and New Construction Requirements

The owner will be required to prepare work write ups, construction specifications and plans upon request as determined appropriate by MHA for rehabilitation and new construction projects. In addition, new construction projects require certification by a design architect that the proposed new construction reflected in the working drawings and specifications complies with ADA requirements, local codes and ordinances and zoning requirements. The owner is responsible for selecting a responsible contractor for rehabilitation and new construction and said contractor must provide MHA with a non-debarment certification.

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

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

P. Environmental Review

MHA will not enter into an Agreement or HAP contract with an owner nor will the MHA, the owner or its contractors acquire, dispose of, demolish, or construct real property or commit or expend program or local funds for Project-Based Voucher activities until one of the following occurs:

1. The responsible entity (a unit of general local government, a county or a state) has completed the environmental review procedures required by 24 CFR part 58, and HUD has approved the environmental certification and request for release of funds;

2. The responsible entity has determined that the project to be assisted is exempt under 24 CFR 58.34 or is categorically excluded and not subject to compliance with environmental laws under 24 CFR 58.35(b); or
3. HUD has performed an environmental review under 24 CFR part 50 and has notified MHA in writing of environmental approval of the site.

MHA will require the owner to carry out mitigating measures required by the responsible entity (or HUD, if applicable) as a result of the environmental review.

Q. Subsidy Layering Requirements

MHA will only provide Project-Based Voucher assistance in accordance with HUD subsidy layering regulations and other requirements. The subsidy layering review is intended to prevent excessive public assistance for the housing by combining (layering) housing assistance payment subsidy under the Project-Based Voucher Program with other governmental housing assistance from federal, state, or local agencies, including assistance such as tax concessions or tax credits.

MHA will only enter into an Agreement or HAP contract after HUD or an independent entity approved by HUD has conducted any required subsidy layering review and determined that the Project-Based Voucher assistance is in accordance with HUD subsidy layering requirements.

MHA will require the owner to certify that the project has not received and will not receive (before or during the term of the HAP Contract) any public assistance for acquisition, development, or operation of the housing other than the assistance disclosed in the subsidy layering review in accordance with HUD requirements.

R. Housing Assistance Payment Contract

Upon acceptance of the units by MHA, a HAP Contract for Project-Based Voucher for the Housing Choice Voucher Program will be executed in the format prescribed by HUD. MHA will execute all PBA HAP Contracts for a period of ten years, subject to future availability of funding under the ACC with HUD. In addition, the HAP contract will permit one extension for a period of five years, based upon a determination by MHA that an extension is necessary to achieve long term affordability of the housing.

The HAP Contract will permit owners to request rent increases annually to correspond with the anniversary date of the contract. All requested rents must be determined reasonable by MHA and cannot exceed 110% of the FMR or any HUD approved exception payment standard.

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

At the discretion of the MHA, and subject to all PBV requirements, the HAP contract may be amended within the first three (3) years of the contract term for the following requests:

- To substitute a different unit (pending completion of HQS inspection) with the same number of bedrooms in the same building for a previously covered contract unit.
- To add contract units provided that the total number of units in a building that will receive PBV assistance does not exceed 25% of the number of dwelling units in the building or 20% of the MHA's authorized budget authority.
- To reduce the number of contract units by the number of units that has been vacant for a period of 120 or more days.

S. Waiting List

Applicants who will occupy units with PBV assistance will be selected from the MHA's project based waiting list. MHA may establish selection criteria or preferences for occupancy of particular units.

MHA maintains a separate waiting list for applicants applying for tenant-based and project-based HCV program assistance. The current applicants of the tenant-based waiting list will be notified of the opening of the project-base waitlist as outlined in **Section V. Admitting Applicants to the Voucher Program**

MHA will select project-based applicants based a working preference having priority over all other preferences. The preferences are for families that qualify for the HCV working preference at the time that they are selected from the Waiting List. To meet the preference, adult household members must: work at least 30 hours per week, or enrollment in an accredited education, employment or job training programs; or be a person with disabilities or over 62 years of age. MHA maintains separate preferences for the tenant-based waiting list.

The contract unit leased to each family must be appropriate for the size of the family in accordance with MHA occupancy standards.

T. Family Right to Move

A family may terminate the assisted lease at any time after the first year of occupancy. The family must give the owner advance written notice of the intent to vacate, with a copy to the MHA in accordance with the lease.

If the family has elected to terminate the lease after the first year in compliance with the lease, the family is eligible for continued tenant-based rental assistance in the form of either assistance under the voucher program or other comparable tenant-based rental assistance.

Before providing notice to terminate the lease, the family must contact MHA to request comparable tenant-based rental assistance if the family wishes to move with continued assistance. If voucher or other comparable tenant-based rental assistance is not immediately available upon termination of

the family's lease of a project-based voucher unit, MHA will give the family priority to receive the next available opportunity for continued tenant-based rental assistance.

If the family terminates the assisted lease before the end of one year, the family relinquishes the opportunity for continued tenant-based assistance.

Section XVI. Homeownership Program

The Montgomery Housing Authority (MHA) will set aside no less than 25 HCV Housing Choice Vouchers for the HCV Homeownership Program.

A. Housing Choice Voucher Participation Requirements

Any HCV program participant who has utilized their Housing Choice Voucher (HCV) in the MHA jurisdictions for at least one year or any HCV homeownership participant porting in from another jurisdiction may utilize the subsidy to purchase rather than rent a home, subject to the following requirements:

1. The family must meet the general requirements for admission to or continued participation in the MHA HCV tenant-based program as outlined in this Administrative Plan.
2. Current HCV Program families must be in full compliance with their lease and HCV Program requirements and must terminate their current lease arrangement in compliance with the lease.
3. The head of household or spouse must be employed full time (not less than an average of thirty hours per week) and have been continuously employed during the year before commencement of homeownership assistance.
4. Families in which the head of household or spouse are disabled or elderly are exempt from this requirement.
5. The annual gross income of the adult family members who will own the home at the commencement of the homeownership assistance must be equal to the federal minimum wage multiplied by 2,000 hours. The minimum income requirement only applies at the time the family receives homeownership assistance.
6. Public assistance income may not be considered in determining if the family meets the minimum income requirement, except for households in which the head or spouse is disabled or elderly.
7. The family must be a "First Time Homeowner". To qualify as a first time homeowner, the assisted family may not include any person who owned a "present ownership interest" in a residence of any family during the three years before the commencement of the ownership assistance for the family. (Regulatory Definition 982.4) This rule defines the term "first-time homeowner" to include a single parent or displaced home maker who, while married, owned a home with his or her spouse, or resided in a home owned by his or her spouse.
8. The family is not eligible if it has previously received HCV homeownership assistance and defaulted on the mortgage.

9. The family must enroll and participate in the MHA's HUD approved Homeownership Counseling programs before a HCV Homeownership Voucher will be issued.
10. The program gives priority to HCV families enrolled in the MHA's Family Self-Sufficiency Program.
11. The family must contribute a down payment of at least three percent of the purchase price, with at least one percent of the purchase price or \$2000 coming from the family's personal resources
12. Family participation in the HCV Homeownership Program is voluntary.

B. Utilization of HCV Homeownership Voucher

1. The family will have a maximum time of one hundred eighty days (six months) to locate and purchase a home. The family must have entered into a "Contract for Sale" agreement within this time frame.
2. If the family does not find a suitable house to buy and enter into a "Contract for Sale" before the end of the one hundred eighty day deadline, the family will be allowed to use the voucher for rental assistance in a unit that meets the eligibility requirements for the HCV Housing Choice Voucher Program as outlined in the HCV Administrative Plan.
3. Any extension beyond one hundred eighty days to find a home and enter into a "Contract for Sale" must be requested in writing by the family and approved by the MHA prior to expiration of the deadline.

C. Eligible Units

The unit selected by the family must satisfy all of the requirements outlined below:

1. The unit was under construction or already existing at the time the family was determined eligible for Homeownership assistance to purchase the unit.
2. The unit is a one-unit property.
3. The unit must be inspected by a PHA inspector and comply with the Housing Quality Standards under the HCV Housing Choice Voucher Program.
4. The family must have an independent home inspection completed by an inspector certified by the American Society of Home Inspectors.

D. Homeownership Counseling:

The family must enroll and participate in the MHA's HUD approved Housing Counseling/Homeownership Counseling Programs which will include:

1. Home maintenance
2. Budgeting /Money Management
3. Credit Counseling
4. Preparing for Homeownership
5. How to Shop for a Home
6. How to obtain Financing
7. Advantages of Homeownership

8. Life as a Home Owner (post-occupancy)
9. Fair Housing

In addition all participants will be required to participate in quarterly on-going post-purchase counseling associated with employment, wills, insurance, lawn maintenance, escrow analysis and program updates.

E. Portability

Families that are determined eligible for Homeownership assistance may exercise the Homeownership option outside the MHA's jurisdiction if the receiving public housing authority is administering a HCV Homeownership Program. The family must attend the briefing and counseling sessions required by the receiving PHA.

F. "Contract for Sale" and Home Inspections:

Participants in the HCV Homeownership Program must complete a "Contract for Sale" agreement with the owner of the property to be purchased. MHA must be provided a copy of the Contract for Sale.

The Contract for Sale must contain the following:

1. Include the home's purchase price and terms of sale.
2. Provide that the family will arrange for a pre-purchase, independent home inspection by a certified inspector selected by the family.
3. Provide that the family is not obligated to buy the unit unless the inspection is satisfactory to the family.
4. Provide that the family is not obligated to pay for any necessary repairs to the unit.
5. Contain a certification from the seller that the seller has not been debarred, suspended, or subject to a limited denial of participation under part 24 of the federal regulations pertaining to this program.
6. The independent home inspections must include the following:
7. Major building systems and components, including foundation and structure, housing interior and exterior, and the roofing, plumbing, electrical and heating systems.
8. The family must provide a copy of the inspection report to the MHA for review. The MHA will review the report to determine whether repairs are necessary prior to the purchase of the home.
9. The family must determine and document whether or not the unit is in a flood hazard area. Units in flood hazard areas must be insured for flood damage.
10. Before approving a unit, MHA will take into consideration such factors as major physical defects requiring substantial cost for replacement or repair, or whether it is feasible to have the necessary repairs accomplished prior to sale.

11. The inspector must be certified by the American Society of Home Inspectors.

G. Housing Quality Standards (HQS) Inspection

1. The MHA will conduct an initial Housing Quality Standard inspection. This inspection will indicate the current physical condition of the unit and any repairs necessary to ensure that the unit is safe.
2. The initial HQS inspection does not include an assessment of the adequacy and life span of the major building components, building systems, appliances and other structural components.
3. Units purchased through the Homeownership program are exempted from annual HQS inspections during the entire time the family is receiving HCV Homeownership assistance. However, a voluntary courtesy HQS inspection may be performed annually upon written request from the participant for up to five years from the purchase date of the home.

H. Financing Purchase of the Home and Approval of Purchase

The family is responsible for obtaining financing. The rate and terms of the first mortgage are subject to review and approval by MHA. The MHA may review lender qualifications and the loan terms before authorizing Homeownership assistance under this program. The MHA may disapprove proposed financing, refinancing or other debt if the MHA determines the debt is unaffordable for the participant. In making this determination the MHA will take into account other family expenses. The first mortgage lender must be a federally-related financial institution. Any other lenders (such as owner financed) must be specifically approved by MHA.

I. Terms of Homeownership Assistance

The family shall not receive Homeownership assistance for more than fifteen years, if the initial mortgage incurred to finance purchase of the home has a term of twenty years or longer, or ten years in all other cases.

The maximum term applies to any member of the family who has an ownership interest in the unit during the time that Homeownership payments are made; or is the spouse of any member of the household who has an ownership interest in the unit during the time Homeownership payments are made.

The maximum term does not apply to elderly and disabled families. In the case of an elderly family, the exception only applies if the family qualifies as an elderly family at the start of Homeownership assistance. In the case of a disabled family, the exception applies if at any time during receipt of Homeownership assistance, the family qualifies as a disabled family. If during the course of Homeownership assistance, the family ceases to qualify as a disabled or elderly family, the maximum term becomes applicable from the date Homeownership assistance commenced. The family will be provided at least six months of homeownership assistance after the maximum term becomes applicable, provided the family is otherwise eligible to receive Homeownership assistance.

J. Family Obligations

To continue to receive Homeownership assistance, a family must comply with the following family obligations:

1. The family must comply with the terms of any mortgage securing debt incurred to purchase the home, and any refinancing of such debt.
2. The family may not sell, convey or transfer any interest in the home to any entity or person other than a member of the assisted family residing in the home subject to the approval of MHA. If the family chooses to sell the home, with the approval of MHA, the family must sell the first home before the second home can be purchased and included in assistance under the HCV Homeownership Program.
3. The family may not place any additional lien or other encumbrance without prior written consent from MHA and the mortgage lender.
4. The family must supply required information regarding income and family composition for MHA to correctly calculate the total tenant payment and Homeownership assistance.
5. The family must provide information on any mortgage or other debt incurred to purchase the home and any refinancing of such debt and any sale or other transfer of any interest in the home.
6. The family must notify MHA or its designee if the family defaults on a mortgage securing any debt incurred to purchase the home.
7. The family must notify MHA or its designee before the family moves out of the home.
8. The family must, at annual re-certification, document that he or she is current on mortgage, insurance and utility payments.

K. Determination of the Amount and Distribution of the Monthly Homeownership Assistance Payment

While the family is living in the home, the MHA will pay a monthly Homeownership assistance payment that is equal to the lower of the payment standard minus total tenant payment, or the family's monthly Homeownership expenses minus the total tenant payment. The payment standard for the family shall be the lower of the payment standard for the family unit size or the payment standard for the size of the home.

The same payment standard schedule, payment standard amounts, and subsidy standards will be used for the HCV Homeownership option as for the rental Housing Choice Voucher Program.

Homeownership expenses include principal and interest on mortgage debt, refinancing charges of mortgage debt, real estate taxes and other public assessments, insurance, maintenance and major repair expenses, and the MHA utility allowances schedule.

Housing assistance payments will be paid directly to the mortgage lender on behalf of the family.

The assistance payment will be adjusted to reflect changes in the fair market rent payment standard accordingly.

If a family's income increases to a point that they do not receive a housing assistance payment, eligibility for such payments will continue for one hundred eighty calendar days. At the end of one hundred eighty days without any assistance payments, eligibility for HCV assistance will automatically terminate.

L. Denial or Termination of Assistance

The MHA may deny or terminate Homeownership assistance payments in accordance with the HCV Administrative Plan. If a family is denied admission into the Homeownership program or a participating family's assistance is terminated, informal review/hearing policies outlined in the HCV Administrative Plan will apply. The grievance procedures related to Homeownership will be in accordance with the procedures outlined in the HCV Administrative Plan.

M. Defaults

If a family in the HCV Homeownership Program defaults on their home mortgage loan, the family will not be able to use their Homeownership Voucher for rental housing but may re-apply for assistance under the MHA regular HCV Housing Choice Voucher Program at such time as applications are being accepted.

Section XVII. Program Integrity and Ethics Policy

A. General Principles

1. MHA expects applicant and client families, property owners, and MHA employees to comply with program requirements and make reasonable efforts to avoid errors.
2. To ensure that the MHA's HCV Program is administered effectively and according to the highest ethical standards, MHA will employ a variety of techniques to ensure that both errors and intentional program abuse are reduced.

B. Definitions

1. A subsidy underpayment or overpayment includes
 - a. an incorrect housing assistance payment to owner
 - b. an incorrect family share established for the family; an
 - c. an incorrect utility allowance or utility allowance to a family.
2. A family-caused or owner-caused error is a mistake that does not necessarily result in benefit to the party making the error, but involves incorrect payments. Such errors must be corrected a payments corrected.
3. Fraud, program abuse and misrepresentation include:

- a. Owners or families providing false or misleading information to MHA that provide a benefit to an owner, family or both; or
- b. Staff actions that violate program rules or MHA policy that benefit the employee, a participating family or a landlord

C. Family Caused Errors

In the case of family-caused errors, the MHA will take into consideration:

1. Extent of participation or culpability of individual family members;
2. Any special circumstances surrounding the case;
3. Any mitigating circumstances related to the disability of a family member;
4. The effects of a particular remedy on family members who were not involved in the offense.

D. Owner Caused Errors

In the case of owner-caused errors, MHA will take into consideration:

1. how the error occurred (and whether similar errors can be prevented in future);
2. the length of time since the violation occurred; and
3. the effects of a particular remedy on participant families who were not involved in the offense.

E. Corrections

Whether the incorrect subsidy determination is an overpayment or underpayment of subsidy, the MHA will promptly correct the HAP, family share, and any utility allowance/reimbursement prospectively.

F. Timing of Corrections

1. Increases in the family share will be implemented only after the family has received thirty (30) day notice.
2. Any decreases in family share will become effective the first of them month following the discovery of the error.
3. Both the owner and family will be notified in writing of all changes in family share, utility allowance/reimbursement and HAP payment.

G. Applicant or participant fraud, misrepresentation and program abuse

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

1. Make a false statement to the MHA [**Title 18 U.S.C. Section 1001**] either by omission or commission.
2. Commit fraud, bribery, misrepresentation, or any other corrupt or criminal act in connection with any federal housing program [**24 CFR 982.522(c)(iv)**]
3. Any of the following will be considered applicant/participant fraud or program abuse:
 - a. Voluntary payment to the owner in excess of amounts authorized by the MHA for rent, security deposit, and additional services;

- b. Offering bribes or illegal gratuities to the MHA Board of Commissioners, employees, contractors, or other MHA representatives;
- c. Offering payments or other incentives to the owner or a third party as an inducement for the third party to make false or misleading statements to MHA on the family's behalf.
- d. Use of false name or using falsified, forged, or altered documents;
- e. Intentional misreporting of family information, family composition or circumstances (e.g. under-reporting income, claiming a different number of family is not qualified, not reporting a person who actually lives in the unit);
- f. Omitting facts that were obviously known by a family member (e.g. not reporting employment income);
- g. MHA may determine other actions to be program abuse based upon a preponderance of the evidence, as defined earlier in this document.

H. MHA actions to resolve applicant or participant fraud, misrepresentation and program abuse

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

I. Owner Fraud, Misrepresentation or Program Abuse

- 1. An incorrect subsidy determination caused by an owner generally would be the result of an incorrect owner statement about the characteristics of the assisted unit (e.g. the number of bedrooms, which utilities are paid by the family or whether the individual for whom HAP is paid continues to reside in the dwelling unit).

2. It also includes accepting duplicate housing assistance payments for the same unit in the same month, before a family resides in the unit or after a family no longer resides in the unit.
3. Seeking “under the table” and/or “side” payments from a participant above that identified in the HAP contract is owner fraud.
4. Failing to notify the MHA when the unit is vacant or members of the household are no longer in the unit because they have moved out or are deceased.
5. Under the terms of the HAP contract, whenever the owner accepts a HAP payment the owner is certifying that the eligible family is still residing in the unit for which the HAP payment was made.

J. MHA actions to resolve owner fraud, misrepresentation and program abuse

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

K. Prohibited Owner Actions

An owner participating in the HCV program must not:

1. Make any false statements to the MHA [**Title 18 U.S.C. Section 1001**];
2. Commit fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program [24 CFR 982.453(a)(3)];
3. Any of the following will be considered evidence of owner program abuse:
 - a. Charging the family rent or other charges above or below the amount specified by the MHA;
 - b. Charging a security deposit other than that specified in the family’s lease;
 - c. Charging the family for services that are provided to unassisted tenants at no extra charge;
 - d. Increasing the rent paid by a participating family without following program procedures;
 - e. Accepting housing assistance payments on behalf of a participant who is related to the owner;

- f. Knowingly accepting housing assistance payments for any month(s) after the family has vacated the unit;
- g. Knowingly accepting incorrect or excess housing assistance payments;
- h. Offering bribes or illegal gratuities to the MHA Board of Commissioners, employees, contractors, or other MHA representatives
- i. Offering payments or other incentives to an HCV family as an inducement for the family to make false or misleading statements to the MHA;
- j. Residing the unit with an assisted family

L. Owner Reimbursement to the MHA

- 1. In all cases of overpayment of subsidy caused by the owner, the owner must repay to the MHA any excess subsidy received.
- 2. MHA may recover overpaid months by withholding housing assistance payments due for subsequent months.
- 3. if the debt is large, the MHA may allow the owner to pay in installments over a period of time [HCV GB p. 22-13]

M. Owner Repayment Agreements

- 1. Participating landlords or participants that owe a balance to the Authority must repay the debt to the Authority.
- 2. Repayment of debt to the Authority should be paid in full immediately or a repayment agreement executed.
- 3. Payments by check, certified check or money order are to be made payable to the Montgomery Housing Authority.
- 4. If an owner owes the Authority for overpayment of housing assistance, the owner will be notified in writing of the overpayment amount and the reason for the overpayment demand.
- 5. If the owner has other current HAP contracts, the amount will be recovered from amounts due under those contracts
- 6. If the owner does not pay or otherwise satisfy the amount due the Authority, the HAP contract will be cancelled and the owner shall be debarred from future participation in the Housing Choice Voucher Program until the amount is paid in full.
- 7. The Authority reserves the right to turn owner amounts due over to an independent collection agency and or to the HUD Office of Inspector General (HUD-OIG).

N. Staff Behavior

The responsibilities and expectations of MHA staff with respect to normal program administration are discussed throughout the plan.

- 1. MHA-caused incorrect subsidy determinations due to errors include:
 - a. failing to apply HCV rules correctly regarding family composition, income, assets, and expenses,

- b. assigning the incorrect voucher size to a family, and
 - c. errors in calculation of payment standard, determination of utility allowance, family share of rent, or gross rent to owner;
2. Any of the following will be considered evidence of program abuse by MHA staff:
- b. Failing to comply with any HCV Program requirements for personal gain;
 - c. Failing to comply with any HCV program requirements as a result of a conflict of interest relationship with any applicant, participant, property manager or owner;
 - d. Seeking or accepting anything of material value from applicants, participating families, vendors, owners, contractors, or other persons who provide services or materials to MHA;
 - e. Disclosing confidential or proprietary information to outside parties;
 - f. Gaining profit as a result of insider knowledge of MHA activities, policies, or practices;
 - g. Misappropriating or misusing HCV funds;
 - h. Destroying, concealing, removing, or inappropriately using any records related to the HCV Program;
 - i. Committing any other corrupt or criminal act in connection with any federal housing program.

O. Repayment to the MHA because of MHA Error

Neither a family nor an owner is required to repay an overpayment of subsidy if the error is caused by MHA staff error or program abuse. [HCV GB. 22-12]

P. MHA Reimbursement to Family or Owner

MHA must reimburse a family for any underpayment of subsidy, regardless of where the underpayment was the result of staff-caused error or staff or owner program abuse. Funds for this reimbursement must come from the MHA Administrative Fee Reserves [HCV GB p 22-12].

Section XVIII. Repayment Agreement

Program fraud and abuse is defined by the U.S. Department of Housing and Urban Development as "a single act or pattern of actions: 1) that constitutes false statement, omission, or concealment of a substantive fact, made with intent to deceive or mislead, and 2) that results in payment of HCV program funds in violation of HCV program requirements."

A. Owners Debt to MHA

1. Any amount due to the MHA by an owner must be repaid by the owner within 30 days of the MHA determination of the debt.
2. If the owner fails to repay the debt within the required time frame and is entitled to future HAP payments, the MHA will reduce the future HAP payments by the amount

owed until the debt is paid in full. If the amount owed by the owner cannot be repaid by HAP offset over a 12 month period, the MHA will pursue other modes of collection, including referral to a collection agency, the Inspector General, or other appropriate law enforcement officials.

3. If the owner is not entitled to future HAP payments and refuses to repay the debt within the required time frame, the MHA will ban the owner from future participation in the program and pursue other modes of collection, including referral to a collection agency, the Inspector General, or other appropriate law enforcement officials.
4. Any owner fraud in excess of \$10,000 will result in the automatic ban of the owner from the program and a referral to the Inspector General or other appropriate law enforcement officials. Amounts owed will continue to be collected as described elsewhere in this chapter. If the owner has other tenants on the program, their existing HAP Contract shall not be terminated, but RFTA's will not be accepted for any additional tenants.

B. Family's Debt to MHA

MHA shall initiate termination proceedings for any family owing MHA monies due to program fraud. Termination proceedings shall not be halted until such time as the family agrees to enter into a repayment agreement and signs the agreement and all supporting documentation.

1. MHA will determine retroactive rent amount as far back as the MHA has documentation of family reported income.

For example, if MHA determines that the family has not reported income for a period of five years and only has documentation for the last three years, the PHA is only able determine retroactive rent for the three years for which documentation is available. The monthly retroactive rent payment plus the amount of rent the tenant pays at the time the repayment agreement is executed should be affordable and not exceed 40 percent of the family's monthly adjusted income. However, MHA has the discretion to establish thresholds and policies for repayment agreements in addition to HUD required procedures.

2. If the family refuses to acknowledge the amount owed, and sign the repayment agreement and all other supporting documentation, MHA shall not halt termination proceedings.
3. Families owing more than \$3,000, who are already subject to another re-payment agreement, or have made repayments pursuant to a repayment agreement in the past three years shall not be permitted to enter a repayment agreement unless authorized by the Executive Director. For amounts owed that are equal to or greater than \$10,000, MHA will pursue other modes of

collection, including referral to a collection agency, the Inspector General, or other appropriate law enforcement officials.

4. The head of household and spouse/co head (if applicable) must sign the repayment agreement. For purposes of the MHA Administrative Plan, twenty-five percent (25%) of the amount owed must be paid.
5. All payments are due by the close of business on the 15th day of the month. If the 15th does not fall on a business day, the due date 4:30 p.m. on the first business day after the 15th.
6. If a payment is not received by 4:30 p.m. of the business day on the date due, and prior approval for the missed payment has not been given by the MHA, the MHA will send the family a delinquency notice giving the family 10 business days to make the late payment. If the payment is not received by the due date of the delinquency notice, it will be considered a breach of the agreement and the MHA will terminate assistance upon written notification to the family.
7. If a family receives 3 delinquency notices for unexcused late payments in a 12 month period, the repayment agreement will be considered in default, and the MHA will terminate assistance upon written notification to the family.

Section XIX. Process for Program Reduction

MHA will adopt measures at the direction of the President and CEO to manage program operations within the guidelines of HUD's regulations and within the funding HUD makes available.

MHA will reduce rents to owners if justified under rent reasonableness and necessary because of insufficient funding from HUD.

As a last resort, MHA will terminate HAP contracts, in accordance with HUD requirements, if it is determined that funding appropriated under the consolidated Annual Contributions Contract (ACC) is insufficient to support continued assistance for Families in the program. **[24 CFR 982.454]**.

A. Determination to reduce rent to owners

MHA will determine the amount of underfunding and calculate the amount of rent reduction needed to keep all families under lease funded through the end of the funding cycle.

MHA will examine the rents of landlords geographically, identifying situations in which HAP amounts exceed reasonable rents for the area.

The amount of rent reduction will not exceed that necessary to ensure funding for all leased families.

B. Determination to Terminate HAP Contract(s)

HAP contracts will not be cancelled until all rents to owners have been reconciled to rent reasonableness;

No action will be taken against to cancel the HAP contracts of Elderly or Disabled Families.

MHA will review the dollar value of contracts that must be terminated in order to operate the program within budgetary limits. MHA will document the determination before any contracts are cancelled on the basis of insufficient funding. The review will include but is not limited to:

1. an analysis of the amount of rent paid by each Family; and
2. an analysis of the length of time each Family has been participating (in succession) on the program with a correlation of the income of each Family and the amount of rent paid.
3. MHA will utilize a random lottery selection process to determine which families will be terminated from the program.

C. Participant Termination – Over leasing

1. Families who are not current on their repayment agreements;
2. Families who committed fraud (as verified using EIV and other sources);
3. Families who fail a criminal background check pursuant to guidelines outlined in Section XXIII of the Administrative Plan (a criminal background check will be conducted on all family members 18 and over);
4. Families who are above 80% of AMI

D. Order of Termination/Withdrawal

MHA will utilize the following order by priority for the termination of housing assistance and withdrawal of housing opportunities in the instance of insufficient funding.

1. Families that have been issued vouchers but have not yet located housing for which HAP is paid.
2. Families that have been identified pursuant to the direction of the President/CEO as noted in Section XIII A.

E. Resumption of Assistance for Impacted Families

1. MHA will document the names of every Family terminated from the HCV program due to insufficient funding and maintain these names on a Waiting List. When funding is available, MHA will offer vouchers to these Families before Applicants on the HCV Housing Choice Voucher Waiting List.
2. MHA will initially resume housing assistance for Families with cancelled HAP contracts followed by Families with vouchers withdrawn before contracts were initiated.
3. Families that have been without housing assistance for six (6) months must be screened to ensure their continued eligibility.

Section XX. Records Retention and Management

The PHA must maintain complete and accurate accounts and other records for the program in accordance with HUD requirements, in a manner that permits a speedy and effective audit. All such records must be made available to HUD and the Comptroller General of the United States upon request.

In addition, the PHA must ensure that applicant and participant files are maintained in a way that protects an individual's privacy acts.

A. Record Retention

Files for past participants leaving no balance owed the program will be maintained for three years. Files for past participants leaving with a balance owed the Authority will be retained indefinitely until the balance is cleared, whether or not the balance has been written off.

During the term of each assisted lease and for three years thereafter the MHA must keep a copy of the executed lease; Housing Assistance Payment (HAP) Contract and the application from the family.

In addition, the MHA must keep for at least three years the following:

1. Records that provide income, racial, ethnic, gender and disability status data on program applicants and participants;
2. An application from each ineligible family and notice that the applicant is not eligible;
3. HUD-required reports;
4. Unit inspection reports;
5. Lead based paint records as required by 24 CFR 35, Subpart B
6. Accounts and other records supporting PHA budget and financial statements for the program;
7. Records to document the basis for the PHA determination that rent to owner is a reasonable rent (initially and during the term of a HAP contract); and
8. Other records specified by HUD.

The PHA must also keep the last three years of the form HUD-50058 and supporting documentation during the term of each assisted lease, and for a period at least three years from the end of participation (EOP) date. If an informal hearing to establish a family's citizenship status is held, longer retention requirements apply for some types of documents.

B. Records Management

The PHA must maintain applicant and participant files and information in accordance with the regulatory requirements. All applicant and participant information will be kept in a secure location and access will be limited to authorized MHA staff.

1. Criminal Records

The PHA may only disclose the criminal conviction records which the PHA receives from a law enforcement agency to officers or employees of the PHA, or to authorized representatives of the PHA who have a job-related need to have access to the information [24 CFR 5.903(e)].

The PHA must establish and implement a system of records management that ensures that any criminal record received by the PHA from a law enforcement agency is maintained confidentially, not misused or improperly disseminated, and destroyed, once the purpose for which the record was requested has been accomplished, including expiration of the period for filing a challenge to the PHA action without institution of a challenge or final disposition of such litigation [24 CFR 5.9039(g)].

The PHA must establish and implement system of records management that ensures that any sex offender registration information received by the PHA from a State or local agency is maintained confidentially, not misused or improperly disseminated, and destroyed, once the purpose for the which the record was requested has been accomplished, including expiration of the period for filing a challenge to the PHA action without institution of a challenge or final disposition of any such litigation. This requirement does not apply to information that is public information, or is obtained by the PHA other than under 24 CFR 5.905.

2. Medical/Disability Records

The PHA is not permitted to inquire about the nature or extent of a person’s disability or medical condition. If the PHA receives a verification document that provides such information, the PHA will not place this information in the tenant file. The PHA will destroy the document.

Section XXI. Determining Income and Rent

A. Annual Income **24 CFR § 5.609**

MHA shall use HUD’s definition of Annual Income. Should this definition be revised, HUD’s definition, rather than that presented below shall be used.

Annual income is the anticipated total income from all sources, including net income derived from assets, received by the family head and spouse (even if temporarily absent) and by each additional family member including all net income from assets for the 12-month period following the effective date of initial determination or reexamination 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:

1. The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services;
2. The net income from operation of a business or profession, including any withdrawal of cash or assets from the operation of the business. Expenditures for business expansion or

amortization of capital indebtedness shall not be used as deductions in determining the net income from a business. An allowance for the straight line depreciation of assets used in a business or profession may be deducted as provided in IRS regulations. Withdrawals of cash or assets will not be considered income when used to reimburse the family for cash or assets invested in the business;

3. Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness shall not be used as deductions in determining net income. An allowance for the straight line depreciation of real or personal property is permitted. Withdrawals of cash or assets will not be considered income when used to reimburse the family for cash or assets invested in the property;
4. If the Family has Net Family Assets in excess of \$5,000, Annual Income shall include the greater of the actual income derived from all Net Family Assets or a percentage of the value of such Assets based on the current passbook savings rate as determined by HUD;
5. The full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts [See B. 14. below for treatment of delayed or deferred periodic payment of social security or supplemental security income benefits.];
6. Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation, and severance pay (But see paragraph B. 3. below concerning treatment of lump-sum additions as Family assets.);
7. All welfare assistance payments (Temporary Assistance to Needy Families, General Assistance) received by or on behalf of any family member;
8. Periodic and determinable allowances, such as alimony and child support payments, and regular cash and non-cash contributions or gifts received from agencies or persons not residing in the dwelling made to or on behalf of family members; and
9. All regular pay, special pay, and allowances of a family member in the Armed Forces. (See paragraph B. 7. below concerning pay for exposure to hostile fire.)

B. Excluded Income 24 CFR § 5.609

Annual Income does not include the following:

1. Income from the employment of children (including foster children) under the age of 18 years;
2. Payments received for the care of foster children or foster adults (usually individuals with disabilities, unrelated to the resident family, who are unable to live alone);
3. Lump sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance, and worker's compensation), capital gains, one-time lottery winnings, and settlement for personal property losses (but see paragraphs 4 and 5 above if the payments are or will be periodic in nature);
(See paragraph 14. below for treatment of delayed or deferred periodic payments of social security or supplemental security income benefits.)

4. Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member;
5. Income of a live-in aide, provided the person meets the definition of a live-in aide (See Section 12 of these policies);
6. The full amount of student financial assistance paid directly to the student or the educational institution;
7. The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;
8. Certain amounts received that are related to participation in the following programs:
 - a. Amounts received under HUD funded training programs (e.g. Step-up program: excludes stipends, wages, transportation payments, child care vouchers, etc. for the duration of the training);
 - b. Amounts received by a person with disabilities that are disregarded for a limited time for purposes of Supplemental Security Income and benefits that are set aside for use under a Plan to Attain Self-Sufficiency (PASS);
 - c. Amounts received by a participant in other publicly assisted programs that are specifically for, or in reimbursement of, out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) to allow participation in a specific program;
 - d. A resident services stipend. A resident services stipend is a modest amount (not to exceed \$200/month) received by a public housing resident for performing a service for the MHA, on a part-time basis, that enhances the quality of life in public housing. Such services may include but are not limited to, fire patrol, hall monitoring, lawn maintenance, and resident initiatives coordination. No resident may receive more than one such stipend during the same period of time; and
 - e. Incremental earnings and/or benefits resulting to any family member from participation in qualifying state or local employment training program (including training programs not affiliated with the local government), and training of family members as resident management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for a limited period as determined in advance by the MHA;
9. Temporary, non-recurring, or sporadic income (including gifts);
10. Reparation payments paid by foreign governments pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;
11. Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of the household and spouse);
12. Adoption assistance payments in excess of \$480 per adopted child;
13. The incremental earnings and benefits to any resident 1) whose annual income increases due to employment of a family member who was unemployed for one or more years previous to

employment; or 2) whose annual income increases as the result of increased earnings by a family member during participation in any economic self-sufficiency or other job training program; or 3) whose annual income increases due to new employment or increased earnings of a family member during or within six months of receiving state-funded assistance, benefits or services, will not be increased during the exclusion period. For purposes of this paragraph, the following definitions apply:

- a. State-funded assistance, benefits or services means any state program for temporary assistance for needy families funded under Part A of Title IV of the Social Security Act, as determined by the MHA in consultation with the local agencies administering temporary assistance for needy families (TANF) and Welfare-to-Work programs. The TANF program is not limited to monthly income maintenance, but also includes such benefits and services as one-time payments, wage subsidies and transportation assistance – provided that the total amount over a six-month period is at least \$500.
 - b. During the 12 month period beginning when the disabled member first qualifies for a disallowance, the MHA must exclude from Annual Income any increase in income as a result of employment. For the 12 months following the exclusion period, 50% of the income increase shall be excluded.
 - c. Regardless of how long it takes a resident to work for 12 months (to complete the first exclusion) or the second 12 months (to qualify for the second exclusion), the maximum period for the disallowance (exclusion) is 48 months.
 - d. The disallowance of increased income under this section is only applicable to current disabled residents and will not apply to applicants who have begun working prior to admission (unless their earnings are less than would be earned working ten hours per week at minimum wage, under which they qualify as unemployed).
14. Deferred periodic payments of supplemental security income and social security benefits that are received in a lump sum payment;
 15. Deferred payments of VA disability benefits that are received in a lump sum payment;
 16. 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;
 17. Amounts paid by a State agency to a family with a developmentally disabled family member living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home;
 18. Amounts specifically excluded by any other Federal Statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under the United States Housing Act of 1937. (A notice will be published by HUD in the Federal Register identifying the benefits that qualify for this exclusion. Updates will be published and distributed when necessary.)

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

- a. The value of the allotment provided to an eligible household for coupons under the Food

- Stamp Act of 1977; **7 USC 2017 (h)**
- b. Payments to volunteers under the Domestic Volunteer Service Act of 1973; **42 USC 5044 (g), 5088**
Examples of programs under this Act include but are not limited to:
- the Retired Senior Volunteer Program (RSVP), Foster Grandparent Program (FGP), Senior Companion Program (SCP), and the Older American Committee Service Program;
 - National Volunteer Antipoverty Programs such as VISTA, Peace Corps, Service Learning Program, and Special Volunteer Programs;
 - Small Business Administration Programs such as the National Volunteer Program to Assist Small Business and Promote Volunteer Service to Persons with Business Experience, Service Corps of Retired Executives (SCORE), and Active Corps of Executives (ACE).
- c. Payments received under the Alaska Native Claims Settlement Act; **43 USC.1626 (a)**
- d. Income derived from certain sub marginal land of the United States that is held in trust for certain Indian tribes; **25 USC. 459e**
- e. Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program; **42 USC 8624 (f)**
- f. Payments received under programs funded in whole or in part under the Job Training Partnership Act; **29 USC 1552 (b)**
- g. Income derived from the disposition of funds of the Grand River Band of Ottawa Indians; **P. L. 94-540, 90 State 2503-04**
- h. The first \$2000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the Court of Claims **25 USC 1407-08**, or from funds held in trust for an Indian Tribe by the Secretary of Interior; and **25 USC 117b, 1407**
- i. Amounts of scholarships funded under Title IV of the Higher Education Act of 1965 including awards under the Federal work-study program or under the Bureau of Indian Affairs student assistance programs. 20 USC 1087
- Examples of Title IV programs include but are not limited to: Basic Educational Opportunity Grants (Pell Grants), Supplemental Opportunity Grants, State Student Incentive Grants, College Work Study, and Byrd Scholarships.
- j. Payments received from programs funded under Title V of the Older Americans Act of 1965: **42 USC 3056 (f)**
- Examples of programs under this act include but are not limited to: Senior Community Services Employment Program (CSEP), National Caucus Center on the Black Aged, National Urban League, Association National Pro Personas Mayores, National Council on Aging, American Association of Retired Persons, National Council on Senior Citizens, and Green Thumb.
- k. Payments received after January 1, 1989 from the Agent Orange Settlement Fund or any

other fund established in the In Re Agent Orange product liability litigation;

- l. Payments received under Maine Indian Claims Settlement Act of 1980; **P.L. 96-420,94 Stat. 1785**
- m. The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990; 42 USC 9858q
- n. Earned income tax credit refund payments received on or after January 1, 1991 **26 USC 32 (j)**
- o. Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation;
- p. Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990;
- q. Any allowance paid under the provisions of **38 U.S.C. 1805** to a child suffering from spina bifida who is the child of a Vietnam veteran;
- r. Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act; and
- s. Allowances, earnings, and payments to individuals participating in programs under the Workforce Investment Act of 1998.
- t. Exclusion of Tax Rebate from the IRS under Economic Stimulus Act
- u. Exclusion of Income earned under temporary employment with the Census Bureau;
- v. Kinship Guardian assistance payments and other guardianship care payments;

C. Anticipating Annual Income **24 CFR § 5.609(d)**

If it is not feasible to anticipate income for a 12-month period, the Authority may use the annualized income anticipated for a shorter period, subject to an Interim Adjustment at the end of the shorter period. (This method would be used for school bus drivers or classroom aides who are only paid for 9 months, or for tenants receiving unemployment compensation.)

D. Adjusted Income **24 CFR § 5.611**

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

For All Families

- 1. Child Care Expenses — A deduction of amounts anticipated to be paid by the family for the care of children under 13 years of age for the period for which Annual Income is computed, BUT ONLY when such care is necessary to enable a family member to be gainfully employed, to seek employment or to further his/her education. Amounts deducted must be unreimbursed

expenses and shall not exceed: (a) the amount of income earned by the family member released to work; or (b) an amount determined to be reasonable by MHA when the expense is incurred to permit education or to seek employment.

2. **Dependent Deduction** — An exemption of \$480 for each member of the family residing in the household (other than the head of household, or spouse, Live-in Aide, foster adult or foster child) who is under eighteen years of age or who is eighteen years of age or older and disabled, or a full-time student.
3. **Work-related Disability Expenses/Disability Assistance Allowance** — a deduction of unreimbursed amounts paid for attendant care or auxiliary apparatus expenses for family members with disabilities where such expenses are necessary to permit a family member(s), including the disabled member, to be employed. In no event may the amount of the deduction exceed the employment income earned by the family member(s) freed to work.

Equipment and auxiliary apparatus may include but are not limited to: wheelchairs, lifts, reading devices for the visually impaired, and equipment added to cars and vans to permit their use by the disabled family member. Also included would be the annualized cost differential between a car and the cost of a van required by the family member with disabilities.

- a. For non-elderly families and elderly or disabled families without medical expenses: the amount of the deduction equals the cost of all unreimbursed expenses for work-related disability expense less three percent of Annual Income, provided the amount so calculated does not exceed the employment income earned.
- b. For elderly or disabled families with medical expenses: the amount of the deduction equals the cost of all unreimbursed expenses for work-related disability expense less three percent of Annual Income (provided the amount so calculated does not exceed the employment income earned) PLUS medical expenses as defined below.

For elderly and disabled families only:

4. **Medical Expense Deduction** — A deduction of unreimbursed Medical Expenses, including insurance premiums, anticipated for the period for which Annual Income is computed. Medical expenses include but are not limited to: services of physicians and other health care professionals, services of health care facilities, health insurance premiums (including the cost of Medicare), prescription and non-prescription medicines, transportation to and from treatment, dental expenses, eyeglasses, hearing aids and batteries, attendant care (unrelated to employment of family members), and payments on accumulated medical bills. To be considered by MHA for the purpose of determining a deduction from income, the expenses claimed must be verifiable.
 - a. For elderly or disabled families without work-related disability expenses: The amount of the deduction shall equal total medical expenses less three percent of annual income.
 - b. For elderly or disabled families with both work-related disability expenses and medical expenses: the amount of the deduction is calculated as described in paragraph 3 (b) above.

4. Elderly/Disabled Household Exemption — an exemption of \$400 per household. See Definitions in the next section.

E. Computing Rent **24 CFR § 5.628**

1. Total Tenant Payment (TTP)

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

2. Total Tenant Payment is the higher of:

- a. 30% of adjusted monthly income; or
- b. 10% of monthly income;
but never less than the
- c. Minimum Rent of \$50.

3. Tenant rent

- a. Tenant rent is computed by subtracting the utility allowance for tenant supplied utilities (if applicable) from the Total Tenant Payment.
- b. In developments where the landlord pays all utility bills directly to the utility supplier, Tenant Rent equals Total Tenant Payment. **24 CFR § 5.634**

4. Rent to Landlord

- a. Rent to landlord is the greater of:
 - i. The Payment Standard less the landlord's Housing Assistance Payment; or.
 - ii. The Gross Rent less the landlord's Housing Assistance Payment

5. Minimum Rent

The Minimum Rent shall be \$50 per month.

6. Minimum rent hardship exemption

A hardship exemption shall be granted to residents who can document that they are unable to pay the \$50 because of a long-term hardship (over 90 days). Examples of situations under which residents would qualify for the hardship exemption to the minimum rent are limited to the following: **24 CFR § 5.630**

- a. The family has lost eligibility for or is applying for an eligibility determination for a Federal, State or local assistance program;
 - b. The family would be evicted as result of the imposition of the minimum rent requirements;
 - c. The income of the family has decreased because of changed circumstances, including loss of employment;
 - d. A death in the family has occurred;
7. Being exempted from paying minimum rent does not mean the family automatically pays nothing. Instead, the family is required to pay the greater of 30% of Adjusted Monthly Income or 10 percent of monthly income.

Section XXII. Definitions

Absorption	In portability, the point at which a receiving MHA stops billing the initial HA for assistance on behalf of a portability family.
Adjusted Family Income	<p>Adjusted Family Income is the income on which total tenant payment is to be based and means the Total Annual Income less the following allowances:</p> <p>A deduction of \$480 for each member of the family (other than head of household or spouse) who is:</p> <p>Seventeen (17) years of age or younger or</p> <p>Who is eighteen (18) years of age or older and a verified full-time student and/or</p> <p>Is disabled or handicapped according to this Section</p> <p>A deduction of dollar amounts anticipated to be paid for the care of children (including foster children) less than thirteen (13) years of age where care is necessary to enable a family member to be gainfully employed or to further his/her education. The dollar amount must be verified and reflected reasonable charges and cannot exceed the amount of income from employment (if employed)</p> <p>A deduction of \$400 for Elderly Family whose head, spouse or sole member is sixty-two (62) years of age or older and/or is handicapped or disabled according to this Section</p> <p>A deduction for any elderly family:</p> <p>That has no Handicapped Assistance Expense, an allowance for medical expenses equal to the amount by which the medical expense shall exceed three (3%) percent of Total Annual Family Income</p>

	<p>That has Handicapped Assistance Expenses greater than or equal to three (3%) percent of Total Annual Family Income, an Allowance for Handicapped Assistance computed in accordance with paragraph E of this Section, plus an allowance for medical expenses that is equal to the family's medical expenses.</p> <p>That has Handicapped Assistance Expenses that are less than three (3%) percent of Total Annual Family Income, an allowance for combined Handicapped Assistance Expense and medical expense that is equal to the amount by which the sum of these expenses exceeds three (3%) percent of Total Annual Family Income. Expenses used to compute the deduction cannot be compensated for nor covered by insurance.</p> <p>A deduction for any family that is not an elderly family but has a Handicapped or Disabled member other than the head of household or spouse, Handicapped Assistance Expense in excess of three (3%) percent of Total Annual Family Income, but this allowance may not exceed the employment received by family members who are eighteen (18) years of age or older as a result of the Assistance to the Handicapped or Disabled person.</p> <p>If the Total Annual Income, less the above allowances result in a rent that is less than the established minimum rent, the resident rent will be established at the MHA established minimum rent.</p>
Administrative Fee	Fee paid by HUD to the MHA for administration of the program and will include hard-to-house fees paid for moves by families with three (3) or more minors, and extra counseling money that may be authorized by HUD
Administrative Fee Reserve	(Formerly "Operating Reserve") Account established by MHA from excess administrative fee income. MHA administrative fees may only be used to cover costs incurred to perform MHA administrative responsibilities for the program in accordance with HUD regulations and requirements
Administrative Plan	The administrative plan describes MHA policies for administration of the tenant-based programs. This document is the administrative plan for the MHA
Admission	The effective date of the first HAP contract for a family (first day of initial lease term) in a tenant-based program. This is the point when the family becomes a participant in the program
Adult	An adult is a person who has reached his/her nineteenth (19 th) birthday or eighteen (18) years of age and married (not common law), who has been relieved of the disability of non-age by the juvenile court, or who has been convicted of a crime as an adult under any Federal, State or tribal law. Only person who are adults shall be eligible to enter into a lease agreement for occupancy
Amortization Payment	In a manufactured home space rental, the monthly debt service

	<p>payment by the family to amortize the purchase price of the manufactured home</p>
Annual Contributions Contract (ACC)	<p>A written contract between HUD and MHA. Under the contract, HUD agrees to provide funding for operation of the program and the MHA agrees to comply with HUD requirements for the program</p>
Annual Income	<p>Annual income means all amounts, monetary or not, which:</p> <ul style="list-style-type: none"> Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or Are anticipated to be received from a source outside the family during the 12-months period following admission or annual reexamination effective date; and <p>Which are not specifically excluded in paragraph (c) of this Section</p> <p>Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access</p> <p>Total Annual Family Income includes, but is not limited to, the following:</p> <ul style="list-style-type: none"> The full amount, before any payroll deduction, of wages and salaries, and overtime pay, including compensation for personal services (such as commissions, fees, tips and bonuses); Net income from the operation of a business or profession. (Expenditures for business expansion or amortization of capital indebtedness shall not be used as deductions in determining Net Income.) An allowance for depreciation of assets used in a business or profession may be deducted, based on straight-line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or other assets from the operation of a business or profession will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family. Interest, dividends and other net income of any kind from real or personal property. (For this purpose, expenditures for amortization of capital indebtedness and an allowance for depreciation of capital assets shall not be deducted to determine the net income from real or personal property). All allowance for depreciation is permitted only as authorized in Paragraph B of this section. Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has Net Family Assets in excess of \$5,000.00, Annual Income shall include the greater of the actual income derived from all Net Family Assets or a percentage of the value of such assets based on the current passbook savings rate as determined by HUD. <p>The full amount of periodic payments received from social security, annuities, insurance policies, retirement funds, pensions, disability or</p>

death benefit and other similar types of periodic receipts, including a lump sum payment for the delayed start of a periodic payment; (Excluding Lump Sum Supplemental Security Income (SSI) and Lump Sum Social Security Benefits (SSA)).

Payments in lieu of earnings, such as unemployment and disability compensation, social security benefits, workmen's compensation and severance pay, (see Paragraph 55-C in this section).

Welfare assistance: (i) Welfare assistance payments made under the Temporary Assistance for Needy Families (TANF) program are included in annual income only to the extent such payments: (A) qualify as assistance under the TANF program definition at 45 CFR 260.31; and (B) are not otherwise excluded under definition of income exclusions in this section. (ii) If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income shall consist of: (A) The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus (B) The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this paragraph shall be the amount resulting from one application of the percentage.

Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling. If the payments actually received are different than the determined amount, rent can be adjusted in accordance with Section III D of the dwelling lease.

All regular pay, special pay, and allowances of a member of the Armed Forces (except special pay for exposure to hostile fire).

If it is not feasible to anticipate a level of income over a 12-month period, the income anticipated for a shorter period may be annualized, subject to a redetermination at the end of the shorter period.

Participants that receive lump-sum payments that are included as income and fall in the categories listed above, (excluding Lump Sum Supplemental Security Income) (SSI) and Lump Sum Social Security Benefits (SS)), must report the income to the HCV Housing Specialist as soon as possible but no later than ten (10) calendar days after receipt of the funds and the applicable portion of the payment that is due as excess subsidy is due fourteen (14) days after the MHA notifies the family of the amount due.

	<p>Unreported Income: If a participant fails to report income the assistance will be terminated under the terms of the voucher. If the act is determined by the MHA to be intentional, the tenant will be obligated to pay the applicable portion of the subsidy for any and all unreported income. If the unreported income was unintentional by the participant the participant will be billed for the amount due the MHA and the amount will be payable within fourteen (14) days. If the payment cannot be made in one payment, the participant may request the MHA to approve a repayment schedule. Any repayment agreement must be in writing and signed by the participant and a MHA representative. MHA has the sole discretion as to whether or not to enter into a repayment agreement and shall consider circumstances such as fraud and/or mistake in making the decision.</p>
Applicant	A person or a family that has applied for admission to the program but is not yet a participant in the program
Area of Operation	The jurisdiction of MHA as described in applicable State law and MHA's Articles of Incorporation
Assets	Assets mean cash (including checking accounts), stocks, bonds, savings, equity in real property, or the cash value of life insurance policies. Assets do not include the value of personal property such as furniture, automobiles and household effects or the value of business assets. IMPORTANT: See the definition of Net Family Assets for assets used to compute annual income. (See 24 CFR 5.603 for definition of Net Family Assets)
Care Attendant	A person that regularly visits the unit of a MHA resident to provide supportive or medical services. Care attendants are not live-in aids, since they have their own place of residence (and if requested by MHA must demonstrate separate residence) and do not live in the public housing unit. Care attendants have no rights of tenancy.
Catastrophic Involuntary Displacement	Displacement that may be caused by fire or acts of nature
Child	A member of the family, other than the family head or spouse, who is under 18 years of age
Child Care Expenses	Amounts anticipated to be paid by the family for the care of children under 13 years of age during the period for which Annual Income is computed, but only where such care is necessary to enable a family member to actively seek employment (which shall be documented by the family to the satisfaction of the MHA), be gainfully employed or to further his or her education and only to the extent such amounts are not reimbursed. The amount deducted shall reflect reasonable charges for childcare and, in the case of childcare necessary to permit employment, the amount deducted shall not exceed the amount of income received from such employment. The reasonable amount of

	<p>charges is determined by the MHA, by conducting surveys of local childcare providers.</p> <p>If the Total Annual Income less the above allowances, result in a rent that is less than the established minimum rent, the tenant rent will be established at the MHA established minimum rent.</p>
Child Custody	<p>The applicant/participant must have primary custody of the child The applicant/participant must provide sufficient evidence that the child would reside with the HCV participant</p> <p>The same child cannot be claimed by more than one applicant</p>
Citizen	A citizen or national of the United States
Co-head of Household	A household where two persons are held responsible and accountable for the family and where each co-head contributed to the rent
Common Space	In shared housing: Space available for use by the assisted family and other occupants of the unit
Congregate Housing	Housing for elderly persons or persons with disabilities that meets the HQS for congregate housing
Contiguous Metropolitan Statistical Area (MSA)	In portability, a MSA that shares a common boundary with the MSA in which the jurisdiction of the initial MHA is located
Continuously Assisted	An applicant is continuously assisted under the 1937 Housing Act if the family is already receiving assistance under any 1937 Housing Act program when the family is admitted to the HCV program
Contract Authority	The maximum annual payment by HUD to MHA for a funding increment
Cooperative Housing (Mutual Housing)	Housing owned by a non-profit corporation or association and where a member of the corporation or association has the right to reside in a particular apartment and to participate in management of the housing
Covered Person	For the purposes of screening and terminating participation for criminal activity, a tenant, any member of the tenant's household, a guest, or another person under the tenant's control.
Dating Violence	<p>The term “dating violence” means violence committed by a person – who is or has been in a social relationship of a romantic or intimate nature with the victim; and</p> <p>where the existence of such a relationship shall be determined based on a consideration of the following factors:</p> <ul style="list-style-type: none"> the length of the relationship the type of relationship the frequency of interaction between the persons involved in the relationship.”
Dependent	A member of the household, other than head, spouse, sole member, foster child, or Live-in Aide, who is under 18 years of age, or 18 years of age or older and disabled, or a full-time student, and qualifies for a

	\$480 deduction when computing income-based rent. [24 CFR 5.603] An unborn child shall not be considered a dependent.
Disabled Family	A family whose head, spouse, or sole member is a person with disabilities. (Person with disabilities is defined later in this section.) The term includes two or more persons with disabilities living together, and one or more such persons living with one or more persons including live-in aides determined to be essential to the care and well-being of the person or persons with disabilities. A disabled family may include persons with disabilities who are elderly. [24 CFR 5.403]
Disabled Person	(See Handicapped Person)
Displaced Family	A person, or family, displaced by governmental action, or whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to Federal disaster relief laws.
Displaced Person	A person displaced by government action or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise recognized pursuant to Federal disaster relief laws. This definition is used for eligibility determinations only. It should not be confused with the former Federal preference for involuntary displacement. [(42 USC 1437a(b)(3)]
Divestiture Income	Imputed income from assets, including business assets, disposed of by applicant or resident in the last two years at less than fair market value. (See the definition of Net Family Assets [24 CFR 5.603] in this section.)
Domestic Violence	(As defined in Section 40002 of VAWA 1994) which states as follows: SEC 40002 (a)(6) – “Domestic Violence – The term “domestic violence” includes felony or misdemeanor crimes of violence committed by a current or former spouse of the victim, by a person with whom the victim shares a child in common, by a person who is cohabiting with or has cohabited with the victim as a spouse, by a person similarly situated to a spouse of a victim under the domestic or family violence laws of the jurisdiction receiving grant monies, or by any other person against an adult or youth victim who is protected from that person’s acts under the domestic or family violence laws or the jurisdiction.
Domicile	The legal residence of household head or spouse as determined in accordance with State and local law.
Drug	A controlled substance as defined in the Controlled Substances Act. [24 CFR 5.100]
Drug-related Criminal Activity	The illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell distribute or use the drug. [24 CFR 5.100]
Elderly Family	A family whose head or spouse (or sole member) is at least 62 years of age. It may include two or more elderly persons living together, and

	one or more such persons living with one or more persons, including live-in aides, determined to be essential to the care and well-being of the elderly person or persons. An elderly family may include elderly persons with disabilities and other family members who are not elderly. [24 CFR 5.403]
Elderly Person	A person who is at least 62 years of age. [42 USC 1437a(b)(3)]
Enterprise Income Verification (EIV)	A computerized Social Security Number matching system utilized to obtain income information.
Evidence Of Citizenship or Eligible Immigration Status	The documents that must be submitted to evidence citizenship or eligible immigration status.
Extremely Low Income Family	A Family whose Annual Income is equal to or less than 30% of Area Median Income, as published by HUD.
Fair Market Rent (FMR)	The rent, including the cost of utilities (except telephone), that would be required to be paid in the housing market area to obtain privately owned, existing, decent, safe and sanitary rental housing of modest (non-luxury) nature with suitable amenities. FMRs for existing housing are established by HUD for housing units of varying sizes (number of bedrooms), and are published in the Federal Register in accordance with 24 CFR, part 888.
Familial Status	A single pregnant woman and individuals in the process of obtaining custody of any individual who has not attained the age of 18 years are processed for occupancy the same as single persons. Individuals in the process of obtaining custody of any individual who has not attained the age of 18 years are only entitled to a one-bedroom unit. However, a single pregnant woman must be treated as a 2-person family to determine subsidy standard. Once custody is obtained, the family's subsidy standard will be re-determined and authorized to transfer as outlined in the Transfer Section if a larger unit is required.
Family	<p>Two or more persons (with or without children) regularly living together, related by blood, marriage, adoption, guardianship or operation of law who will live together in HCV housing; OR</p> <p>Two or more persons who are not so related, but are regularly living together, can verify shared income or resources that will live together in HCV housing.</p> <p>By definition, a family must contain a competent adult of at least 19 years of age or 18 years of age and married (not common law) to enter into a contract and capable of functioning as the head of the household. If an individual is 18 and qualifies under the definition of family by being married, the head of household and the spouse must be parties to the lease, if both are residing in the premises.</p>

	<p>The term family also includes the following terms defined in this Section:</p> <ul style="list-style-type: none"> Elderly family Near elderly family Disabled family Displaced person Single person Remaining member of a tenant family, A foster care arrangement, or a kinship care arrangement <p>Other persons, including members temporarily absent (e.g. a child temporarily placed in foster care or a student temporarily away at college), may be considered a part of the applicant family’s household if they are living or will live regularly with the family. [24 CFR § 5 and 960]</p> <p>Live-in Aides may also be considered part of the applicant family’s household. However, live-in aides are not family members and have no rights of tenancy or continued occupancy.</p> <p>Foster Care Arrangements include situations in which the family is caring for a foster adult, child, or children in their home who have been placed there by a public child placement agency, or a foster adult or adults placed in the home by a public adult placement agency. For purposes of continued occupancy: the term family also includes the remaining member of a resident family with the capacity to execute a lease.</p>
Family Self-Sufficiency (FSS) Program	The program established by an MHA to promote self-sufficiency of assisted families, including the provision of supportive services (42 U. S. C. 1437u). Reference 24 CFR, part 984.
Family Share	The portion of rent and utilities paid by the family.
Family Unit Size	The appropriate number of bedrooms for a family. Family unit size is determined by the MHA under the MHA subsidy standards.
Foster Children	<p>With the prior written consent of the Landlord, a foster child may reside on the premises. The factors considered by the Landlord in determining whether or not consent is granted may include:</p> <ul style="list-style-type: none"> Whether the addition of a new occupant may require a transfer of the family to another unit, and whether such units are available. The Landlord's obligation to make reasonable accommodation for Handicapped persons.
Full -Time Student	A member of a family (other than the head of household or spouse) who is carrying a subject load that is considered full-time for day students under the standards and practices of the educational institution attended. Educational institution shall include but not be limited to: college, university, secondary school, vocational school, or

	trade school [24 CFR 5.603]. The attended educational institution will supply verification.
Funding Increment	Each commitment of budget authority by HUD to an MHA under the consolidated ACC for the MHA program.
Gross Rent	The sum of the rent to owner plus any utility allowance.
Group Home	A dwelling unit that is licensed by a State as a group home for the exclusive residential use of two to twelve persons who are elderly or persons with disabilities (including any live-aid).
Guest	A guest is a person temporarily staying in the unit with the consent of a tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant. The requirements of the lease apply to a guest as so defined.
Handicapped Assistance Expense	Reasonable expenses that are anticipated, during the period for which Total Annual Family Income is computed, for attendant care and auxiliary apparatus for a Handicapped or Disabled family member and that are necessary to enable a family member (including the Handicapped or Disabled member) to be employed, provided that the expenses are neither paid to a member of the family nor reimbursed by an outside source.
Handicapped Person And/or Disabled Person	<p>A person having a physical or mental impairment which: Is expected to be of long-continued and indefinite duration, Substantially impedes his/her ability to live independently, and Is of such a nature that such disability could be improved by more suitable housing conditions.</p> <p>All three conditions must be met to qualify as Handicapped. A person who is under a disability as defined in Section 223 of the Social Security Act (42 U.S.C. 423) or in Section 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 USC 6001(7)), or is Handicapped as defined below: Section 223 of the Social Security Act defines disability as: "Inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve (12) months; or In the case of any individual who has attained the age of fifty-five (55) and is blind (within the meaning of "blindness" as defined in Section 416(l) 1 of this title), inability by reason of such blindness to engage in substantial gainful activity requiring skills or abilities comparable to those of any gainful activity in which he has previously engaged with some regularity and over a substantial period of time." Section 102(5), of the Development Disabilities Services and Facilities Construction Amendments of 1970 defines disability as:</p>

	<p>"A disability attributable to mental retardation, cerebral palsy, epilepsy or another neurological condition of an individual found by the Secretary of Health and Human Resources to be closely related to mental retardation or to require treatment similar to that required for mentally retarded individuals, which disability originates before such individual attains age eighteen (18), which has continued or can be expected to continue indefinitely, and which constitutes a substantial Handicap to such individual."</p> <p>No individual shall be considered to be a person with a disability for purposes of eligibility for low-income housing solely on the basis of any drug or alcohol dependency.</p>
Hazardous Duty Pay	Pay to a family member in the Armed Forces away from home and exposed to hostile fire.
Head Of Household	The adult member of the family (identified by the family) who is the head of the household for purposes of determining income eligibility and rent. Also, the head of household is primarily responsible and accountable for the family, particularly in regard to family obligations.
Homeless Family	<p>Any individual or family who:</p> <p>Lacks a fixed, regular, and adequate nighttime residence;</p> <p>Has a primary nighttime residence that is:</p> <p>A supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing or housing for the mentally ill);</p> <p>An institution that provides a temporary residence for individuals intended to be institutionalized; or</p> <p>A public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.</p> <p>A homeless family does not include:</p> <p>Any individual imprisoned or otherwise detained pursuant to an Act of the Congress or a State Law; or</p> <p>Any individual who is a Single Room Occupant that is not considered substandard housing.</p>
Household	The family and a MHA-approved Live-in Aide.
Housing Agency	Housing Agency (Public Housing Agency (MHA), MHA and MHA are the same thing) A State, county, municipality or other governmental entity or public body (or agency or instrumentality thereof) authorized to engage in or assist in the development or operation of low-income housing.
Housing Assistance Payment (HAP)	<p>The monthly assistance payment made by the MHA. The total assistance payment consists of:</p> <p>A payment to the owner for rent under the family's lease.</p> <p>An additional payment to the family if the total assistance payment exceeds the rent to owner. The additional payment is called a "utility</p>

	<p>reimbursement.”</p> <p>The MHA may elect to pay the appropriate amount directly to the utility provider.</p>
Housing Assistance Payment Contract	A written contract between an MHA and an owner, in the form prescribed by HUD, in which the MHA agrees to make housing assistance payments to the owner on behalf of an eligible family.
Housing Quality Standards (HQS)	The HUD minimum quality standards for housing assistance under the tenant-based programs.
HUD - Housing and Urban Development	The U. S. Department of Housing and Urban Development.
HUD Requirements	HUD requirements for the HCV program. HUD requirements are issued by HUD headquarters, as regulations, Federal Register notices or other binding program directives.
Immediate Family Member	“Means, with respect to a person – a spouse, parent , brother, sister, or child of that person, or an individual to whom that person stands loco parentis; or any other person living in the household of that person and related to that person by blood or marriage.”
Income Exclusions	<p>Annual Income does not include such temporary, non-recurring or sporadic income as the following:</p> <p>Income from employment of children (including foster children) under the age of eighteen (18).</p> <p>Payment received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone).</p> <p>Lump-sum additions to family assets, such as, inheritances, insurance payments, (including payments under health and accident insurance and workmen's compensation), capital gains, and settlements for personal or property losses (except payment in lieu of earnings).</p> <p>Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member.</p> <p>Income of a live-in aide (as defined in this policy).</p> <p>The full amount of student financial assistance paid directly to the student or to the educational institution.</p> <p>The special pay to a family member serving in the armed forces who is exposed to hostile fire.</p> <p>Amounts received under training programs funded by HUD.</p> <p>Amounts received by a disabled person 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).</p>

Amounts received by a participant in other publicly assisted programs which is specifically for, or in reimbursement of, out-of-pocket expenses incurred (special equipment, clothing, transportation, childcare, etc.) and which are made solely to allow participation in a specific program.

Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for the MHA, on a part-time basis, that enhances the quality of life in public housing. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, and resident initiatives coordination. No Resident may receive more than one such stipend during the same period of time.

Incremental earnings and benefits resulting to any family member from participation in State or local employment training programs (including training programs not affiliated with a local government) in training of a family member as resident Management staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment-training program.

Temporary, nonrecurring, or sporadic income (including gifts).

Reparation payments paid by a foreign government pursuant to claims under the laws of that government by persons who were persecuted during the Nazi era.

Earning 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.

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 costs of services and equipment to help keep the developmentally disabled family member at home.

The value of the allotment provided to an eligible household under the Food Stamp Act of 1977.

Payments to volunteers in programs pursuant to the Domestic Volunteers Service Act of 1973.

Payments received under the Alaska Native Claims Settlement Act.

Income derived from certain sub-marginal land of the United States that is held in trust for certain Indian tribes.

Payments or allowances made under the Department of Health and

Human Services Low-Income Home Energy Assistance Program.

Payments received under programs funded in whole or in part under the Job Training Partnership Act. Effective July 1, 2000, references to Job Training Partnership Act shall be deemed to refer to the corresponding provision of the Work Force Investment Act of 1998.

Income derived from the disposition of funds to the Grand River band of Ottawa Indians.

The first \$2,000.00 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U.S. Claims Court, the interest of individual Indians in trust or restricted lands, including the first \$2,000.00 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands.

Amounts of scholarships funded under Title IV of the Higher Education Act of 1965, including awards under federal work-study programs or under Bureau of Indian Affairs Student Assistance Programs.

Payments received from Programs funded under Title V of The Older Americans Act of 1985.

Payments received on or after January 1, 1989, from the Agent Orange settlement fund or any other fund established pursuant to the settlement. In Re: Agent-Product Liability Litigation M.D.L. No. 381 (EDNY)

Payments received under the Maine Indian Claims Settlement Act of 1980.

The value of any childcare provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990.

Earned Income Tax Credit (EITC) refund payments received on or after January 1, 1991.

Payments by the Indian Claims Commission to the confederated tribes and bands of the Yakima Indian Nation or the Apache Tribe of Mescalero Reservation.

Allowances, earnings, and payments to AmeriCorps participants under the National and Community Service Act of 1990.

Any allowance paid under the provisions of 38 USC 1805 to a child suffering from Spina bifida who is the child of a Vietnam Veteran.

Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the costs of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act.

Allowances, earnings, and payments to individuals participating in programs under the Work Force Investment Act of 1998.

Relocation payments made pursuant to Title II of the Uniform

Relocation Assistance and Real Property Acquisition Policies Act of 1970.

Twelve Month Exclusions (Self-sufficiency incentives)**(Disabled Families Only):**

The earnings and benefits to any resident resulting from the participation in a program providing employment training and supportive services in accordance with the Family Support Act of 1988, section 22 of the U.S. Housing Act of 1937, and the Quality Housing and Work Responsibility Act of 1998 (referred to as the 1998 Act) or any comparable Federal, State, or local law during the exclusion period. For purposes of this paragraph, the following definitions apply:

- a. Comparable Federal, State or Local Law means a program providing employment training and supportive services that:
 - i. Are authorized by a federal, state or local law;
 - ii. Are funded by federal, state or local government;
 - iii. Are operated or administered by a public agency;
 - iv. Has as its objective to assist participants in acquiring job skills; and/or
 - v. If applicable, is a participant in the MHA Family Self-Sufficiency Program.
- b. Exclusion period means the period during which the resident participates in a program described in this section, plus 12 months from the date the resident begins the first job acquired by the resident after completion of such program that is not funded by public housing assistance under the U.S. Housing Act of 1937 and the 1998 Act. Amount previously being received, including TANF, will continue to be counted as annual income.
- c. Earnings and benefits mean the incremental earnings and benefits resulting from a qualifying employment-training program or subsequent job.

In addition to the training exclusion listed above, the 1998 Act excludes the income for 12 months of a family member who was previously unemployed for one or more years, which is defined as a minimum of 12 consecutive months. This includes a person who has earned income during the previous 12 months but the income was no more than 10 hours of work per week for 50 weeks at or below the established minimum wage. The 1998 Act also excludes the income for 12 months for any resident who received assistance under the Temporary Assistance for Needy Families (TANF) program in the last six (6) months. The TANF funding received must be a minimum of \$500 over a six-month period. A representative from the TANF agency must verify that the resident is or was receiving TANF benefits within the last six months. The six month period will start on the day the resident reports the income to the MHA. Also, the 1998 Act excludes for 12 months the income resulting in the participation of a family member in the

	<p>MHA Family Self-Sufficiency Program, if applicable to the MHA.</p> <p>Phase-in-of Rent Increases: Upon the expiration of the 12-month exclusion period as described in this section, the rent payable by a family may be increased due to continued employment of the resident but the increase will be limited to 50% of the increase in the total rent increase. The increase will be effective on the first day of the thirteenth month and expire on the twenty-fourth month. After the conclusion of the twenty-four month period, the applicable rent calculated without exclusions, as described in this section, and in accordance with federal regulations will be due and payable on the first of the twenty-fifth month. Total income will include income counted in the previous twelve months plus 50% of the increase.</p> <p>Maximum four-year disallowance. The disallowance of increased income of an individual family member as provided above is limited to a lifetime 48-month period. It only applies for a maximum of 24 months as described above during the 48 period starting from the initial exclusion period.</p> <p>Inapplicability to admission. The disallowance of increases in income as a result of employment under this section does not apply for purposes of admission to the program.</p> <p>a. If a person is employed prior to admission they will not qualify for this income exclusion.</p> <p>b. If a family member begins employment after admission they may be eligible for income exclusion.</p>
Infant	A child under the age of two years.
Initial Contract Rent	In the certificate program, the contract rent at the beginning of the initial lease term.
Initial MHA	<p>ability, the term refers to both:</p> <p>An MHA that originally selected a family that subsequently decides to move out of the jurisdiction of the selecting MHA.</p> <p>An MHA that absorbed a family that subsequently decides to move out of the jurisdiction of the absorbing MHA.</p>
Initial Lease Term	The initial term of the assisted lease. The initial lease term must be for at least one year.
Initial Payment Standard	The payment standard at the beginning of the MHAP contract term.
Initial Rent to Owner	The rent to owner at the beginning of the initial lease term.
INS	The U. S. Immigration and Naturalization Service.
Interim Redetermination of Rent	Changes of rent between admissions and reexaminations and the next succeeding reexamination.
Involuntary Displacement	Families that meet the definition of involuntary displaced qualify for a preference in the selecting applicants for admission to public housing.
Jurisdiction	The area in which MHA has authority under State and local law to

	administer the program.
Lease	A written agreement between an owner and a tenant for the leasing of a dwelling unit to the tenant. The lease establishes the conditions for occupancy of the dwelling unit by a family with housing assistance payments under a HAP contract between the owner and the MHA. In cooperative housing, a written agreement between a cooperative and a member of the cooperative. The agreement established the conditions for occupancy of the member's cooperative dwelling unit by the member's family with housing assistance payments to the cooperative under a HAP contract between the cooperative and the MHA. For purposes of part 982, the cooperative is the HCV "owner" of the unit, and the cooperative member is the HCV "tenant."
Lease Addendum	In the lease between the tenant and the owner, the lease language required by HUD.
Live-in Aide	<p>A person who resides with an elderly person(s), near elderly person(s) or person(s) with disabilities and who:</p> <ul style="list-style-type: none"> is determined by MHA to be essential to the care and well-being of the person(s); is not obligated to support the family member; and would not be living in the unit except to provide the necessary supportive services [24 CFR 5.403]. MHA policy on Live-in Aides stipulates that: <p>Before a Live-in Aide may be moved into a unit, a third-party verification must be supplied that establishes the need for such care and the fact that the live-in aide is qualified to provide such care;</p> <p>Move-in of a Live-in Aide must not result in overcrowding of the existing unit according to the maximum-number-of-persons-per-unit standard (although, a reasonable accommodation for a resident with a disability may be to move the family to a larger unit);</p> <p>Live-in Aides have no right to the unit as a remaining member of a resident family;</p> <p>Relatives who satisfy the definitions and stipulations above may qualify as Live-in Aides, but only if they sign a statement prior to moving in relinquishing all rights to the unit as the remaining member of a resident family;</p> <p>A Live-in Aide will be required to meet MHA's screening requirements with respect to past behavior especially:</p> <ul style="list-style-type: none"> A record of disturbance of neighbors, destruction of property, or living or housekeeping habits at present or prior residences that may adversely affect the health, safety, or welfare of other tenants or neighbors; Criminal activity such as crimes of physical violence to persons or property and other criminal acts including drug-related criminal activity that would adversely affect the health, safety, or welfare of other residents or staff or cause damage to the unit or the development; and

	A record of eviction from housing or termination from residential programs.
Low-Income Household	A family whose annual income does not exceed 80 percent of the median income for the area as determined by HUD with adjustments for smaller and larger families [42 USC 1437a(b0)]
Manufactured Homes	A Manufactured structure that is built on a permanent chassis that is designed for use as a principal place of residence, and meets the HQS.
Manufactured Home Space	In manufactured home space rental: a space leased by an owner to a family. A manufactured home owned and occupied by the family is located on the space.
Medical Expense	Those necessary medical expenses, including medical insurance premiums, that are anticipated during the period for which Annual Income is computed, and that are not covered by insurance. Medical expenses, in excess of three percent (3%) of Annual Income, are deductible from income by elderly families only [24 CFR 5.603].
Military Service	Military Service means the active military service of the United States, which includes the Army, Navy, Air Force, Marine Corps, Coast Guard, and, since July 29, 1945, the commissioned corps of the United States Public Health Service.
Minimum Rent	MHA has the discretion to establish the minimum rent from \$0 up to \$50.
Minimum Rent Hardship Exemptions	<p>The MHA shall immediately grant an exemption from application of the minimum monthly rent to any family making a proper request in writing who is unable to pay because of financial Hardship, which shall include:</p> <p>The family has lost eligibility for, or is awaiting an edibility determination for a federal, state, or local assistance program, including a family that includes a member who is an alien lawfully admitted for permanent residence under the immigration and nationalization act who would be entitled to public benefits but for Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.</p> <p>The family would be evicted as a result of the implementation of the minimum rent.</p> <p>The income of the family has decreased because of changed circumstance, including loss of employment.</p> <p>A death in the family has occurred which affects the family circumstances.</p> <p>Other circumstances which may be decided by the MHA on a case-by-case basis.</p> <p>All of the above must be proven by the Resident providing verifiable information in writing to the MHA prior to the rent becoming delinquent and before the lease is terminated by the MHA.</p>

	<p>If a resident requests a Hardship exemption (prior to the rent being delinquent) under this section, and the MHA reasonably determines the Hardship to be of a temporary nature, exemption shall not be granted during a ninety day period beginning upon the making of the request for the exemption. A resident may not be evicted during the ninety-day period for non-payment of rent. In such a case, if the resident thereafter demonstrates that the financial Hardship is of a long-term basis, the MHA shall retroactively exempt the resident from the applicability of the minimum rent requirement for such ninety day period. This Paragraph does not prohibit the MHA from taking eviction action for other violations of the lease.</p>
Minor	<p>A "minor" is a person under nineteen years of age. Provided, that a married person 18 years of age or older shall be considered to be of the age of majority. (An unborn child may not be counted as a minor.) Some minors are permitted to execute contracts, provided a court declares them "emancipated."</p>
Mixed Family	<p>A family whose members include those with citizenship or eligible immigration status, and those without citizenship or eligible immigration status.</p>
Monthly Adjusted Income	<p>One-twelfth of Adjusted Annual Income.</p>
Monthly Income	<p>One twelfth of Annual Income.</p>
Mutual Housing	<p>See definition of "cooperative housing."</p>
Multifamily Housing Project	<p>For purposes of Section 504, means a project containing five or more dwelling units. [24 CFR 8.3]</p>
National	<p>A person who owes permanent allegiance to the united States, for example, as a result of birth in a United States territory or possession.</p>
Net Family Assets	<p>The net cash value, after deducting reasonable costs that would be incurred in disposing of: [24 CFR 5.603]</p> <ul style="list-style-type: none"> Real property (land, houses, mobile homes) Savings (CDs, IRA or KEOGH accounts, checking and savings accounts, precious metals) Cash value of whole life insurance policies Stocks and bonds (mutual funds, corporate bonds, savings bonds) Other forms of capital investments (business equipment) <p>Net cash value is determined by subtracting the reasonable costs likely to be incurred in selling or disposing of an asset from the market value of the asset. Examples of such costs are brokerage or legal fees, settlement costs for real property, or penalties for withdrawing saving funds before maturity. Net Family assets also include the amount in excess of any consideration received for assets disposed of by an applicant or resident for less than fair market value during the two</p>

	years preceding the date of the initial certification or reexamination. This does not apply to assets transferred as the result of a foreclosure or bankruptcy sale. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be less than fair market value if the applicant or resident receives important considerations not measurable in dollar terms [24 CFR 5.603(b)(3)].
Non-citizen	A person who is neither a citizen nor national of the United States.
Notice of Funds Availability (NOFA)	For budget authority that HUD distributes by competitive process, the federal register document that invites applications for funding. The document explains how to apply for assistance and the criteria for awarding the funding.
Other Person Under the Tenant's Control	The person although not staying as a guest in the unit is or was at the time of the activity in question, on the premises because of an invitation from the tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant. Absent evidence to the contrary, a person temporarily and infrequently on the premises solely for legitimate commercial purposes is not under the tenant's control (e.g. the Pizza Delivery person)
Owner	Any person or entity with the legal right to lease or sublease a unit to a participant.
Participant	A family that has been admitted to the MHA program, and is currently assisted in the program. The family becomes a participant on the effective date of the first MHAP contract executed by the MHA for the family.
Payment Standard	The maximum subsidy payment for a family (before deducting the family contribution). The MHA sets a payment standard in the range from 90 percent to 110 percent of the current FMR.
Person with Disabilities [42 USC 1437a(b)(3)]	Means a person who: Has a disability as defined in Section 223 of the Social Security Act (42 USC 423); or, Has a physical, mental or emotional impairment that: Is expected to be of long continued and indefinite duration; Substantially impedes his/her ability to live independently; and, Is of such nature that such disability could be improved by more suitable housing conditions; or, Has a developmental disability as defined in Section 102 (5) (b) of the Developmental Disabilities Assistance and Bill of Rights Act [42 USC 6001 (5)]. A person with disabilities may be a child.
Portability	Renting a dwelling unit with HCV tenant-based assistance outside the jurisdiction of the initial MHA.
Preference	At the option of the MHA, a preference system can be used to select

	among applicant families.
Premises	The building or complex in which the dwelling unit is located, including common areas and grounds.
Private Space	In shared housing: The portion of a contract unit that is for the exclusive use of an assisted family.
Program	The tenant-based housing voucher program.
Project Based	Rental assistance that is attached to the structure.
Public Housing Agency (MHA)	Any State, County, Municipality or other government entity or public body (or agency or instrumentality thereof) that is authorized to engage in or assist in the development of operation of housing for lower income families.
Reasonable Rent	to owner that is not more than either: Rent charged for comparable units in the private unassisted market; or Rent charged by the owner for a comparable unassisted unit in the building or premises.
Receiving MHA	In portability, an MHA that receives a family selected for participation in the tenant-based program of another MHA. The receiving MHA issues a certificate or voucher, and provides program assistance to the family.
Reexamination	Reexamination is sometimes called recertification. The process of securing documentation, which indicates that tenants meet the eligibility requirements for, continued occupancy.
Re-Examination Date	The date on which any rent change is effective or would be effective if required as a result of the annual reexamination of eligibility and rent. The reexamination date(s) is the anniversary date (month) of the lease.
Remaining Member Of The Resident Family	The person(s) of legal age remaining in the leased unit after the person(s) who signed the lease has (Have) left the premises, other than by eviction, which may or may not normally qualify for assistance on their own circumstances. An individual must occupy the unit to which he claims head of household status for one year before becoming eligible for subsidized housing as a remaining family member. This person must complete forms necessary for housing within ten days from the departure of the leaseholder and may retain assistance for a reasonable time pending the verification and hearing process. This person must, upon satisfactory completion of the verification process, then execute a new lease and cure any monetary obligations in order to remain on the program. Any person who claims him or herself as a remaining member shall, in the event that the MHA declares him or her ineligible for remaining member status, be entitled to the hearing process upon notice to him or her that he or she is not considered to be a remaining member of the household. The person requesting remaining member status must request this hearing in writing within ten days from the date of the departure of the head of household. The

	MHA does not recognize the person as a participant by giving him or her opportunity for a hearing. A remaining member shall not be considered to be a participant until such time as a new lease is executed by the MHA and the person granted tenant status after the verification status.
Rent to Owner	The total monthly rent payable to the owner under the lease for the unit. Rent to Owner covers payment for any housing services, maintenance and utilities that the owner is required to provide and pay for.
Set-Up Charges	In a manufactured home space rental: charges payable by the family for assembling, skirting, and anchoring the manufactured home.
Shared Housing	A unit occupied by two or more families. The unit consists of both common space for shared use by the occupants of the unit and separate private space for each assisted family.
Single Person	A person who lives alone or intends to live alone, and who does not qualify as an elderly family or a displaced person, or as the remaining member of a tenant family.
Single Room Occupancy	Single Room Occupancy (SRO) Housing is a unit which does not contain sanitary facilities or food preparation facilities, or which contains one but not both types of facilities, and is suitable for occupancy by an eligible individual who is capable of independent living. using is not substandard solely because it does not contain sanitary facilities or food preparation facilities, or both.
Special Admission	Admission of an applicant that is not on the MHA waiting list, or without considering the applicant’s waiting list position.
Spouse	Spouse means the husband, wife of the head of household. It includes the partner in a common law marriage and same sex partners who reside in the same household. The term spouse does not include boyfriends, girlfriends, significant others or co-heads of households.
Stalking	“Means- (i) to follow, pursue, or repeatedly commit acts with the intent to kill, injure, harass, or intimidate another person; and (ii) to place under surveillance with the intent to kill, injure, harass or intimidate another person; and in the course of, or as a result of, such following, pursuit, surveillance or repeatedly committed acts, to place a person in reasonable fear of the death of , or serious bodily injury to, or to cause substantial emotional harm to – that person; a member of the immediate family of that person; or the spouse or intimate partner of that person;...”
Standard Permanent Replacement Housing	Is housing: That is decent, safe, and sanitary;

	<p>That is adequate for the family size; and That the family is occupying pursuant to a lease or occupancy agreement.</p> <p>Such housing does not include transient facilities, such as motels, hotels, or temporary shelters for victims of domestic violence or homeless families, and in the case of domestic violence, does not include the housing unit in which the applicant and the applicant's spouse or other member of the household who engages in such violence live.</p> <p>A "homeless family" does not include any individual imprisoned or otherwise detained pursuant to an Act of the Congress or a State law.</p>
Subsidy Standards	Standards established by an MHA to determine the appropriate number of bedrooms and amount of subsidy for families of different sizes and composition.
Substandard Housing	<p>A unit is substandard if it:</p> <ul style="list-style-type: none"> Is dilapidated; Does not have operable indoor plumbing; Does not have a usable flush toilet inside the unit for the exclusive use of a family; Does not Have a usable bathtub or shower inside the unit for the exclusive use of a family; Does not Have electricity, or has inadequate or unsafe electrical service; Does not have a safe or adequate source of heat; should, but does not, have a kitchen; or has been declared unfit for habitation by an agency or unit of government. <p>A housing unit is dilapidated if it does not provide safe and adequate shelter, and in its present condition endangers the health, safety, or well-being of a family, or it has one or more critical defects, or a combination of intermediate defects in sufficient number or extent to require considerable repair or rebuilding. The defects may involve original construction, or they may result from continued neglect or lack of repair or from serious damage to the structure.</p> <p>An applicant who is a "homeless family" is living in substandard housing.</p> <p>For purposes of the preceding sentence, a "homeless family" includes any individual or family who:</p> <ul style="list-style-type: none"> Lacks a fixed, regular, and adequate nighttime residence; and Has a primary nighttime residence that is: <p>A supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels,</p>

	<p>congregate shelters, and transitional housing programs); An institution that provides a temporary residence for individuals intended to be institutionalized; or A public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.</p>
Suspension	Stopping the clock on the term of a family's certificate or voucher on the date that the MHA receives the request for lease approval by the family.
Temporarily Absent Family Members	Any person(s) on the lease that is not living in the household for a period of more than thirty-days (30) is considered temporarily absent. Absences of more than six months are not generally considered to be temporary and must be approved by the MHA.
Tenant Rent	The amount payable monthly by the Family as rent to the landlord. Where all utilities (gas, water, and electricity) are supplied by the landlord, Tenant Rent equals Total Tenant Payment or minimum rent. Where some or all utilities (gas, water and electricity) are not supplied by the MHA and the cost thereof is not included in the amount paid as rent, Tenant Rent equals Total Tenant Payment or minimum rent less the utility allowance. Telephone and cable television service is not a utility.
Total Tenant Payment (TTP)	<p>The TTP, or income-based rent, is calculated using the following formula: For the Public Housing Program, the TTP must be the greater of: 30 percent of family monthly adjusted income (see note); 10 percent of family monthly income; or Which is the minimum rent set by the MHA</p> <p>If the Resident pays any of the utilities directly to the utility supplier, the amount of the Utility Allowance is deducted from the TTP. [24 CFR 5.613] See the definition for Tenant Rent. It is possible for HCV participants to qualify for a utility reimbursement despite the requirement of a minimum rent. For example, if a participant family's TTP is the minimum rent of \$25 and the utility allowance for the size and type unit the family has selected is \$60, the family would receive a utility reimbursement of \$35 (\$60 less \$25) for tenant purchased utilities.</p>
Utilities	Utilities means water, electricity, gas, other heating, refrigeration and cooking fuels, trash collection, and sewerage services. Telephone service is not included as a utility.
Utility Allowance	If the cost of utilities (except telephone and cable) and other housing services for an assisted unit is not included in the rent, but is the responsibility of the family occupying the unit, then the utility allowance is an amount equal to the estimate made or approved by the MHA or HUD of the monthly cost of a reasonable consumption of such

	utilities and other services for the unit by an energy-conservative household of modest circumstances consistent with the requirements of a safe, sanitary and healthful living environment. If the family pays directly for one or more utilities or services, the amount of the allowance is deducted from the gross rent in determining the contract rent and is included in the gross family contribution.
Utility Reimbursement Payment (URP)	Utility Reimbursement Payment is the amount, if any, by which the Utility Allowance for the unit, if applicable, exceeds the Total Tenant Payment for the family occupying the unit. At the discretion of the MHA, the check may be made payable jointly to the resident and utility provider or directly to the utility provider.
Very Low-Income Family	A lower Income Family means a family whose annual income does not exceed 50 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD may establish income limits higher or lower than 50 percent of the median income for the area on the basis of its finding that such variations are necessary because of unusually high or low family incomes [42 USC 1437a(b)].
Violent Criminal Activity	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.
Voucher	A document issued by an MHA to a family selected for to the housing voucher program. The voucher describes the program and the procedures for MHA approval of a unit selected by the family. The voucher also states the obligation of the family under the program.
Voucher Holder	A family holding a voucher with unexpired search time.
Wage Earner	A person in a gainful activity who receives any wages. Said wages or pay covers all types of employee compensation including salaries, vacation allowances, tips, bonuses, commissions, and unemployment compensation. The terms "Wage Earner" and "Worker" are used interchangeably.
Waiting List Admission	An admission from the MHA waiting list.
Welfare Assistance	Welfare or other payments to families or individuals, based on need, that are made under programs funded, separately or jointly, by Federal, State or local governments.



Family Self-Sufficiency

Action Plan

Administrative Plan Addendum

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I. Introduction

The National Affordable Housing Act of 1990 (NAHA) provided for the establishment of Family Self-Sufficiency (FSS) Programs by Public Housing Authorities (PHAs). These programs became mandatory after FY 1992 when PHAs were required to establish a program with the same number of participants as the PHA's incremental allocations of Public Housing units and Housing Choice Vouchers (HCV).

The Quality Housing and Work Responsibility Act (QHWRA) of 1998 relieved PHAs of having mandatory Family Self-Sufficiency Programs. The required size of the program is decreased for each Family that fulfills (completes) its obligations under the contract of participation. The FSS Program will continue to be administered according to 24 CFR Part 984, HUD guidelines and Montgomery Housing Authority (MHA) policies. At the revision date of this Action Plan, MHA's Family Self-Sufficiency Program is a voluntary program.

The goal of the FSS Program continues to be the provision of services and resources to the participating Families of MHA, which will enable them to become self-sufficient within five years. Family participation in the FSS Program is voluntary; all mandatory slots were filled as of 2009.

This Action Plan describes MHA's policy for administration of the FSS Program. The current PCC will receive the revised plan upon approval of the revisions by the MHA Board of Commissioners.

The Program will be administered according to MHA's policies and procedures. MHA will comply with all Federal, State, and local Fair Housing Regulations in the administration of the FSS Program. Definitions of terms used in this Policy are cited in Section II, Definition of Terms.

The Housing Authority of the City of Montgomery, AL will not discriminate because of race, color, religion, national origin, sex, handicap, Familial status or age (except for eligibility requirements).

II. Definition of Terms

A. Certification means a written assertion based on supporting evidence, provided by the FSS Family or the PHA.

B. Contract of Participation (COP) means a contract in a form approved by HUD, entered into between a participating Family and a PHA operating an FSS program that sets forth the terms and conditions governing participation. The COP includes all Individual Training and Service Plan (ITSPs) entered into between the PHA and all members of the Family who will participate in the FSS program, and which plans are attached to the COP as exhibits.

- C. Earned Income means income or earnings included in annual income from wages, tips, salaries, other employee compensation, and self-employment. Earned income does not include any pension or annuity, transfer payments, any case or in-kind benefits, or funds deposited in or accrued interest on the FSS escrow account established by a PHA on behalf of a participating Family.
- D. Effective Date of Contract of Participation means the first day of the month following the month in which the FSS Family and the PHA entered into the COP.
- E. Eligible Family means: 1) for the public housing FSS program, current residents of public housing. Eligible families also include current resides of public housing who are participant in local public housing self-sufficiency program: 2) for Section 8 FSS program, current Section 8 rental certificate or rental voucher program participants, including participants in the Project Self-Sufficiency or Operation Bootstrap or other local self-sufficiency programs.
- F. Enrollment means the date the FSS family entered into the contract of participation with the PHA.
- G. Family Self-Sufficiency (FSS) Program means the program established by a PHA within its jurisdiction to promote self-sufficiency among participating Families, including the provision of supportive services to these Families, as authorized by Section 23 of the 1937 Act.
- H. FSS Account means the FSS escrow account authorized by Section 23 of the 1037 Act, and as provided by § 984.305.
- I. FSS Credit means the amount credited by the PHA to the participating family’s FSS account.
- J. FSS Family or Participating Family means a Family that resides in public housing or receives assistance under the rental certificate or rental voucher programs, and that elects to participate in the FSS program, and whose designated head of the Family has signed the COP. FSS Related Service Program means any program, publicly or privately sponsored, that offers the kinds of supportive services described in the definition of “supportive services”.
- K. FSS Related Services Program means any program, publicly or privately sponsored, that offers the kinds of supportive services described in the definition of “supportive services”.
- L. Head of the FSS family means the adult member of the FSS family who is the Head of

Household for purposes of determining income eligibility and rent.

- M. Individual Training and Service Plan (ITSP) means a writing plan that is prepared for the head of the FSS Family, and each adult member of the FSS Family who elects to participate in the FSS program, by the PHA in consultation with the Family member, and which sets forth:
1. The supportive services to be provided to the Family member;
 2. The activities to be completed by that Family member; and
 3. The agreed upon completion dates for the services and activities.

Each ITSP must be signed by the PHA and the participating family member, and is attached to, and incorporated as part of the COP. An ITSP must be prepared for the head of the FSS family.

- N. Self-Sufficiency means that an FSS Family is no longer receiving Section 8, Public Housing or Indian Housing Assistance, or any Federal, State, or local rent or homeownership subsidies or welfare assistance. Achievement of self-sufficiency, although an FSS program objective, is not a condition for receipt of the FSS account funds.

- O. Supportive Services means those appropriate services that a PHA will make available, or cause to be made available to an FSS Family under a COP and may include:

1. Child Care
2. Education
3. Employment
4. Personal Welfare
5. Household skills and management
6. Counseling
 - a. Responsibility of homeownership
 - b. Opportunities available for affordable rent and homeownership in private housing market, including information on the individual's Right under the Fair Housing Act; and
 - c. Money Management; and
7. Other services

- P. Welfare Assistance means (for the purposes of the FSS program only) income assistance from Federal or State welfare programs, and includes only cash maintenance payments designed to meet a Family's ongoing basic needs.

III. Family Demographics Number, Size, Characteristics and Other Demographic Information of Families Expected to Participate In the FSS Program and Their Supportive Service Needs

All FSS participants must be current HCV Tenant-Based or Public Housing Families. The racial composition of residents currently living in MHA Public Housing developments and of Section 8 HCV Tenant-Based clients is shown in Table 1 below.

Required number of FSS Participants	50
Current number of FSS Participants	51

Female Head of Households	100%
Male Head of Households	0%

Black/African American	100 %
White	0%
Asians	0%
Hispanic/Latino	0%

Number of Graduates since 1995	36
Average Escrow Disbursement	\$7117.00

Number of Participants with Escrow	25
Number of Participants without Escrow	26

Number of Participants Employed Full-Time	24
Number of Participants Employed Part-Time	6

Number of Full-Time Students	13
Number of Part-Time Students	7

Participants 18-29 years old	25
Participants 30-39 years old	17
Participants 40-49 years old	5
Participants 50+ years old	4

Following is a list of the supportive service needs of the Families expected to participate in the FSS Program.

1. GED Preparation;
2. Secondary and Post-Secondary Education;
3. Job Training;
4. Job Placement;
5. Scholarship Opportunity
6. Childcare (available to Public Housing residents in designated grant sites only);
7. Financial Counseling and Credit Repair Counseling;
8. First-Time Homebuyers Training;
9. Parenting Skills;
10. Entrepreneurial Information
11. Homeownership Counseling

IV. Participating Families

The FSS participants are representative of the Program characteristics: female head of household and very-low income.

V. Responsibility for Implementation of Plan

Responsibility for the implementation of this Action Plan lies with the MHA Housing Choice Voucher Program.

The responsibility for the implementation of this Action Plan lies with the MHA Housing Choice Voucher Program and Public Housing. Within both departments the Directors are charged with administering the Public Housing and Housing Choice Voucher FSS Programs. The Directors will assign FSS Coordinator to work directly with the FSS families. Listed below is an itemization of the FSS Coordinators responsibilities.

1. Conduct Needs Assessment
The FSS Case Managers will conduct a needs assessment for each participating Family prior to execution of the FSS COP. This assessment will identify the needs of the Family and provide the basis for the services to be provided. The needs assessment will include assessments of basic education skills, career interest inventory, and/or technical skills that will assist the Family and the Case Manager to identify the best array of services to assist the Family to attain self-sufficiency.

2. Determination of Family Goals and Case Management Follow-Up

The Family determines the goals and milestones that will be utilized to measure progress and completions of the goals. All goals will be defined with specific activities and expected completion dates in the ITSP of the COP

Once signed by the Director of Residents, the Family will receive a copy of the COP including the ITSP from the Case Manager. Case Managers will review the goals and will correspond in writing with Families regarding changes, if any, in the ITSP, notification of potential termination for non-compliance and/or contract expiration, request for escrow advances and successful completions.

3. Preparation and Execution of the Contract of Participation

The COP, which incorporates the ITSP(s), shall be in the form prescribed by HUD, and shall set forth the principal terms and conditions governing participation in the FSS program, including the rights and responsibilities of the FSS Family and of MHA, the services to be provided to, and the activities to be completed by, the head of the FSS Family and each adult member of the Family who elects to participate in the program.

The FSS Coordinator is responsible for preparing the COP and obtaining the signature of the designated Head-of-Household to complete the Family's enrollment in the FSS program.

a. Interim Goals

- i. The ITSP, incorporated in the COP, shall establish specific interim and final goals by which MHA and the Family, may measure the Family's progress toward fulfilling its obligations under the COP and becoming self-sufficient.
- ii. For each FSS Family that is a recipient of welfare assistance, MHA must establish as an interim goal that the Family become independent from welfare assistance and remain independent from welfare assistance at least one year before the expiration of the term of the COP, including any extension thereof.

b. The COP shall provide that one of the obligations of the FSS Family is to comply with the terms and condition of the respective public housing or HCV assisted lease.

c. The head of the FSS Family shall be required under the COP to seek and maintain suitable employment during the term of the contract and any extension thereof.

- i. The obligation to seek employment means that the head of the FSS family has applied for employment, attended job interviews, and has otherwise followed through on employment opportunities.
 - ii. A determination of suitable employment shall be made by MHA based on the skills, education, and job training of the individual that has been designated the head of the FSS family and based on job opportunities within the jurisdiction served by MHA.
4. **Case Management**
A FSS Coordinator shall be assigned to every Family enrolled in the FSS program and shall provide case management services to assigned Families. The FSS Coordinator will assist the Family to identify viable resources within MHA and the community to meet the needs identified in the needs assessment.
5. **Other Economic Self-Sufficiency Activities**
Case Managers will work closely with the Program Coordinating Committee (PCC) and other MHA staff to ensure that training and educational needs of FSS participants are met.
6. **Annual and Interim Re-certifications**
The FSS Coordinators will request the Housing Specialist or the Property Managers/Assistant property managers conduct a re-certification or an interim re-determination on all HCV Families or Public Housing residents who have not had a re-certification within 120 days prior to enrollment into the FSS program.

Once enrolled into the FSS program, the FSS Coordinator will conduct the annual re-certifications, interim re-determinations, relocations, and terminations on all HCV FSS Families and public housing residents.
7. **Verification of Completion of Contract of Participation**
FSS Coordinators will use third party verification forms to document all regulatory requirements for a Family to complete the FSS program. All other documentation shall be provided by the Family's Head-of-Household or participating Family member as requested by the FSS Coordinator.

Other types of acceptable documentation shall include official transcripts, copies of certificates of graduation, and verbal assertions of compliance by the Family with the stated activities of the ITSP. All documentation will show dates that verify or dispute a Family's adherence to stated goals in the individual service and training plan.

B. Finance
The Finance department maintains the FSS escrow accounts and establishes the annual interest rates to be paid on the accounts. During the term of the COP, Finance will credit annually to each Family's FSS escrow account, the amount of the FSS credit determined in accordance with 24 CFR 984.305(d).

C. Housing Choice Voucher Department
The Housing Specialist schedules and performs annual re-examinations or interim re-determinations for HCV Families, and refers interested HCV clients to the FSS Program.

The Housing Specialists will inform the FSS Coordinator of a client who is interested in the FSS program is in good standing for purposes of enrollment into FSS program. Clients in good standing are those who do not owe a debt to MHA and do not have lease violations.

D. Public Housing Department
The Public Housing managers will be responsible for performing annual re-examinations and interim determinations for Public Housing residents and refers interested residents to the FSS Program. Residents must be in good standing that have paid their rent on time and do not have lease violations.

E. Program Coordinating Committee
MHA must establish a Program Coordinating Committee (PCC) whose functions will be to assist MHA in securing commitments of public and private resources (to include supportive services resources) for operation of the FSS program, including assistance in developing the Action Plan and in implementing the program. There will be one committed for both programs.

Required PCC membership consist of residents assisted under the public housing and/or under the housing choice voucher programs. Other recommended PCC members should include local agencies responsible for carrying out job training programs, state welfare programs, secondary and higher education, private training institutions, childcare providers, private businesses, and other public and private service providers with resources to assist the FSS program. The PCC membership consists of 12 to 15 members to provide an effective base of identifying supportive services and resources for FSS Families.

VI. FSS Family Selection Preference
MHA will select program participants in accordance with HUD regulations and MHA policies and procedures.

A. Outreach

1. Housing Choice Voucher Outreach

- a. FSS Coordinator will recruit during recertification appointments
- b. FSS Coordinators will obtain a report to indicate HCV participants with re-examinations or interims less than 120 days and invite to FSS Orientation

2. Public Housing Outreach

- a. FSS Coordinator will provide information to Resident Advisory Board
- b. Direct mailers/flyers
- c. Property Managers/Assistant Property Managers during recertification appointments and initial leasing.

3. HCV Relocation and Application Briefings

- a. Information about the FSS Program will be included in the Relocation and Application briefings. The FSS Coordinator will attend the briefings and discuss the program briefly and have the families interested to complete an interest form.

4. MHA Website

FSS Program information will be published on the MHA website.

5. Literature/Brochures

Printed information about the program will be made available to all MHA departments and participants

6. Fair Housing

Outreach will be conducted without regard to race, color, religion, sex, handicap and disabilities, familial status, or national origin.

B. Acceptance Criteria

Applicants are enrolled according to the effective date of the COP. The effective date of the COP shall be the first day of the month following the date the Family signed the COP. MHA clients, except residents of HCV Project Based properties, can make application to the FSS program. Acceptance is determined by the following criteria:

1. The applicant receives housing assistance from the Montgomery Housing Authority.
2. Resources and services are available to meet the needs of the client that will lead them to self-sufficiency.
3. Applicants who owe MHA back rent or other charges will not be accepted into the program until any back rent or other chargers owed to MHA are paid.

4. The Applicant is not in violation of their HCV program requirements.
5. Non-working Families will be accepted into the program. However, attainment of employment must be one of the Family's final goals and the Head-of-Household must be employed at the time of program completion. Applicants who are not employed at the time of acceptance into the FSS program will be required to actively seek employment. Active seeking of employment will include, but not be limited to acceptance of case manager referrals to employers or employment opportunities, attendance at job fairs conducted by MHA and community based agencies or groups, job readiness counseling with MHA employment assistance staff, registration with the Local Work Source offices for employment assistance, and reports to the case manager of activities that support the search for full-time employment.
6. MHA may refuse to accept a Family into the FSS program if the Family previously participated and did not meet its FSS obligations and was terminated from the FSS program. Families who are terminated must wait at least 12 months before re-applying for acceptance into the FSS program.

C. Eligibility and Screening

1. FSS Orientation and Enrollment

Interested Families are required to attend an FSS orientation to be considered for enrollment into the program. The orientation will inform Families about the program requirements for participation, successful completion, benefits and termination.

HCV participants and Public Housing residents with reexaminations and interims of 120 days or less will be invited to attend an FSS orientation. A Family's election not to participate in the FSS program will not affect the family's participation to the HCV program or public housing.

Interested Families will be required to attend a financial literacy course and provide proof of completion prior to being enrolled into the FSS program.

MHA clients and residents who are Head-of-Households will be encouraged to enroll in the FSS Program and encourage other eligible members of their household to participate in MHA sponsored or funded employment and training programs.

2. Annual Re-examinations and Interim Re-determinations
A Family must complete a re-examination or interim re-determination prior to enrollment in the FSS program unless a re-examination or interim re-determination has been performed within 120 days of the Family's effective enrollment date.
3. Family Status
The FSS Coordinator will review the interested Family's tenant history with MHA to determine if the Family is in good standing with all housing programs.

D. Method of Establishing FSS Participant Waiting List
If more families submit a program interest form for participation than the MHA has slots available, the MHA will establish an FSS Participant Waiting List. The names of those families who are interested in participating in the FSS Program will be placed on a waiting list by date and time that the participant submitted the FSS Interest form.

E. Portability
If a HCV FSS Family ports into MHA during the term of the COP with another PHA, that Family will be eligible for enrollment in MHA's FSS program. The Family may elect to remain an FSS participant in the initial PHA's FSS program, and the COP will remain with the initial PHA. If the Family elects to enroll in MHA's FSS program, the Family will enter into a new COP for the remaining term left on the contract with the initial PHA.

VII. Portability

1. Initial Occupancy – First twelve (12) months:
A family participating in the Section 8 FSS program must lease an assisted unit for a minimum period of twelve (12) months after the effective date of the COP, in the jurisdiction of the PHA that selected the Family for the FSS program.
2. After the first twelve (12) months of the FSS COP:
The FSS Family may move outside the initial PHA jurisdiction under portability procedures.
3. Relocation but continued participation in the FSS program of the initial PHA:
 - a. A relocating FSS Family may continue in the FSS program of the initial PHA if the Family demonstrates to the satisfaction of the initial PHA that the Family will be able to fulfill its responsibilities under the initial or modified COP at its new place of residence.

- b. If the relocating Family remains in the FSS program of the initial PHA, there will only be one COP, which shall be the COP executed by the initial PHA.
- 4. Relocation and participation in the FSS program of the receiving PHA:
 - a. A relocating FSS Family may participate in the FSS program of the receiving PHA, if the receiving PHA allows the Family to participate in its program. A PHA is not obligated to enroll a relocating FSS Family in its FSS program.
 - b. If the receiving PHA allows the relocating FSS family to participate in its FSS program, the receiving PHA will enter into a new COP with the FSS Family for the term on the remaining contract with the initial PHA. The initial PHA will terminate its COP with the Family.
- 5. Single FSS account
 - a. If the relocating FSS Family remain in the FSS program of the initial PHA or is enrolled in the FSS program of the receiving PHA, there will be a single FSS account which will be maintained by the initial PHA.
 - b. If the relocating FSS Family is absorbed by the receiving PHA, the initial PHA will transfer the Family's FSS account to the receiving PHA.

VIII. Incentives to Encourage Participation

The incentive for families to enroll into the FSS program is the one-on-one case management from a certified and experienced Coordinator. The case management will consist of conducting an extensive needs assessment to assess the needs of the Family, providing supportive services and local resources that the Family may not have been aware of. The supportive services and resources will include, but not be limited to financial literacy counseling, first time home buyer counseling, job readiness classes, and other referral deemed necessary. The FSS Family will also have an opportunity to earn escrow, which could assist with homeownership expenses, tuition and the purchase of a vehicle.

IX. Escrow Account and Earned Income Disallowance

In accordance with HUD regulations, MHA will establish escrow accounts for Families participating in the FSS Program. The funds for the FSS escrow accounts are a portion of the Family's Total Tenant Payment (TTP).

HCV FSS participants have an opportunity to secure an earned income disallowance whose annual income increased as a result of:

- A. Employment of a family member is a person with disabilities and who was previously unemployed for one or more year prior to employment ,or
- B. Increased earning by a Family member who is a person with disabilities during

Participation of any economic self-sufficiency or other job training program, or

- C. New employment or increased earnings of a Family member is a person with disabilities, during or within six months after receiving assistance, benefits or services under any state program for TANF and WTW programs.

X. Escrow Calculations

The Family's TTP and MHA's housing assistance payment to the landlord will be calculated according to HUD Regulations. As a Family's earned income increases, the TTP could also increase. For eligible Families enrolled in the FSS Program, MHA will place a portion of the housing assistance payment no longer paid to the landlord (due to the increased TTP), in an escrow account for the Family. The amount placed in the escrow account is dependent on the increases from the original TTP for each family. The Family will receive the funds in the escrow account after successful completion of the FSS Program as long as the escrow reserves exist.

A. Amount Credited to Escrow Account

1. Very Low-Income Families

For Families classified as extremely low-income, earning 30 percent or less of the area median income, MHA will credit the escrow account an amount that is the lesser of:

- a. thirty percent of the current monthly adjusted income less the Family TTP, which is obtained by disregarding any increases in earned income from the effective date of the COP; or
- b. the current Family TTP less the Family TTP at the time of the effective date of the COP.

2. Low Income Families

For Families classified as very low-income, earning 50 percent or less of the area median income, the amount credited to the FSS escrow account shall be the amount determined according to (Section IX.A.1.a of this plan) above, but which shall not exceed the amount computed for 50 percent of the median income.

3. Other Families

FSS Families who are not classified as extremely low or very low-income shall not be entitled to any credit for their FSS escrow account, but can take advantage of services provided by the FSS Program in accordance with HUD

regulations.

B. Interest Accrual Computation and Statement to the Participant

Interest shall be accrued annually based on the current rate of interest on the total amount accumulated in the escrow account. The interest rate is subject to change and will be provided by the MHA Finance department annually in December. Annual statements will be mailed to FSS participants that have accrued escrow monies on or before January 31st of each year.

C. Reduction of Amounts Due

If the FSS Family has not paid rent, or other amounts due the landlord or MHA, the balance in the Family's FSS escrow account shall be reduced by that amount before prorating the interest income or releasing the funds to the Family in accordance with HUD regulations.

D. Payment of Escrow Funds

1. Completion of the FSS Contract

The Family will receive the funds in the escrow account after successful completion of the FSS Program as long as the Family has accrued escrow and the escrow reserves exist. Successful completion is achieved when one of the following occurs:

- a. the Family has completed all obligations under the COP on or before the expiration of the contract term, including any extension thereof; or
- b. Thirty (30) percent of the monthly adjusted income of the FSS Family equals or exceeds the published existing housing fair market rent for the size of the unit for which the FSS Family qualifies based on the PHA's occupancy standards. The COP will be considered completed and the Family's participation in the FSS program concluded on this basis even though the contract term, including any extension thereof, has not expired, and the Family members who have ITSPs have not completed all the activities set forth in their plans. The FSS participants must also certify to the best of his or her knowledge and belief that no member of the FSS Family has received TANF cash assistance in the previous twelve (12) months.

2. Disbursement of the FSS Escrow Funds

- a. The amount in an FSS account, in excess of any amount owed to the PHA by the FSS family, shall be paid to the head of the FSS Family when the COP has been completed and if at the time of contract completion, the head of the FSS Family submits the PHA a certification that to the best of his or her knowledge and belief, no member of the FSS family is recipient

of welfare assistance.

- b. The FSS Coordinator will determine that the FSS Family has fulfilled its obligation under the COP before the expiration of the contract term.
- c. Any money owed to MHA at the time of program completion will be deducted from the escrow account before escrow is paid.
- d. The FSS participant is employed at the time of expiration of the FSS contract.

A Family of two splits up and the Family member retains the voucher assistance and is already the head of the FSS Family. If the Family member retains the voucher is not designated as the head of the FSS Family, that Family member may then designate himself or herself as the head of the FSS Family in accordance with the MHA Administrative Plan “Remaining Family Members” and/or “Separation or Divorce”.

3. Payments Made Prior to Completion of the FSS Program

In accordance with HUD regulations, if the FSS Coordinator determines that the FSS Family has fulfilled certain interim goals established in the COP and needs a portion of the FSS escrow funds for purposes consistent with the COP, MHA may, at its sole discretion, disburse a portion of the funds from the Family's FSS escrow account to assist the Family. The Head-of-Household of an FSS Family can request a portion of the accrued escrow prior to program completion for purposes consistent with the COP, such as completions of higher education, or job training, or to meet start-up expenses involved in creation of a small business, purchases or repairs to automobiles that directly impact the Family's ability to get to and from work.

- a. Payments will not be approved to pay back rent, household expenses, household bills, or other expenses that do not directly affect the FSS participants ability to continue to progress to self-sufficiency.
- b. The request must be submitted with third party documentation of the costs associated with the requested escrow payment. Approved disbursements will be made payable to the vendor and the head of the FSS Family's household.
- c. FSS Coordinator will obtain written documentation that items were purchased, repaired or replaced. If the advance escrow was not used for the intended purpose the FSS participant will be terminated from the FSS Program.

- d. The FSS Coordinator will review the request, attach all supporting documentation to the request, and recommend approval or disapproval to the appropriate Director of Residents. The Director will make the final decision to approve or disapprove the request.
- e. Individual escrow advances will only be made one time within a 12-month period, unless for homeownership expenses and proof must be provided. The participant must be active in the FSS Program one year before a request for escrow advance will be accepted or approved.
- f. Individual escrow advances will only be made one time within a 12-month period, unless for homeownership expenses and proof must be provided. The participant must be active in the FSS Program one year before a request for escrow advance will be accepted or approved.
- g. Escrow advances will only be granted if no rent or unpaid balances are owed to MHA at the time of the request. Any amount owed to MHA will be deducted from the escrow advance before the check request is processed.

XI. Changes in the Head-of-Household

Should the designated Head-of-Household cease to reside with the Family members in the Public Housing or HCV leased dwelling or decide that they do not want to be the Head-of-Household, the remaining members, may request a change in the Head-of-Household in accordance with MHA’s Administrative Plan “Remaining Family Members” and/or “Separation or Divorce”. The Public Housing or HCV Department must approve the Family’s request for a change in the designated Head-of-Household. If the Family’s request is granted, the FSS program will amend the COP to reflect the new Head-of-Household with the effective date of the change. The new Head-of-Household must sign the new COP. The effective date of the Family’s enrollment does not change. The Family may change the goals in the ITSP.

XII. Forfeiture of Escrow Funds

Funds in the FSS escrow account will be forfeited if the COP is terminated or the following occurs:

- A. The COP is completed by the Family, but the Family is receiving welfare assistance (excluding food stamps) at the time of expiration of the term of the Contract, including any extension thereof;
- B. The participant is not in compliance with the COP and terminated from FSS;
- C. The participant moves out of a MHA assisted unit;

- D. The participant moves out of the MHA jurisdiction without informing the FSS Coordinator
- E. The participant requests to withdraw from the FSS program, or
- F. The participant is found to be an ineligible participant because the head of the FSS Family dies and the remaining members of the Family choose not to continue participating in the program and the Family's COP obligations have not been met.

XIII. Methods for Identification of Family Support Needs

A FSS case manager will conduct a needs assessment for each participating Family prior to execution of the FSS COP. This assessment will identify the needs of the Family and provide the basis for the services to be provided. The needs assessment will include assessments of basic education skills, career interest inventory, and/or technical skills that will assist the Family and the case manager to identify the best array of services to assist the Family to attain self-sufficiency.

Using this assessment, the case manager and the Family will design a FSS Service Plan, which will enable the Family to become self-sufficient. The Family, FSS Coordinator, and the Director of Public Housing or HCV must execute and approve this Plan.

The Directors and the assigned FSS Coordinators will be responsible for locating services that will be provided to the participating Family.

XIV. Program Termination, Grievance Procedures and Withholding of Services

All FSS Families will be required to sign a COP. The COP will include ITSP and FSS goals. The COP will also include interim goals and milestones to measure progress toward accomplishment of goals with established timelines for each FSS requirement.

A. Consequences of Noncompliance with the COP

The COP shall specify that the FSS Family fails to comply, without good cause, with the terms and conditions of the COP, which includes compliance with the public housing lease or the HCV assisted lease, MHA may:

1. Withhold the supportive services;
2. Terminate the Family's participation in the FSS program; or
3. For the Housing Choice Voucher Program, terminate or withhold the Family's HCV assistance, except in the case where the only basis for noncompliance with the COP is noncompliance with the lease or failure to become independent from welfare assistance.

B. Contract Termination

1. The COP shall provide that each FSS Family will be required to fulfill those obligations to which the participating Family has committed itself under the COP no later than five (5) years after the effective date of the contract.
2. The COP is automatically terminated if the Family's assistance is terminated in accordance with HUD requirements. The COP may be terminated before the expiration of the contract term, and any extensions thereof, by:
 - i. Mutual consent of the parties;
 - ii. The failure of the FSS family to meet its obligations under the COP without good cause; including in the FSS program the failure to comply with the contract requirements because the family has moved outside the jurisdiction of the MHA;
 - iii. The family's withdrawal from the FSS program; or
 - iv. Operation of law.
3. MHA shall not make any additional credits to the FSS Family's account when the FSS Family has completed the COP or when the COP is terminated or otherwise nullified.

C. Program Contact Requirements

FSS participants are required to maintain at least quarterly contact with their FSS Coordinator. Employed and unemployed Families will maintain contact through office visits, written progress reports, telephone calls to or from the coordinator, or e-mail. The Coordinator will provide all Families with envelopes to submit progress reports or other requested written information.

Employed Families may submit quarterly progress reports in writing, by telephone, office visits, or email. These reports should include verification of continued employment. The Coordinator will update the Family's file as reports are received.

Unemployed Families may submit quarterly progress reports in writing, by telephone, office visits, or email. These reports should include verification of their employment search efforts. The Coordinator will

update the Family's file as reports are received.

The FSS Coordinator will work with the Families and supportive service providers to ensure they meet these requirements. If a Family fails to meet these requirements, the FSS Coordinator will mail two letters requesting contact be made.

1. Attempt Letter One

The first attempt letter will indicate that the FSS participant is not in compliance with the terms of the COP. The letter will remind the participant that fulfillment of the terms of the COP is required to participate in the program and receive the funds held in their escrow account. This letter will also remind the FSS participant if they do not fulfill the terms of the COP, the FSS services may be discontinued and /or their participation in the FSS program terminated. Finally, the notice will inform the FSS Family they have 20 days from the date of the letter to contact their FSS Coordinator.

Acceptable forms of contact include in writing, by telephone, fax, email, or office, home or work site visit with the FSS Coordinator. Although the contact is mandatory, the Coordinator will make every effort to not interfere with the participant's work schedule, other activities or circumstances that may prohibit the participant from adhering to the contact requirement.

2. Attempt Letter Two

If after 20 days, from the date of the Attempt Letter One, there is no response, a second attempt letter will be mailed. This letter will contain the same information as Attempt Letter One, but will inform the FSS client they have ten days from the date of this letter to make contact with the Coordinator.

3. Termination

After ten days, from the date of Attempt Letter Two, there is no contact from the Family, the FSS Coordinator will notify the Family, in writing, of their termination from the FSS Program. The notice informs the client of their right to request an Informal Fair Hearing within ten days of the date of the termination notice.

D. Grievance Hearing Procedure

FSS participants who are terminated from the FSS Program may request, in writing, a grievance hearing on this determination. The FSS Coordinator must receive the request for a hearing within ten days from the date of the notice of termination. The Family will receive a hearing within ten working days from receipt of the grievance request form. A grievance panel will hear the grievance. The panel will be comprised of the Family's FSS Coordinator, Director, and one MHA resident. Alternate grievance panel members will be assigned as needed. Determinations of the grievance panel shall be final. A grievance hearing will not be granted if a Family's COP has expired.

E. Withholding of Services

Supportive services provided to the Family under the FSS Program will not be withheld during the grievance process.

All other Federal regulations regarding the terminations of housing assistance, both Public Housing and HCV, apply to the FSS program.

XV. Extension of the Contract of Participation

A. Written Request

The FSS Family must provide a written request for an extension of the COP. The request must be signed and dated by the FSS Family Head-of-Household and submitted by mail, fax, or delivered to the assigned FSS Coordinator. The FSS Coordinator may, in writing, extend the term of the COP for a period not to exceed two years, provided that good cause exists for granting the extension.

B. Good Cause

Good cause means circumstances beyond the control of the FSS Family such as serious illness or involuntary loss of employment, Family separation or the death of the designated Head-of-Household requiring a change in the designated Head-of-Household, or catastrophic loss that prevents the Family from completing their goals established in the original COP.

C. Approval for Extension

If the request is granted, the FSS Coordinator will complete an Addendum to the Contract form recommending an extension of the contract. The Director must approve the extension. The Coordinator will notify the Family in writing of the approved extension.

D. New Contract

The Family must sign the new contract extension. The case manager will provide a copy of the extended contract to the Family and file the contract extension with the original contract in the Family's case file.

XVI. Assurances of Non-Interference with Rights of Non-Participating Families

A family's participation in the FSS Program is voluntary. In order for a family to be considered for participation, the family must first willingly submit an FSS Interest Form. The family must also willingly attend the mandatory FSS Orientation and complete the required documentation to successfully enroll in the program.

Because the decision on whether to participate in the FSS Program is the family's, the MHA assures that a family's decision not to participate in the FSS Program will not affect the family's admission to the HCV Program, or the family's right to occupancy in accordance to with its Lease.

XVII. Certification of Coordination

The organizations that have certifications of coordination are listed in Exhibit B.