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701 Atlantic Avenue • Alameda, California 94501-2161

AGENDA **SPECIAL MEETING OF THE BOARD OF COMMISSIONERS**

DATE & TIME **Wednesday, June 26, 2024 - 6:00 PM**

LOCATION

Independence Plaza, 703 Atlantic Avenue, Alameda - Ruth Rambeau Memorial Community Room

PUBLIC PARTICIPATION Public access to this meeting is available as follows:

Join Zoom Meeting

<https://us06web.zoom.us/j/83030077310?pwd=fv5xIYAEFr5k4f7GI6KQMDOK4vRw4g.1>

Meeting ID: 830 3007 7310

Passcode: 790402

Persons wishing to address the Board of Commissioners are asked to submit comments for the public speaking portion of the Agenda as follows:

- Send an email with your comment(s) to jpolar@alamedahsg.org and vcooper@alamedahsg.org prior to or during the Board of Commissioners meeting
- Call and leave a message at (510) 871-7435.

When addressing the Board, on agenda items or business introduced by Commissioners, members of the public may speak for a maximum of three minutes per agenda item when the subject is before the Board.

Persons in need of special assistance to participate in the meetings of the Housing Authority of the City of Alameda Board of Commissioners, please contact (510) 747-4325 (voice), TTY/TRS: 711, or jpolar@alamedahsg.org. Notification 48 hours prior to the meeting will enable the Housing Authority of the City of Alameda Board of Commissioners to make reasonable arrangements to ensure accessibility or language assistance.

PLEDGE OF ALLEGIANCE

1. **ROLL CALL**
2. **AB2449 COMPLIANCE** "AB2449 Compliance: The Chair will confirm that there are 4 members in the same, properly noticed meeting room within the



jurisdiction of the City of Alameda. Each board member who is accessing the meeting remotely must disclose verbally whether they are able to be remote under AB2449: (1) just cause (max. 2 per year), or (2) emergency circumstances.” For Emergency Circumstances, the request must be approved by a majority vote of the Board of Commissioners for the emergency circumstances to be used as a justification to participate remotely. Remote Commissioners must provide a general description of the circumstances relating to need to appear remotely at the given meeting. Commissioner must also publicly disclose at the meeting, prior to any action, whether any other individuals 18 years or older are present in the room with the member at the remote location, and the general nature of the member’s relationship with such individuals. Note: A Commissioner cannot participate in meetings of the Board of Commissioners solely by teleconference from a remote location for a period of more than 3 consecutive months or 20% of the regular meetings for AHA within a calendar year, or more than 2 meetings if the Board of Commissioners regularly meets fewer than 10 times per calendar year.

3. COMMISSIONER RECUSALS
4. Public Comment (Non-Agenda)
5. Closed Session - 6:00 p.m. - Adjournment to Closed Session to Consider:
 - 5.A. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
(Pursuant to Government Code Section 54956.9 (d)(1))
Chan
 - 5.B. Public Employee Performance Evaluation (Ca. Government Code § 54957)
Title: Executive Director
6. Adjournment of Closed Session
7. RECONVENE REGULAR MEETING
8. Announcement of Action Taken in Closed Session, if any.
9. Public Comment (Non-Agenda)
10. CONSENT CALENDER
Consent Calendar items are considered routine and will be approved or accepted by one motion unless a request for removal for discussion or explanation is received from the Board of Commissioners or a member of the public.
 - 10.A. Approve Minutes of the Regular Board of Commissioners Meetings held on April 17, 2024 and May 15, 2024. **Page 5**
 - 10.B. Accept the Monthly Overview Report for the Housing Programs Department. **Page 19**
 - 10.C. Accept the Monthly Overview Report for Property Operations. **Page 23**
 - 10.D. Accept the Monthly Update on Construction in Progress (CIP). **Page 28**
 - 10.E. Accept the Monthly Construction Report for The Estuary I. **Page 33**
 - 10.F. Accept the Monthly Construction Report for Linnet Corner. **Page 38**



- 10.G. Accept the Quarterly LIHTC Portfolio Asset Management Fiscal Year-to-Date Financial Report through March 30, 2024. **Page 45**
- 10.H. Accept an update to the Independence Plaza Faircloth to RAD transaction; Authorize the Executive Director to submit a Mixed Finance Development Application to the U.S. Housing and Urban Development using Rental Assistance Demonstration (RAD) program and negotiate and approve minor Amendments in documents. **Page 70**
- 10.I. Ratify a Geotechnical and Environmental Engineering Contract Amendment #8 not to exceed \$378,000 with ENGEO, Inc. and Approve a Geotechnical and Environmental Engineering Contract Amendment #9 not to exceed \$478,000 with ENGEO, Inc. related to Soil and Offsite Improvement Work for North Housing Block A. **Page 88**
- 10.J. Ratify a Consultant Services Agreement Not to Exceed \$2,309,519.07 between the Housing Authority of the City of Alameda and Lakehurst and Mosley LP and Ratify a Consultant Services Agreement Not to Exceed \$5,439,696.14 between the Housing Authority of the City of Alameda and Mabuhay and Lakehurst LP for North Housing Block A Master Development Work. **Page 100**
- 10.K. Authorize the Executive Director to contract for and conduct a rent study on behalf of a coalition of East Bay Public Housing Agencies, provided the Housing Authority of the City of Alameda's (AHA) share of cost does not exceed \$250,000. **Page 134**
- 10.L. Approve changes to the Administrative Plan to implement the approved Moving To Work activities and other procedural updates. **Page 136**
11. AGENDA
- 11.A. Introduction of New Staff and Interns.
- 11.B. Accept a presentation on Emergency & Climate Preparedness. **Page 546**
- 11.C. Adopt the Resolution to Approve the Housing Authority of the City of Alameda One-Year Budget for Fiscal Year July 1, 2024 to June 30, 2025 including approval of: A) Summary of the Fiscal Year 2024-2025 Budget and related income and expenses; B) Housing Assistance Payment (HAP) Budget and related expenditure of HUD-held HAP reserves; C) Capital Improvement Project (CIP) Budget and related use of property and agency reserves and any surplus operating cash from Fiscal Year 2024-2025 to cover these expenses; D) Transfer by the Executive Director of up to \$1,377,999 in this budget year, as needed, from AHA property reserves or from Moving-To-Work fungible funds to cover losses in the Housing Programs Department administrative operating budget E) Adopt the revised Schedule of Authorized Positions for Fiscal year 2024-2025 and Pay Schedule for Fiscal Year 2024-2025. **Page 548**
- 11.D. Establish a Nominating Ad Hoc Committee for the Appointment of the Chair and Vice Chair of the Board of Commissioners for the Period of July 1, 2024 - June 30, 2025. **Page 569**
12. ORAL COMMUNICATIONS, Non-Agenda (Public Comment)



13. EXECUTIVE DIRECTOR'S COMMUNICATIONS
14. COMMISSIONER COMMUNICATIONS, (Communications from the Commissioners)
15. CONTINUATION OF CLOSED SESSION OF HOUSING AUTHORITY BOARD OF COMMISSIONERS – IF NEEDED
16. Announcement of Action Taken in Closed Session, if any.
17. ADJOURNMENT

* * * Note * * *

- Documents related to this agenda are available on-line at:
<https://www.alamedahsg.org/meetings/>
- Know Your RIGHTS Under The Ralph M. Brown Act: Government's duty is to serve the public, reaching its decisions in full view of the public. The Board of Commissioners exists to conduct the business of its constituents. Deliberations are conducted before the people and are open for the people's review. In order to assist the Housing Authority's efforts to accommodate persons with severe allergies, environmental illnesses, multiple chemical sensitivity or related disabilities, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the Housing Authority accommodate these individuals.





**DRAFT MINUTES
REGULAR MEETING OF THE BOARD OF COMMISSIONERS
Wednesday, April 17, 2024**

PLEDGE OF ALLEGIANCE

Vice-Chair Sidelnikov called the Meeting to order at 7:03 p.m.

1. ROLL CALL

Present: Vice-Chair Sidelnikov, Commissioner Decoy,
Commissioner Husby, Commissioner Joseph-Brown,
Commissioner Kaufman, and Commissioner Tamaoki

Absent: Chair Grob

2. AB2449 COMPLIANCE "AB2449 Compliance: The Chair will confirm that there are 4 members in the same, properly noticed meeting room within the jurisdiction of the City of Alameda. Each board member who is accessing the meeting remotely must disclose verbally whether they are able to be remote under AB2449: (1) just cause (max. 2 per year), or (2) emergency circumstances." For Emergency Circumstances, the request must be approved by a majority vote of the Board of Commissioners for the emergency circumstances to be used as a justification to participate remotely. Remote Commissioners must provide a general description of the circumstances relating to need to appear remotely at the given meeting. Commissioner must also publicly disclose at the meeting, prior to any action, whether any other individuals 18 years or older are present in the room with the member at the remote location, and the general nature of the member's relationship with such individuals. Note: A Commissioner cannot participate in meetings of the Board of Commissioners solely by teleconference from a remote location for a period of more than 3 consecutive months or 20% of the regular meetings for AHA within a calendar year, or more than 2 meetings if the Board of Commissioners regularly meets fewer than 10 times per calendar year.

Vice-Chair Sidelnikov confirmed that four Commissioners were present in the noticed meeting room and no Commissioners were attending the meeting



remotely.

3. COMMISSIONER RECUSALS

None.

4. Public Comment (Non-Agenda)

None.

5. CONSENT CALENDER

Consent Calendar items are considered routine and will be approved or accepted by one motion unless a request for removal for discussion or explanation is received from the Board of Commissioners or a member of the public.

- *5.A. Approve Minutes of the Regular Board of Commissioners Meeting held on February 21, 2024.
- *5.B. Accept the Monthly Overview Report for the Housing Programs Department.
- *5.C. Accept the Monthly Overview Report for Property Operations.
- *5.D. Accept the Monthly Update on Construction in Progress (CIP).
- *5.E. Accept the Monthly Construction Report for The Estuary I.
- *5.F. Accept the Monthly Construction Report for Linnet Corner.
- *5.G. Accept the Quarterly LIHTC Portfolio Asset Management Fiscal Year-to-Date Financial Report through December 31, 2023.
- *5.H. Accept the AHA/AAHC non-LIHTC Portfolio Asset Management Fiscal Year-to-Date Financial Report through December 31, 2023.
- *5.I. Approve Updates on the 2019 - 2023 Strategic Plan.
- *5.J. Approve an extension of the lease of office space at South Shore Center through March 31, 2027, with two one-year extension options.
- *5.K. Approve the GPS Vehicle Tracking Policy.
- *5.L. Ratify the Reciprocal Easement Agreement for the North Housing Block A Projects.

Items accepted or adopted are indicated by an asterisk.

In response to Commissioner Tamaoki, Vanessa Cooper, Executive Director, introduced Trevor Jones, Asset Manager, and stated that while the Housing Authority of the City of Alameda's (AHA) role varies, for the properties listed in the report for item 5.G, the properties included are those directly owned by ICD and managed through FPI Management, as well as those where AHA has some other ownership involvement (i.e. Shinsei, Park Alameda, Breakers, Stargell, &



Jack Capon).

Commissioner Tamaoki expressed gratitude for the representation of data throughout the report for item 5.G and requested that the property budgets be represented in future reports. Ms. Cooper expressed gratitude for Mr. Jones incorporating the previously requested data into the report for item 5.G.

Responding to Commissioner Husby, Ms. Cooper stated that there are currently eight staff members assigned to the South Shore Center office and the space can accommodate between ten to eleven staff members. This office was first leased during the COVID-19 pandemic to add additional space and ensure adequate distancing for staff. There are no tenant or public services provided at this office. While AHA has considered building out the garage space at 701 Atlantic, to add additional office space, doing so would be some way off and would most likely require relocating staff to a temporary off-site location for the work to be completed. As AHA has no additional offsite location to house staff, as staff vacancies are filled, office space will become more limited. Louie So, Chief Financial Officer stated that the lease for the South Shore office space has been extended and item 5.J is being presented to the Board to approve two one-year extension options.

In response to Vice-Chair Sidelnikov, Ms. Cooper stated that management’s goal is to present a draft of the Strategic Plan during the 2024 Board of Commissioner’s Retreat and have the Strategic Plan finalized by the end of the year.

Commissioner Tamaoki moved to accept the Consent Calendar items, and Commissioner Husby seconded. The motion passed unanimously.

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|--------|---|--|
| Yes | 6 | Vice-Chair Sidelnikov, Commissioner Decoy, Commissioner Husby, Commissioner Joseph-Brown, Commissioner Kaufman, and Commissioner Tamaoki |
| Absent | 1 | Chair Grob |

6. AGENDA

6.A. Accept the 2024 AHA Environmental Committee presentation.

Joshua Altieri, Community Relations Manager, provided a presentation that summarized the goals of the AHA Environmental Committee and provided an overview of AHA’s current practices, practices identified for implementation in 2024, and practices identified for future implementation, to reduce energy and water usage, and reduce waste, as well as ways to measure the success of these efforts. Ms. Cooper stated that AHA is in the process of registering all utilities to be paid for through Conservice. Nancy Gerardin, Director of Property



Operations, stated that Conservice provides a full level of utility usage reporting and tracking that can be referred to, by the Environmental Committee, to assess the efforts put forth to reduce this usage. Staff anticipates the full use of Conservice by the end of April and usage data should be available in either Q3 or Q4.

In response to Vice-Chair Sidelnikov, Mr. Altieri stated that, as it stands, green waste bins are available at each property, but not for individual units. Ms. Cooper stated that, if trends are identified, AHA will attempt to schedule annual bulky item pick-ups to occur during the times of large tenant move outs. Currently, depending upon the property, tenants pay for either gas and electric, just electric, or neither gas nor electric; there is a specialized arrangement for Pulte Home tenants as there are solar panels used at this property. AHA will research and consider ways to offer incentives for tenants to replace items such as light bulbs and small appliances with energy efficient items. Mr. Altieri stated that due to discontinuance of the program, the incentives once offered through AMP are no longer available, however, staff will investigate utilizing the water usage monitoring available through East Bay Municipal Utility District (EBMUD).

- 6.B. Approve Resolution to make minor changes to the Employee Handbook to reflect changes in state or federal law, as well as language and administrative changes; and approve a number of temporary hiring flexibility changes to the Executive Director's authority for the calendar year 2024 in order to assist with filling vacant positions.

Alicia Southern, Director of Human Resources, presented and summarized the proposed changes to the Employee Handbook, noting that all suggested revisions have been reviewed by AHA staff and legal counsel, and the request for flexibility in staffing and hiring. Changes made to the Employee Handbook include those made for business purposes, editing and/or formatting, and changes in policy (i.e. changes in staff titles, spelling and grammar, or clarifications on current AHA practices and procedures). Also included, are substantive changes for legal compliance and/or changes made to address issues or suggestions since last year's revision of the handbook.

As finding qualified candidates remains challenging in the current job market, Ms. Southern stated that staff is requesting up to 12 months of approval for flexibility in hiring, position title, Department/Supervisor, and advertising. This will allow staff to streamline the hiring process and allow for offers to be made to candidates quickly and appropriately. Where there is an urgent need for staffing, AHA will advertise the position as proposed and note that the respective position is subject to Board approval. The position will not be filled until staff receives Board approval.

Ms. Southern stated that staff anticipates that there may be very minor costs



Conference in Washington DC, where they obtained updated information on upcoming HUD plans and what can be expected in the coming months. Ms. Cooper announced the upcoming PSWRC-NAHRO Conference, that will be hosted in May and take place in San Jose, and encouraged staff and Board members to attend, and announced that this year AHA performed additional outreach for interns at each of the major Bay Area schools and moved to an online application process for the interns. In response, ninety applications were received, and offers were made to four interns who are expected to onboard during the months of May and June. Ms. Cooper also stated that staff expects to need a Closed Session during the May Board of Commissioners Meeting and the meeting will be scheduled to begin at 6 p.m.

9. COMMISSIONER COMMUNICATIONS, (Communications from the Commissioners)

In response to Vice-Chair Sidelnikov, Ms. Cooper confirmed that offers were made to four interns and that staff plans to have the interns present to the Board prior to the end of their AHA internship.

Vice-Chair Sidelnikov gave a brief overview of the topics discussed during the NAHRO Washington Conference and encouraged staff and Board members to attend the upcoming PSWRC-NAHRO Conference, noting that it provides the opportunity to obtain information that is content focused on AHA’s respective region.

10. CONTINUATION OF CLOSED SESSION OF HOUSING AUTHORITY BOARD OF COMMISSIONERS – IF NEEDED

N/A

11. Announcement of Action Taken in Closed Session, if any.

N/A

12. ADJOURNMENT

Vice-Chair Sidelnikov adjourned the meeting at 8:00 p.m.

Vanessa M. Cooper
Secretary and Executive Director

Vadim-Sidelnikov, Vice-Chair
Board of Commissioners





DRAFT MINUTES
REGULAR MEETING OF THE BOARD OF COMMISSIONERS
Wednesday, May 15, 2024 - 6:00 PM

PLEDGE OF ALLEGIANCE

Vice-Chair Sidelnikov called the meeting to order at approximately 6:05 p.m.

1. ROLL CALL

Present: Vice-Chair Sidelnikov, Commissioner Decoy,
Commissioner Husby, Commissioner Joseph-Brown, and
Commissioner Tamaoki

Video-Conference: Chair Grob

Absent: Commissioner Kaufman

2. AB2449 COMPLIANCE "AB2449 Compliance: The Chair will confirm that there are 4 members in the same, properly noticed meeting room within the jurisdiction of the City of Alameda. Each board member who is accessing the meeting remotely must disclose verbally whether they are able to be remote under AB2449: (1) just cause (max. 2 per year), or (2) emergency circumstances." For Emergency Circumstances, the request must be approved by a majority vote of the Board of Commissioners for the emergency circumstances to be used as a justification to participate remotely. Remote Commissioners must provide a general description of the circumstances relating to need to appear remotely at the given meeting. Commissioner must also publicly disclose at the meeting, prior to any action, whether any other individuals 18 years or older are present in the room with the member at the remote location, and the general nature of the member's relationship with such individuals. Note: A Commissioner cannot participate in meetings of the Board of Commissioners solely by teleconference from a remote location for a period of more than 3 consecutive months or 20% of the regular meetings for AHA within a calendar year, or more than 2 meetings if the Board of Commissioners regularly meets fewer than 10 times per calendar year.

Vice-Chair Sidelnikov confirmed that there were 4 Commissioners in the noticed meeting room and that Chair Grob was attending via video-conference.



Chair Grob stated that she was attending the meeting via video-conference in accordance with AB2449 just cause circumstances and confirmed that no individual over the age of 18 years or older were present in the room.

3. COMMISSIONER RECUSALS

None

4. Public Comment (Non-Agenda)

None

5. Closed Session - 6:00 p.m. - Adjournment to Closed Session to Consider:

Vice-Chair Sidelnikov adjourned to Closed Session at 6:09 p.m.

5.A. CONFERENCE WITH REAL PROPERTY NEGOTIATOR Pursuant to Government Code Section 54956.8.

Property Location: 1628 Webster Street, Alameda CA 94501

Assessor's Parcel Number 73-418-4-1

Agency Negotiators: Vanessa Cooper, Executive Director, Sylvia Martinez, Director of Housing Development, Negotiating Parties: Alameda Hospitality, LLC;

Under Negotiation: Price and Terms

5.B. CONFERENCE WITH REAL PROPERTY NEGOTIATOR Pursuant to Government Code Section 54956.8.

Property Location: 1129 Regent Street, Alameda, CA 94501-5330 Units A through C.

Assessor's Parcel Number 070-0182-075-00

Agency Negotiators: Vanessa Cooper, Executive Director, Sylvia Martinez, Director of Housing Development, Negotiating Parties: Owners: Petrochis, N, Rojas A, and Fikre, A

Under Negotiation: Price and Terms

5.C. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION (Pursuant to Government Code Section 54956.9 (d)(1))

Kathleen Moore v. Housing Authority of the City of Alameda, Alameda Affordable Housing Corporation, Mariel Rivera and Does 1-30, inclusive (Alameda County Superior Court Case No. 23CV042958)

5.D. Closed Session: Purpose: Executive Director Evaluation.

6. Adjournment of Closed Session



Vice-Chair Sidelnikov adjourned Closed Session at 7:34 p.m.

7. RECONVENE REGULAR MEETING

Vice-Chair Sidelnikov reconvened the Regular Meeting at 7:35 p.m.

8. Announcement of Action Taken in Closed Session, if any.

Vice-Chair Sidelnikov stated that the Board discussed item 5.A and directed the Executive Director to settle with Alameda Hospitality, LLC in connection with the terminated sale of the property at 1628 Webster Street in Alameda, CA the Board discussed item 5.B with staff, but took no recordable action. Item 5.C was not discussed, and the Board will return to Closed Session, after adjournment of the Regular Meeting, to continue discussion.

9. Public Comment (Non-Agenda)

On behalf of the Board and staff, Vice-Chair Sidelnikov welcomed Chair Grob back and congratulated her on her new baby.

10. CONSENT CALENDER

Consent Calendar items are considered routine and will be approved or accepted by one motion unless a request for removal for discussion or explanation is received from the Board of Commissioners or a member of the public.

- *10.A. Approve Minutes of the Regular Board of Commissioners Meeting held on March 20, 2024.
- *10.B. Accept the Monthly Overview Report for the Housing Programs Department.
- *10.C. Accept the Monthly Overview Report for Property Operations.
- *10.D. Accept the Monthly Update on Construction in Progress (CIP).
- *10.E. Accept the Monthly Construction Report for The Estuary I.
- *10.F. Accept the Monthly Construction Report for Linnet Corner.
- *10.G. Accept the Quarterly Overview Report for the Housing Development Department.
- *10.H. Accept the Quarterly Development Report for The Estuary II.
- *10.I. Accept the Quarterly Development Report for The Poplar (2615 Eagle Avenue).
- *10.J. Accept the Quarterly Overview Report for the Executive/Data and Policy and HR Departments.
- *10.K. Accept the Quarterly Overview Report For Administrative Services Department.
- *10.L. Accept the Quarterly Overview Report for the Asset Management Department.



- *10.M. Accept the Quarterly Financial Report for the month ended March 31, 2024.
- *10.N. Accept the Quarterly Investment Report for the Period Ending March 31, 2024.
- *10.O. Approve the Quarterly Write-off to March 31, 2024 of Uncollectible Accounts Receivable from Former Residents.
- *10.P. Accept Quarterly Family Self Sufficiency (FSS) Report.
- *10.Q. Authorize the Executive Director or Designee to sign the documents and take all actions necessary to approve the refinance/re-syndication of Playa del Alameda located at 148 Crolls Garden, Alameda (APN: 074-1328-288-00) and to make minor edits without returning to the Board.
- *10.R. Authorize the Executive Director to sign a Thyssen Krupps Elevator contract addendum of \$67,513.00 which will make the contract amount in excess of \$250,000, (\$267,513.00).

Commissioner Husby moved to accept the Consent Calendar items, and Vice-Chair Sidelnikov seconded. A roll call vote was taken, and the motion passed unanimously.

Yes	6	Chair Grob, Vice-Chair Sidelnikov, Commissioner Decoy, Commissioner Husby, Commissioner Joseph-Brown, and Commissioner Tamaoki
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11. AGENDA

- 11.A. Accept a presentation on Owner Incentives in the Housing Choice Voucher Program.

Iyana Barnes, Housing Specialist III, provided a presentation that included an overview of the Landlord Incentive Cohort in the Housing Choice Voucher (HCV) Program and a highlight of the Landlord Incentive Payout.

- 11.B. North Housing Start of Construction Celebration Event Presentation.

Joshua Altieri, Community Relations Manager, provided a presentation that summarized the events that took place at the North Housing Start of Construction celebration, which was held on April 22, 2024. Vanessa Cooper, Executive Director, stated that a follow-up Grand Opening celebration will be scheduled to take place next year for this property.

- 11.C. Approve Resolution to make administrative changes to the Employee Handbook.

Alicia Southern, Director of Human Resources, stated that at the request of the



Board, staff sought further legal guidance on the proposed language surrounding “Workplace Relationships,” and were advised to keep the language as proposed and to enforce the policy in the same manner as other workplace rules of conduct.

Commissioner Tamaoki moved to approve the Resolution to make administrative changes to the Employee Handbook, and Commissioner Joseph-Brown seconded. A roll call vote was taken, and the motion passed unanimously.

Yes 6 Chair Grob, Vice-Chair Sidelnikov, Commissioner Decoy, Commissioner Husby, Commissioner Joseph-Brown, and Commissioner Tamaoki

11.D. Approve the Update to the 2021-2026 Reserve Policy (2024).

Sylvia Martinez, Director of Housing Development, provided a presentation that summarized the 2024 Reserve Policy Update and provided an overview of the Reserve Policy, noting that the Policy is composed of three categories, Operation Reserve, Preservation, and Production, and that the Policy was initiated in 2021 and last updated in 2023.

In response to Commissioner Tamaoki, Ms. Cooper stated while she is aware of times that HAP payment from HUD has been delayed, she is not aware of a time where HUD did not distribute HAP payments. However, considering that, if there were a HUD shut down there is no guarantee that HUD will reimburse AHA for any reserve funds used to pay landlords, staff and the Board could decide against this type of use of reserves. Commissioner Tamaoki suggested that the Operating Reserves language be written in a way that either does not directly indicate the use of Operation Reserves for HAP payment or that such use must be approved by the Board.

Responding to Commissioner Tamaoki, Ms. Martinez stated that the Housing Authority of the City of Alameda (AHA) is a major contributor of local funding for the Estuary I, Estuary II, and Linnet Corner projects. While \$1.5 million was originally committed to Estuary II, considering the timing of the projects and that funding regulations dictate how and when funds are applied to these projects, it is becoming difficult to include the older costs of the projects. It is a much more streamlined transaction to indicate the master plan developer as the funder for costs associated with the backbone infrastructure contracts of the Block A (Estuary I and Linnet Corner) projects; doing so will give AHA more leverage on how funds are distributed. AHA is still proposing to get a developer fee, upon completion of the project, on a deferred basis of approximately \$2 million for each project. Through building three projects at the same time, AHA saved approximately 60% in design costs and fees. However, as this site was



previously owned and used by the Navy, much of the infrastructure at this site could not be reused. As it was completed at a different time under other building requirements, there is a need for a substantial investment in infrastructure costs associated with EBMUD, AMP, soil stabilization, etc. One challenge faced is that to begin construction on any units, the entitlement calls for all water connections to be established throughout the site. This could cost approximately \$6 million. Considering these challenges, funding for the design and backbone infrastructure for the remaining 9 acres of this project will require a creative approach. Staff has considered the use of an RFI (Request For Interest) which allows staff to solicit input, from the development community, on suggestions for moving forward with the most affordability. Ms. Cooper stated that the next phase of this project does not have to be all affordable units, which offers some opportunity to address these costs differently, so long as the project is returned to affordable in the long term (e.g. 15 years).

Commissioner Joseph-Brown moved to approve the Update to the 2021-2026 Reserve Policy (2024), and Commissioner Husby seconded. A roll call vote was taken, and the motion passed unanimously.

Yes 6 Chair Grob, Vice-Chair Sidelnikov, Commissioner Decoy, Commissioner Husby, Commissioner Joseph-Brown, and Commissioner Tamaoki

- 11.E. Accept an Update on the Independence Plaza Faircloth Transaction; Approve a Resolution to Grant Up To \$3,000,000 and Authorize the Executive Director to Make Minor Adjustments and Execute All Documents to Commit Funds to the Alameda Affordable Housing Trust Fund (AAHTF) on behalf of Independence Plaza.

Sylvia Martinez, Director of Housing Development, stated that today the Governor published the revised state budget which now reflects a \$56 million shortfall. As a result, the Governor is reducing housing programs. While the published budget revision did not reflect any changes to be made to the Local Housing Trust Fund (LHTF) program, there is a possibility that this program may be affected by budget cuts. So, staff is requesting Board approval to apply for funding if it becomes available. Ms. Martinez also provided a presentation that summarized the update on the Independence Plaza (IP) Faircloth transaction and the request to apply for the \$3 million LHTF funding, if available.

In response to Commissioner Tamaoki, Ms. Martinez stated that AHA will exceed the minimum cashflow needed to sustain IP. Most importantly, the Faircloth vouchers will allow rent increases to be accelerated without affecting tenants. While IP has been maintained well, at some point the need to perform a larger capital improvement project may be needed at this property and the cash flow realized from accelerated rent increases may allow refinancing of the



property for this type of larger project. Within the AHA portfolio, IP has always been one of the strongest operating properties, which has resulted in the some of the funds generated from IP being used towards projects at other properties that do not perform as well.

Responding to Commissioner Tamaoki, Tonya Schuler-Cummins, Director of Data and Policy, stated that while Faircloth rents are typically kept really low, as an MTW agency, AHA can add the MTW Supplement to the Faircloth units and rents can then be charged at the PBV standards and tenants will only pay 30% of their income.

Commissioner Tamaoki moved to accept an Update on the Independence Plaza Faircloth Transaction; Approve a Resolution to Grant Up To \$3,000,000 and Authorize the Executive Director to Make Minor Adjustments and Execute All Documents to Commit Funds to the Alameda Affordable Housing Trust Fund (AAHTF) on behalf of Independence Plaza, and Commissioner Decoy seconded. A roll call vote was taken, and the motion passed unanimously.

Yes 6 Chair Grob, Vice-Chair Sidelnikov, Commissioner Decoy, Commissioner Husby, Commissioner Joseph-Brown, and Commissioner Tamaoki

12. ORAL COMMUNICATIONS, Non-Agenda (Public Comment)

None.

13. EXECUTIVE DIRECTOR'S COMMUNICATIONS

Ms. Cooper, expressed gratitude for all those who attended the North Housing Start of Construction celebration. Ms. Cooper stated that in recognition of the Juneteenth holiday, the June meeting will be rescheduled to June 26, 2024 and will include the budget presentation, and that staff is currently considering whether to move forward with a July Meeting. Ms. Cooper expressed gratitude for Mr. Altieri securing 75 Oakland A's tickets for AHA households to attend the June 9, 2024 game. The Oakland A's have also committed to providing tickets for two additional games later in the season. LifeSTEPS will distribute the tickets to AHA households. The Oakland Roots will also be providing AHA households with tickets later in the summer. In coordination with AMP, 238 AHA households were auto-enroll in energy assistance programs which will allow these households to save approximately 25% on their energy bills. AHA will collaborate with LifeSTEPS to market this program to the AHA households that were not auto-enrolled. In coordination with the City of Alameda's Sustainability Department, Green Pockets Forest, and the Student Conservation Association, AHA will be included in the 2024 Cal-Fire Grant Application to plant trees across the state, including at the Esperanza property, with the target implementation



date being set for mid- to late 2025. The City of Alameda has approached AHA to discuss the possibility of providing art activities at AHA senior properties, in the same fashion as those provided for youth at Esperanza. AHA is looking forward to providing these services.

14. COMMISSIONER COMMUNICATIONS, (Communications from the Commissioners)

Vice-Chair Sidelnikov stated that the City of Alameda Board of Commission Appreciation Reception is scheduled to take place on May 30, 2024. Tomorrow, May 16, 2024, is “Bike to Wherever” Day, the City is accepting feedback on their ADA Plan on their website, and that the first of the two workshops regarding the proposal to building the aquatic park across the street, adjacent to the AHA office, will be held on May 18, 2024 at the Albert H. DeWitt Officers' Club.

Vice-Chair Sidelnikov continued the meeting at 8:45 p.m. to allow the Alameda Affordable Housing Corporation (AAHC) Board of Directors' Meeting to move forward.

Vice-Chair Sidelnikov readjourned the meeting at 8:51 p.m. and stated that the Board will take a five minute break prior to returning to Closed Session.

15. CONTINUATION OF CLOSED SESSION OF HOUSING AUTHORITY BOARD OF COMMISSIONERS – IF NEEDED

Vice-Chair adjourned to Closed Session at approximately 9 p.m.

Vice-Chair Sidelnikov readjourned the Regular Meeting at 9:45 p.m.

16. Announcement of Action Taken in Closed Session, if any.

Vice-Chair Sidelnikov stated that during Closed Session the Board discussed item 5.C with legal counsel and took no recordable action.

Vanessa M. Cooper
Secretary and Executive Director

Vadim Sidelnikov, Vice-Chair
Board of Commissioners





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701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Lynette Jordan, Director of Housing Programs

Date: June 26, 2024

Re: Accept the Monthly Overview Report for the Housing Programs Department.

BACKGROUND

This memo is a high-level overview of Housing Programs Department (HPD) activities for the prior month.

DISCUSSION

Leasing Update

On May 6, 2024, the Housing Authority of the City of Alameda (AHA) was notified by the Housing and Urban Development (HUD) field office of a potential funding shortfall for 2025. This means AHA is projected to spend all HAP in 2024, which would result in a shortfall in 2025. With this year's increased leasing, and the additional Moving to Work (MTW) owner incentives, which were increased significantly from the original \$500 incentive, AHA has experienced an increase in HAP. Since September 2023, AHA has paid \$153,300 in incentives. Under the direction of the Executive Director, staff reduced voucher issuance for the month of May from 50 to 25 applicants, while still absorbing port-in vouchers. A triage meeting has been scheduled for Tuesday, June 25, 2024, with the shortfall team. In the meantime, HUD has suggested AHA submit an application for shortfall funding under the MTW Expansion category which they feel AHA may be eligible. That application was submitted on June 13, 2024, by the Data and Policy team. Currently, AHA has taken the following steps prior to submitting our application and meeting with the Shortfall team.

1. Stop all new leasing efforts effective Wednesday, June 12, 2024.
2. Directed staff to issue vouchers to all eligible applicants prior to this date.
3. Return all applicants to the wait list that have not completed the intake process and received a voucher by the deadline.
4. Stop absorbing new port ins vouchers.

No further actions are required at this time, but staff are closely reviewing and monitoring HAP spending.



Family Self-Sufficiency (FSS) Graduates

The Family Self-Sufficiency (FSS) Program seeks to help participants make measurable progress toward economic security so that they no longer need welfare programs, are less dependent on rental assistance, and are better able to achieve the goals they set out for themselves and plan for the future. In the months of February and March 2024, staff completed the graduation for two program participants from the FSS program. Both graduates completed their five-year program after actively participating to accomplish the goals they set for themselves at the start of the program. At the start of the program, the families completed an Individual Training and Service Plan (ITSP) identifying and setting attainable and measurable goals for the five-year program. Some participants set job training goals, money management, childcare, and education services as their goals. With the assistance of an FSS coordinator and bi-weekly enrichment meetings, participants work to complete these goals. These two graduates were excited to complete the program and accomplish their goals. The participants graduated with a combined total of \$23K, which is a significant accomplishment.

The program has reached a stage in this process where recruitment and increasing the number of enrolled families is the primary goal. Part of achieving this goal is going to involve a two-day enrollment fair at Independence Plaza. This event is going to be an informative session for Housing Program participants to learn more about what this program can do for them in terms of achieving financial independence, stability, and confidence. We've invited speakers from LifeSTEPS to participate in this event and share more information about the Enrichment Trainings they host (what it entails, when the meetings happen, and other details/objectives.)

The event will be held on June 18, 2024, from 12 noon-3 p.m. and June 20, 2024, from 12:30 p.m. to 4:00 p.m. Program enrollment has dropped from 25 to 19 with graduations, portability, and unsuccessful recruitment. The staff goal is to increase the current enrollment to 25 enrollments to ensure continued funding, with a long-term goal set for 40 participants by October 2024.

Housing Programs Department Quarterly Dashboard

See the attached report that shows the lease-up of the various programs and the expenditure of funds as awarded by HUD.

FISCAL IMPACT

For report only, no fiscal impact.

CEQA

N/A

RECOMMENDATION

Accept the Monthly Overview of the Housing Programs Department.

ATTACHMENTS

1. 10-B HPD Attachment

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Lynette Jordan".

Lynette Jordan, Director of Housing Programs

Housing Programs Department Quarterly Dashboard for May 2024

Total NON-ACC Vouchers Leased By Type		
Program	Vouchers Leased	Amount Awarded/Funded
Shelter Plus Care	17	18
SRO	29	30
		Vouchers Funded But Not Leased
		1
		1

Total ACC Vouchers Leased By Type	
HCV (7100)	981
PBV (7300)	322
AHA-owned HCV	240
Port Outs	0
FUP	35
VASH	38
SV	1
Total Vouchers Leased	1616
Units on ACC	1923
ACC Vouchers Funded But Not Leased	307

Emergency Housing Vouchers*	
EHV (7760) in Alameda	40
EHV Port Outs	16
Total Leased	56
Total Awarded	57
*vouchers will decrease over time due to the sunset of the program and HUD's prohibition	

Average Duration from voucher issuance to those leased up in May 2024 (days)	191.2
Average Tenant Rent to Owner	564.67
Average TTP	610.26
Average HH income	25,128.63
Percentage of Inspections Passed First-Time (May 2024)	5%
Inspections Completed (May 2024)	128

Budget Authority (For May 2024 - Average Across 12 months)	3,105,050.00
Total HAP expended	3,797,510.04
HAP/Budget Authority	122.3%

Average of HAP per Bedroom size	
Bedroom Size	Count of Households
0 \$	687.81
1 \$	1,731.59
2 \$	2,059.41
3 \$	2,719.37
4 \$	3,085.96



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701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Nancy Gerardin, Director of Property Operations

Date: June 26, 2024

Re: Accept the Monthly Overview Report for Property Operations.

BACKGROUND

This memo provides a high-level overview of the Property Operations Department's activities for the last month.

DISCUSSION

The attached table (Attachment 1) summarizes property performance for all sites including Housing Authority of the City of Alameda (AHA) and affiliate-owned sites for the month of May for all properties FPI Management (FPI) manages. We are currently working with FPI on finalizing operating budgets and audits as well as streamlining reporting and improving overall property operations.

VACANCY

The attached table (Attachment 1) reflects ten (10) vacancies out of six hundred and eighty-six (686) units for all properties for the month of May 2024. Staff are working diligently to fill the vacancies and nine (9) units have move-ins scheduled for the next month. AHA is reviewing vacancy loss weekly and working with FPI to reduce vacancies and improve the unit turn process. As part of the resident screening, FPI is also requesting a copy of their rent ledger from new applicants to ensure that they pass the landlord reference portion. This is not required from those who are homeless or living with family.

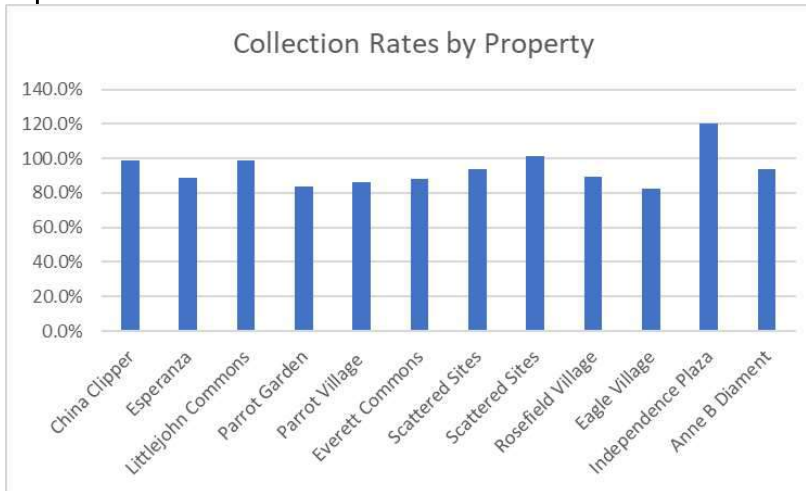
The Housing Programs Department (HPD) is also in the process of rightsizing PBV families, which leads to additional notices and vacancies.

Lease up coordination between AHA Property Management, FPI, and AHA Housing Programs continues with the goal of filling vacancies as expeditiously as possible. Vacancies that do not have a waitlist are posted on the AHA website and applications are available through the Resident Managers, as well as affordablehousing.com, GoSection 8, the Section 8 online search engine, and on Craigslist.



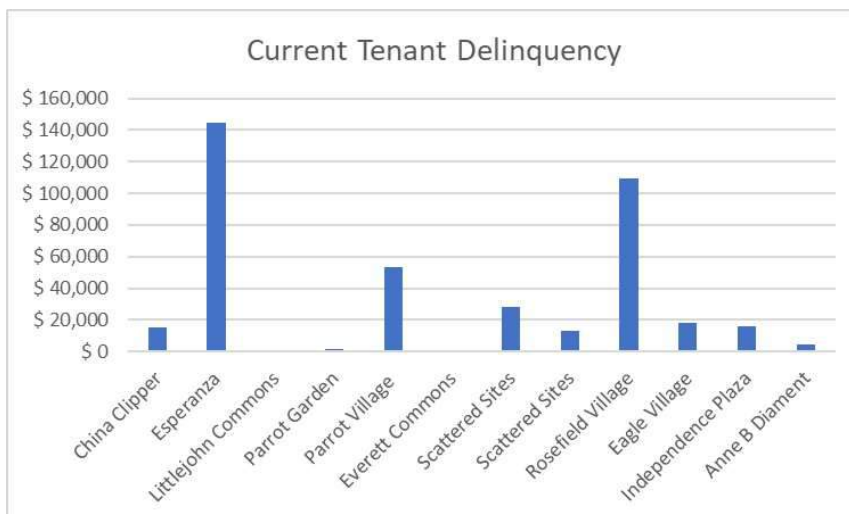
RENT COLLECTIONS

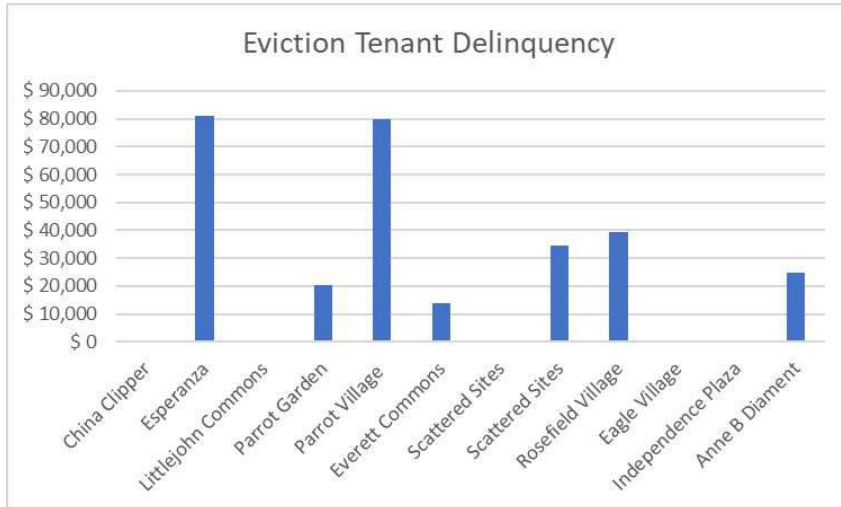
The attached table (Attachment 1) provides the collection rate versus rent billed for all AHA-owned and affiliate-owned sites, and sites managed by FPI. An explanation for properties with a collection rate below 98% or above 101% is provided below.



The higher collection rates are due to higher market rents achieved vs. budget coupled with increased subsidy payments. The lower collection rates are primarily due to the units pending legal action and past due balances for residents affected by COVID-19.

Like many owners, especially non-profit owners, there remains a fairly large payment issue stemming from the COVID era. The total delinquency (unpaid rent) for the portfolio for current residents is \$404,819. Of this, the total delinquency for residents in legal (i.e subject to a 30 day notice of termination) is \$293,713. Please see below for breakdown by properties for total delinquency of current residents:





All residents with a past due balance have been referred to LifeSTEPS for assistance. Property Management and LifeSTEPS continue to engage residents and encourage them to enter into a repayment agreement. Residents who owe over \$100 are issued a 30-day notice to pay or quit and are referred to legal counsel for review of their cases and, where necessary, the 30-day notice to pay or quit has been filed with the court. LifeSTEPS, FPI, and the Ombudsman are working with these families to enter into a "stay and pay" stipulated agreement, although a very small number have not complied and will be evicted if they do not leave before the lock out.

Residents who only owe back rent from prior to December 2022 cannot be issued a 30-day notice, so some fairly significant balances will remain on the ledger until the resident moves out. In addition, \$218,185.51 of write-offs were approved by the board for past residents in May. Collection activities will continue for these past resident cases, unless the person is deceased. A small number of other legal cases are ongoing for nuisance behavior.

Rent collections, pending legal/eviction matters, and overall account receivable collection efforts are reviewed in detail weekly by AHA with FPI.

RENT INCREASES

Rent increases have been and will continue to be issued at all sites in the coming months, in accordance with the new payment standards implemented in November 2023. This will result in increases to the total contract rent going up, but these rent increases are raised to the level of the new Payment Standards and generally will not impact subsidized residents' rent portion, as long as they are not over-housed.

SOCIAL SERVICES

LifeSTEPS has been providing aid to tenants and households and continues to link them to financial and social service agencies, as needed.

MAINTENANCE

The attached table (Attachment 1) shows the Maintenance Requests completed in May 2024. AHA is monitoring and reviewing the status of all maintenance requests and the timeliness of completion on a weekly basis with FPI.

HIRING

The department is in the process of hiring two positions: an Assistant Director of Permanent Supportive Housing and a Management Analyst.

FISCAL IMPACT

Report only.

CEQA

N/A

RECOMMENDATION

Accept the Monthly Overview Report for Property Operations.

ATTACHMENTS

1. BOC Memo

Respectfully submitted,



Nancy Gerardin, Director of Property Operations

ATTACHMENT 1

May-24

Property Name	Property code	Owned by	Managed by	Total units	Senior or Family	Manager units	Gross Potential Rent (Budgeted)	Gross Potential Rent (Actual)	Tenant Rent Collected	Subsidy collected	Total Rent Collected (Actual)	% collected	Current Month Delinquency	Total Current Tenant Delinquency	Total Delinquency for Tenants in Eviction	Past Tenant Delinquency JSCO	Past Tenant Delinquency FPI	Total Delinquency (past and current)
China Clipper	v18	AHHC	FPI	26	Family	0	\$ 55,380.90	\$ 52,915.00	\$ 16,202	\$ 36,021	\$ 52,223	98.7%	\$ 692	\$ 15,521	\$ 0	\$ 2,349	\$ 0	\$ 17,870
Esperanza	v19	AAHC	FPI	120	Family	1	\$ 369,870.00	\$ 390,811.00	\$ 70,147	\$ 277,571	\$ 347,718	89.0%	\$ 43,093	\$ 144,823	\$ 81,166	\$ 1,125	\$ 47,825	\$ 193,773
Littlejohn Commons	v20	ICD	FPI	31	Senior	1	\$ 65,167.00	\$ 60,468.00	\$ 7,698	\$ 52,028	\$ 59,776	98.8%	\$ 742	\$ 188	\$ 0	\$ 0	\$ 54,831	\$ 55,019
Parrot Garden	v21	AHA	FPI	8	Family	1	\$ 19,543.20	\$ 19,153.00	\$ 3,668	\$ 12,385	\$ 16,053	83.8%	\$ 3,100	\$ 1,542	\$ 20,254	\$ 1,352	\$ 0	\$ 2,894
Parrot Village	v22	AAHC	FPI	50	Family	0	\$ 156,728.00	\$ 176,219.00	\$ 27,751	\$ 124,473	\$ 152,224	86.4%	\$ 23,995	\$ 53,187	\$ 79,723	\$ 32,782	\$ 173,745	\$ 259,714
Everett Commons	v23	ICD	FPI	20	Family	1	\$ 53,865.00	\$ 53,048.00	\$ 12,413	\$ 34,346	\$ 46,759	88.1%	\$ 6,289	\$ 503	\$ 14,095	\$ 256	\$ 3,182	\$ 3,941
Scattered Sites	v24	AHA	FPI	25	Family	0	\$ 56,351.30	\$ 56,505.00	\$ 4,812	\$ 48,049	\$ 52,861	93.6%	\$ 3,644	\$ 28,144	\$ 0	\$ 0	\$ 0	\$ 28,144
Scattered Sites	v25	AAHC	FPI	27	Family	0	\$ 57,448.44	\$ 58,598.00	\$ 26,913	\$ 32,428	\$ 59,341	101.3%	-\$ 743	\$ 13,349	\$ 34,484	\$ 0	\$ 0	\$ 13,349
Rosefield Village	v26	ICD	FPI	92	Family	1	\$ 180,217.00	\$ 176,411.00	\$ 99,417	\$ 58,079	\$ 157,496	89.3%	\$ 18,915	\$ 109,397	\$ 39,298	\$ 0	\$ 68,041	\$ 177,438
Eagle Village	v27	AAHC	FPI	36	Family	1	\$ 100,882.00	\$ 100,698.00	\$ 21,942	\$ 60,940	\$ 82,882	82.3%	\$ 17,816	\$ 18,104	\$ 0	\$ 14,863	\$ 5,409	\$ 38,376
Independence Plaza	w11	AAHC	FPI	186	Senior	1	\$ 249,702.00	\$ 299,275.00	\$ 203,410	\$ 155,597	\$ 359,007	120.0%	-\$ 59,732	\$ 15,701	\$ 0	\$ 78,037	\$ 1,768	\$ 95,506
Anne B Diamant	w70	AHHC	FPI	65	Senior	1	\$ 132,145.00	\$ 135,507.00	\$ 41,969	\$ 84,898	\$ 126,867	93.6%	\$ 8,640	\$ 4,360	\$ 24,693	\$ 19,860	\$ 13,103	\$ 37,323
TOTAL				686		8	\$ 1,497,299.84	\$ 1,579,608.00	\$ 536,342.00	\$ 976,815.00	\$ 1,513,157.00	95.8%	\$ 66,451	\$ 404,819	\$ 293,713	\$ 150,624	\$ 367,904	\$ 923,347

Month Ending May, 2024

Property Name	Owned by	Vacant units at end of period	Vacancy rate %	Units offline for rehab	Vacancy rate excluding offline units	Move ins scheduled in next month	Anticipated move outs next month	Maintenance requests completed
China Clipper	v18	0	0.0%	0	0.0%	0	0	0
Esperanza	v19	0	0.0%	0	0.0%	1	0	6
Littlejohn Commons	v20	2	6.5%	0	6.5%	0	0	2
Parrot Garden	v21	0	0.0%	0	0.0%	0	0	2
Parrot Village	v22	0	0.0%	0	0.0%	0	0	4
Everett Commons	v23	0	0.0%	0	0.0%	1	0	8
Scattered Sites	v24	0	0.0%	0	0.0%	0	0	2
Scattered Sites	v25	0	0.0%	0	0.0%	1	0	4
Rosefield Village	v26	3	3.3%	0	3.3%	5	3	3
Eagle Village	v27	1	2.8%	0	2.8%	0	0	4
Independence Plaza	w11	1	0.5%	0	0.5%	1	1	72
Anne B Diamant	w70	3	4.6%	0	4.6%	0	1	4
TOTAL		10	1.5%	0	1.5%	9	5	111



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701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Joseph Nagel, Construction Project Manager, Tony Weng, Senior Project Manager

Date: June 26, 2024

Re: Accept the Monthly Update on Construction in Progress (CIP).

BACKGROUND

The Housing Authority of the City of Alameda (AHA) and its affiliate, the Alameda Affordable Housing Corporation (AAHC), own and operate multifamily properties throughout Alameda. Periodically, work is scheduled to maintain and upgrade existing buildings, or to improve property that is anticipated to be redeveloped in the future. In 2022, AHA and AAHC obtained Physical Needs Assessments (PNA) on all properties over 5 years old. These assessments delineated capital needs over a 15-year period, but also highlighted any health/safety needs and items for short-term attention. AHA and AAHC have completed or begun all health/safety items, and plan to address short-term needs through the annual budgeting process for every property. Staff prioritizes work that is health and safety-related, lender-required, or provides risk mitigation. A formal update to the Board on portfolio work is expected later in 2024.

There are multiple sizable projects being planned or underway at this time, including the AHA-led North Housing Master Plan work to prepare the sites and provide infrastructure for Linnet Corner and Estuary I. This report serves to provide updates on this work.

DISCUSSION

The Housing Development, Property Operations and Asset Management departments met with FPI to set the CIP budget for 2024-25. This will come to the Board for approval at a future meeting. This process looks at current needs and planned needs from the PNAs as well as feedback from lenders and investors and AHA/FPI staff who walk the properties regularly. This has resulted in an ambitious and more comprehensive list of Construction in Progress (CIP) projects than in the last few years. Priority tasks are divided between onsite FPI staff and contracting, and larger projects where there may be additional plan and permit submittal, which are undertaken by AHA staff. The Housing Development department is currently recruiting an additional construction manager to help with the roll-out of these upcoming CIP projects.

The following construction projects are in progress as of this Board Meeting.



1. North Housing Master-Plan Site Preparation

Site: North Housing Block A Soil Stabilization, 501 Mosley Ave

Purpose: Prepare the site for future development of affordable housing

Timeline: October 2023 to March 2024

Status: The soil stabilization work is 100% complete, and staff filed and recorded a notice of completion on March 20, 2024. The general contractor's unconditional waiver and lien release for the final payment were received on May 6, 2024. The total payment for the final soil stabilization contract is approximately \$4,444,000, which is within the previously approved budget of about \$5,000,000. Staff is currently working on reimbursing AHA for the soil stabilization work and will be billing Estuary I and Linnet Corner for their respective shares of the costs.

Site: North Housing Block A Offsite Improvements, 501 Mosley Ave

Purpose: In addition to the soil stabilization work completed at North Housing Block A to serve the future housing developments, AHA contracted with J.H. Fitzmaurice, Inc. (JHF) for offsite improvements such as the realignment of Lakehurst Circle, the new water main extension, and the new Mabuhay Street. Offsite improvement work is expected to take approximately ten months to complete actual work and is on a parallel track to the two upcoming housing development projects (Estuary I and Linnet Corner). Therefore, the contract end date is August 2025, and it aligns with the two housing projects' expected completion date. Costs for the work are budgeted in each of the housing developments at Block A and funding was previously approved by the Board of Commissioners in December 2023.

Timeline: February 2024 to August 2025

Status: As of the end of May, offsite improvement work is about 16% complete.

Contractor billing for May 2024 consists of erosion control, landscape irrigation, and wet-utilities such as sanitary sewer and storm drain, and contractor general conditions and fees. There are no approved change orders, and the project is on time and on budget.

2. SB721 Inspections

Site: Multiple Properties

Purpose: Senate Bill 721 (September 17, 2018), requires an inspection of exterior elevated elements and waterproofing assemblies for buildings with 3 or more dwelling units, to be inspected by January 1, 2025, and subsequent inspections every 6 years.

Timeline: Complete Inspections by July 2024.

Status: Contract has been signed, inspections have been completed on all applicable properties. Additional inspections will be required at China Clipper where sufficient access to the exterior elevated walkways was not attained. To ensure proper inspection, additional access and inspection will be required to the exterior elevated soffits.

3. Parrot Village Siding/Paint Repairs

Site: Parrot Village

Purpose: Lender required exterior repairs and new exterior paint

Timeline: Work is expected to take 5–6 Months (Weather Permitting).

Status: The siding is complete, and the painting of the buildings is complete. Painting of the fences is scheduled to begin the week of June 24, 2024.

4. Eagle Village Siding/Paint Repairs

Site: Eagle Village

Purpose: Lender required exterior repairs and new exterior paint

Timeline: Work is expected to take 4-5 Months (Weather Permitting).

Status: The siding is complete, and the painting of the buildings is complete. Painting of the fences is 95% complete.

5. Guardrail and Stair Handrail Renovations

Sites: Esperanza, China Clipper, Lincoln House, Anne B. Diament, Stanford House and Parrot Gardens

Purpose: Upgrade guard rails and handrails for safety reasons as noted in the 2022 Physical Needs Assessments (PNAs).

Timeline: The work should take 8–10 weeks to complete.

Status: An RFP was issued on August 28, 2023 and a bid walk conducted September 26, 2023. AHA received (1) proposal for the work at these (6) properties and AHA has hired a consultant, Leland Saylor Associates, to perform a cost analysis of the sole proposal that was received. In the absence of accurate existing architectural drawings due to the age of the older properties, AHA has hired Barry/Wynn as of March 2024, at a cost of \$7,795, to provide plan/elevation drawings with dimensions and notes for Leland Saylor to base an accurate cost analysis on. These plan/elevation drawings will be archived for future reference. The cost analysis has been completed and is under review.

6. China Clipper Electrical Upgrade

Site: China Clipper

Purpose: Upgrade electrical panels for safety reasons as noted in 2022 PNA.

Timeline: The work is expected to take 6–8 weeks.

Status: The permit for this work was approved on January 25, 2024. The contractor, Ray's Electric, began work on May 28, 2024. Fourteen (14) of 24 units have been completed, inspected and passed. This work continues and is scheduled to be completed by July 3, 2024.

7. Anne B. Diament Balcony Repairs

Site: Anne B. Diament

Purpose: Repair balconies in compliance with Senate Bill 721.

Timeline: This scope of work is expected to take 6 months to complete.
Status: The permit plans have been approved by the City of Alameda Building Department. The contractor, AmOne Corp., began on April 22, 2024. Sixteen (16) of 30 balconies are currently in various stages of renovation. Work is scheduled to be completed by August 30, 2024.

8. Independence Plaza Balcony Repairs/Sewer Study

Site: Independence Plaza

Purpose: Balconies were repaired in 2022-23 in accordance with Senate Bill 721. To finalize the permits, the private sewer laterals must be pressure/vacuum tested by East Bay Municipal Utility District (EBMUD).

Timeline: This work is complete.

Status: Inspection/testing has been completed and passed. AHA is awaiting receipt of certificates from EBMUD, expected by June 21, 2024.

FISCAL IMPACT

Funding for the North Housing Master Plan was approved by the Board of Commissioners in August and December 2023. Funding for repairs and maintenance on existing properties owned by either AHA or the AAHC is from either project reserves or the 2022 Reserve Policy Preservation Budget, as adopted by the AHA Board of Commissioners. Funding for the Independence Plaza Balcony repair is also being supported by redevelopment funds from the City of Alameda.

CEQA

None

RECOMMENDATION

Accept the Monthly Update on Construction in Progress (CIP).

ATTACHMENTS

1. Att 1_NH Block A_Offsites_Contract_Tracking

Respectfully submitted,

Handwritten signatures of Joseph Nagel and Tony Weng in blue ink.

Joseph Nagel, Construction Project Manager, Tony Weng, Senior Project Manager

**North Housing Block A - Offsite Improvements Contract Tracking
Update - as of May 31, 2024**

General Contract Status	
Total Contract Value	\$4,015,747
Change Orders	\$0
Revised Contract Value	\$4,015,747
Value of Work Completed to Date	\$657,978
Retention Withheld	\$56,240
Amount Paid to Date	\$601,738
Balance to Finish	\$3,414,009
% Construction Complete	16%

Contingency Utilization	
	Hard Cost
Total Contingency Approved	\$402,837
Approved Change Orders to Date	\$0
Remaining Balance of Contingency	\$402,837
% of Contingency Used	0%



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701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Jenny Wong, Senior Project Manager

Date: June 26, 2024

Re: Accept the Monthly Construction Report for The Estuary I.

BACKGROUND

The Housing Development Department provides monthly reports on projects under construction where either the Housing Authority of the City of Alameda (AHA) or Island City Development (ICD) is acting as developer and provides performance guarantees.

The Estuary I project is located at 500 Mosley Avenue. ICD is the developer. The project scope includes 45 new permanent supportive housing units for homeless or formerly homeless individuals and/or households, including one manager's unit. Amenities include property management offices, social service coordination offices, a community room, mail room, central laundry, central courtyard, and secure bike parking. J.H. Fitzmaurice, Inc. (JHF) initiated construction on January 30, 2024 and is scheduled to achieve completion on or before August 1, 2025.

Please see previous monthly Board Reports for project details prior to this month's update.

DISCUSSION

Construction

The overall project completion and billing percentage, through May 31, 2024, is approximately 22%. Rough framing of the third floor is complete. Structural framing including shear wall installation and exterior sheathing are complete on the first and second floors. Rough plumbing is completed on the first floor. Rough electrical and fire sprinkler system progress were made on the first floor. Excavation and installation of underground utilities at the courtyard and Lakehurst Circle were completed. CCTV cameras for site security have been installed and a live guard is patrolling the site after hours and weekends to provide additional security at the site as JHF continues to make good construction progress. Currently, the project is on-track to complete on time. This month's construction activities include rough plumbing on the second and third floors, water line installation on the first and second floors, continue rough electrical and fire



sprinkler system on the second floor, complete shear walls on the third floor, begin prepping for drywall in the community area, continue subfloor and rough framing through the fourth floor, start roofing, and waterproofing of the mockup window installation.

There are no approved change orders this month. To date, the project has utilized approximately 2.62% of its hard cost contingency, in line with its completion percentage. Staff is exploring opportunities for owner upgrades to improve the resident experience and sustainability, durability, and maintenance of the future building. Owner contingency funds are held separately from the contract and when change orders are approved, the original construction contract value is increased.

Operation and Lease Up Activities

Staff and property management will begin meeting monthly to prepare a pre-lease up plan by August 2024.

FISCAL IMPACT

AHA and ICD have completion and lease-up guarantees on this development. The construction is on time and on budget. Operations and lease-up planning activities are meeting project milestones. See attachment for the monthly budget update.

CEQA

Not Applicable.

RECOMMENDATION

Accept the Monthly Construction Report for The Estuary I.

ATTACHMENTS

1. Att1_The Estuary I Budget Tracking Through May 2024
2. Att2_The Estuary I Progress Photos

Respectfully submitted,



Jenny Wong, Senior Project Manager

The Estuary I
Monthly Update - as of May 31, 2024

Total Development Costs to Date				
	\$ Budget	\$ Disbursed	% Disbursed	\$ Balance
Land & Holding Costs	\$2,461,115.00	\$2,444,509.90	99%	\$16,605.10
Hard Costs	\$27,175,842.52	\$6,276,583.99	23%	\$20,899,258.53
Soft Costs	\$13,286,926.48	\$2,505,401.92	19%	\$10,781,524.56
Total	\$42,923,884.00	\$11,226,495.81	26%	\$31,697,388.19

General Contract Status	
Total Contract Value	\$24,898,006.72
Change Orders	\$32,299.55
Revised Contract Value	\$24,930,306.27
Value of Work Completed to Date	\$5,493,596.97
Retention Withheld	\$497,989.97
Amount Paid to Date	\$4,995,607.00
Balance to Finish	\$19,934,699.27
% Construction Complete	22.06%

Contingency Utilization		
	Hard Cost	Soft Costs
Total Contingency Approved	\$1,394,525.00	\$250,000.00
Approved Change Orders to Date	\$32,299.55	\$0.00
Remaining Balance of Contingency	\$1,362,225.45	\$250,000.00
% of Contingency Used	2.32%	0.00%

The Estuary I Progress Photos



Aerial photo of the North Housing Block A site. The Estuary I is located on the top left corner.



Framing progress photo from the eastern elevation.





Plumbing lines, water lines, and fire sprinkler system being installed in the hallway.

To: Honorable Chair and Members of the Board of Commissioners

From: Paris Howze, Project Manager

Date: June 26, 2024

Re: Accept the Monthly Construction Report for Linnet Corner.

BACKGROUND

The Housing Development Department provides monthly reports on projects under construction where either the Housing Authority of the City of Alameda (AHA) or Island City Development (ICD) is acting as developer and provides performance guarantees.

Linnet Corner is located at 2000 Lakehurst Circle, Alameda, CA 94501. The project is the new construction of a single, four (4) story residential building, with 64 units. There will be 40 studio units and 23 one-bedroom units targeting seniors aged 62 and over. There will also be one two-bedroom dedicated as a manager's unit. Affordability levels will range between 30% and 40% of the Area Median Income (AMI). The project will also have 25% or 16 units serving formerly homeless/homeless senior veterans. Amenities will include a community room, onsite property management and service provider offices, shared unassigned parking, a laundry room, a resident garden, and roof terrace.

Staff delivered a notice to proceed on March 6, 2024, and J.H. Fitzmaurice (J.H.F), Inc. commenced construction activities on March 14, 2024. The project is expected to achieve completion on or before October 30, 2025.

Please see previous Board reports for project details prior to this month's update.

DISCUSSION

Construction

The overall project completion and billing percentage, through May 31, 2024 is approximately 14%. This month's construction activities included framing of the first and second floors, framing of the stairs, installing first and second floor plumbing lines, installing joists and beams, and installing HVAC layouts.

There are no approved change orders for the month of May. To date, the project has



utilized approximately zero percent of its hard cost contingency, in line with its completion percentage. Owner contingency funds are held separately from the contract and when change orders are approved, the original construction contract value is amended accordingly.

Operation and Lease-Up Activities

Project staff will be working with cross-agency departments and external partners to prepare the project for leasing in 2025.

FISCAL IMPACT

AHA and ICD have completion and lease up guarantees on this development. To date, the construction is on time and on budget.

CEQA

Not applicable.

RECOMMENDATION

Accept the Monthly Construction Report for Linnet Corner.

ATTACHMENTS

1. Linnet Corner - Monthly Budget Tracking (May 2024)
2. Linnet Corner - Monthly Progress Photos (May 2024)

Respectfully submitted,



Paris Howze, Project Manager

Linnet Corner
Monthly Update - as of May 31, 2024

Total Development Costs to Date				
	\$ Budget	\$ Disbursed	% Disbursed	\$ Balance
Land & Holding Costs	\$640,864	\$526,160	82%	\$114,704
Hard Costs	\$36,513,061	\$2,981,194	8%	\$33,531,867
Soft Costs	\$16,118,331	\$2,731,377	17%	\$13,386,954
Total	\$53,272,256	\$6,238,730	12%	\$47,033,526

General Contract Status	
Total Contract Value	\$29,561,507
Change Orders	(\$170)
Revised Contract Value	\$29,561,336
Value of Work Completed to Date	\$4,035,524
Retention Withheld	\$343,721
Amount Paid to Date	\$3,691,803
Balance to Finish	\$25,869,533
% Construction Complete	14%

Contingency Utilization		
	Hard Cost	Soft Costs
Total Contingency Approved	\$1,738,717	\$450,000
Approved Change Orders to Date	(\$170)	\$0
Remaining Balance of Contingency	\$1,738,887	\$450,000
% of Contingency Used	0%	0%

Linnet Corner
Progress Photos
(May 31, 2024)



Figure 1: Walls going up at Level 2

Linnet Corner
Progress Photos
(May 31, 2024)



Figure 2: Subfloor Installation at Level 2

Linnet Corner
Progress Photos
(May 31, 2024)



Figure 3: View from PSH I

Linnet Corner
Progress Photos
(May 31, 2024)



Figure 4: Joist installation at units



PHONE: (510) 747-4300
FAX: (510) 522-7848
TTY/TRS: 711

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Trevor Jones, Asset Manager

Date: June 26, 2024

Re: Accept the Quarterly LIHTC Portfolio Asset Management Fiscal Year-to-Date Financial Report through March 30, 2024.

BACKGROUND

The portfolio includes eight Low Income Housing Tax Credit (LIHTC) Partnership properties: Breakers at Bayport, Shinsei Gardens, Park Alameda, Jack Capon Villa, Littlejohn Commons, Stargell Commons, Rosefield Village, and Everett Commons. The projects were placed in service between 2006 and 2022 with a cumulative unit count of 347 units (85.5% family, 9% senior, and 5.5% for persons with disabilities), of which, 41% of the units are supported by a combination of various rental subsidy programs (Project-Based Voucher and Veterans Affairs Supportive Housing Project-Based Voucher).

The Housing Authority of the City of Alameda (AHA) owns all the land except for Park Alameda; thus, all partnerships include a land lease, and AHA's role varies from Co-General Partner (Co-GP), General Partner (GP), to Special Limited Partner (SLP). Island City Development (ICD) is the developer for Rosefield Village, Littlejohn Commons, and Everett Commons and co-developer for Stargell Commons.

DISCUSSION

This memo provides an overview of the Low-Income Housing Tax Credit (LIHTC) partnership properties' Year-to-Date financial report through March 31, 2024. These properties run on a fiscal year ending December 31st. This report tracks performance per the budget and includes achievements, items of note, and upcoming events or changes. Please note the figures used in this report may change and not match the audit.

Statements that apply to all properties:

- Operating Revenue- Includes tenant rent, rental subsidy, vacancy loss, laundry income, and interest on accounts. This is accounted for on a cash basis.
- Tenant Receivables- Property Management and Resident Services assist



residents with applying for assistance and repayment agreements.

- Operating Expense- Includes marketing, administrative, property management fees, salaries and benefits, utilities, operating and maintenance, taxes and insurance, and resident services. This is accounted for on an accrual basis.
- Net Operating Income (NOI) Operating Revenue minus Operating Expense
- Debt Service Coverage Ratio will be denoted by DSCR. DSCR is calculated by dividing (NOI-Operating Expenses-Replacement Reserves) divided by Debt Service.
- Total Surplus Cash Flow will be distributed per the waterfall in accordance with the LPA, lender, and regulatory agreements.
- Conservice is a utility management provider that will be employing at select properties in Q2 2024.

Breakers at Bayport- 459 Neptune Gardens Avenue

Breakers at Bayport is a 52-unit Low Income Housing Tax Credit (LIHTC) development for families. Resources for Community Development (RCD) is the General Partner (GP) and The Breakers at Bayport L.P. is the Limited Partner (LP). The Housing Authority of the City of Alameda (AHA) owns the land. The Housing Authority of the City of Alameda (AHA) provided an original loan of \$2,015,000 and has a current balance of \$1,408,790, that bears no interest and matures in January 2059. John Stewart Company (JSCo) provides property management services. Operation Dignity provides resident services. The project was placed in service on March 29, 2006.

Unit matrix: 2Bed- 34 units, 3Bed- 18 units (1 Manager Unit)

Section 8 PBV: 15 units

Income and rent limits: 50%-60% AMI

- Operating Revenue is \$289,287, which is 2% (\$6,828) lower than budget.
- Occupancy is 98% (averaged 1.45 vacant units over the Quarter). As of March 31st there was 1 vacant unit.
- Tenant Revenue is \$157,216 and Subsidy Revenue is \$138,321.
- Tenant Accounts Receivable are \$36,664 No tenants are currently facing termination for nonpayment. This includes residents with balances over 6 months delinquent.
- Operating Expenses are \$161,627, which is 6% (\$8,756) higher than budget due to collection loss being coded as an expense. \$9,998 was written off in Q1.
- Net Operating Income is \$127,660, which is 11% (\$15,584) lower than budget due to RCD rolling out a new Accounts Receivable plan.
- Replacement Reserve deposit requirement is \$15,500 annually.
- Mandatory hard debt service is \$139,152 annually.
- Total Net Cash Flow is \$88,997, which is \$15,584 under budget.
- DSCR is 3.56x.
- Asset Management Fee of \$3,460 is paid annually to AHA.

Shinsei Gardens- 401 Willie Stargell Avenue

Shinsei Gardens is a 39-unit Low Income Housing Tax Credit (LIHTC) development for families. RCD is the GP, Operation Dignity is the SLP, and National Equity Fund (NEF) is the LP. AHA owns the land, and also held an Option to exercise the Right of First Refusal (ROFR). AHA has closed on the investor Limited Partner buyout in March 2024. JSCo provides property management services. Operation Dignity provides resident services. There is a loan of \$2,129,336 from AHA/CIC that bears no interest and matures on March 23, 2063. The project was placed in service on September 03, 2009.

Unit matrix: 1Bed- 6 units, 2Bed- 18 units, 3Bed- 12 units (1 Manager Unit), 4Bed- 3 units

Section 8 PBV: 21 units

Income and rent limits: 20%-60% AMI

- Operating Revenue is \$243,888, which is 6% (\$16,815) lower than budget due to Occupancy being lower than budget.
- Occupancy averaged 95% (2> vacant units).
- Tenant Revenue is \$102,978 and Subsidy Revenue is \$150,741.
- Tenant Accounts receivable are \$1,288. No tenants are currently facing termination for non-payment.
- Operating Expenses are \$142,229, which is 3% (\$4,818) lower than budget due to low turnover and payroll being allocated correctly.
- Net Operating Income is \$101,659, which is 11% (\$11,997) lower than budget due to lower than budgeted occupancy and higher cost of labor
- Replacement Reserve deposit requirement is \$23,400 annually.
- No mandatory hard debt service.
- Total Net Cash Flow is \$95,809, which is \$11,997 under budget.
- DSCR is N/A due to no hard loans.

Park Alameda- 2428 Central Avenue

Park Alameda is a 62-unit Low Income Housing Tax Credit (LIHTC) development for families. RCD is the managing Co-GP, AHA is the Co-GP, and Union Bank (UB) is the LP. AHA holds an Option to exercise the Right of First Refusal (ROFR) in which can be executed on or after January 2025. AHA will be starting shortly on this and expects to make a similar arrangement as was done at Shinsei. RCD, the GP, owns both the land and the property. There is a loan of \$8,600,000 from AHA/CIC that bears no interest and matures September 2068. JSCo provides property management services.

Operation Dignity provides resident services. The project was placed in service on December 27, 2012.

Unit matrix: 0Bed- 61 units, 2Bed- 1 unit (manager unit)

Section 8 PBV: 15 units

Income and rent limits: 50%-120% AMI

- Operating Revenue is \$202,684, which is 6% (\$11,856) lower than budget as a result of occupancy and other income being under budget.
- Occupancy averaged 91% (6 Vacant Units) during Q1 and ended the Quarter with only 2 unrented units.
- Tenant Revenue \$127,795 and Subsidy Revenue are \$94,938.
- Tenant Accounts Receivable are \$126,745. No tenants are currently facing termination for nonpayment.
- Operating Expenses are \$179,355, which is 21% (\$30,566) higher than budget. The primary reasons for expenses being over budget are legal expenses and unplanned plumbing issues.
- Net Operating Income is \$23,329, which is 65% (\$42,422) lower than budget. However, we budgeted aggressively to get this project back on track and this Quarter does reflect significant improvements.
- Replacement Reserve deposit requirement \$31,932 annually.
- No Mandatory Hard Debt Service.
- Total Net Cash Flow is \$15,347.

Stargell Commons- 2700 Bette Street

Stargell Commons is a 32-unit Low Income Housing Tax Credit (LIHTC) development for families. RCD is the GP, Wells Fargo Bank (WFB) is the LP, and ICD is the SLP. AHA owns the land and also provided a loan of \$2,000,000 at 3% interest payable through excess/distributable cash with a maturity date of December 2072. As of December 2023, no principal payments have been made and \$238,298 of interest has accrued. AHA holds an Option to exercise the Right of First Refusal (ROFR), which can be exercised on or after December 31, 2031. JSCo provides property management services. Operation Dignity provides resident services. The project was built in May 2017.

Unit matrix: 1Bed- 5 units, 2Bed- 17 units (1 Manager Unit), 3Bed- 10 units

Section 8 PBV: 7 units

Income and rent limits: 30%-60% AMI

- Operating Revenue is \$145,838, which is 7% (\$11,817) lower than budget as a result of higher vacancy.
- Occupancy averaged 91.5% (over 3 vacant units) over the Quarter. A number of residents chose to move-out instead of agreeing to a payment plan.
- Tenant Revenue is \$104,274 and Subsidy Revenue is \$53,973.
- Tenant Accounts Receivable are \$17,138. No tenants are currently facing termination for nonpayment.
- Operating Expenses are \$117,535, which is 14% (13,990) higher than budget due to higher than anticipated move-outs during the Quarter.

- Net Operating Income is \$28,303 which is 48% (\$25,807) lower than budget due to higher than anticipated turnover.
- Replacement Reserve deposit requirement is \$19,200 annually.
- Mandatory hard debt service is \$69,156 annually.
- Total Net Cash Flow is \$6,214.
- DSCR is 1.36.

Jack Capon Villa- 2216 Lincoln Avenue

Jack Capon Villa is a 19-unit Low Income Housing Tax Credit (LIHTC) development for persons with developmental disabilities. Satellite Affordable Housing Associates (SAHA) is the managing Co-GP, AHA is the Co-GP, and Bank of America (BofA) is the LP. AHA owns the land and also holds an Option to exercise the Right of First Refusal (ROFR), which can be executed on or after December 31, 2028. AHA has 3 current loans secured by the property. The first loan was for \$225,000 with an interest rate of 5% and current balance of \$52,238 with a maturity of November 1, 2024. The second AHA/CIC loan was for \$1,400,000 with an interest rate of 3% and December 2023 balance of \$1,400,000 excluding accrued interest of \$331,285. The third AHA loan was for \$200,000 with an interest rate of 3% and deferred payments until 2070. SAHA Property Management provides property management services. Housing Consortium of East Bay (HCEB) provides resident services. The project was placed in service on January 09, 2014.

Unit matrix: 1Bed- 16 units, 2Bed- 3 units (1 Manager Unit)

Section 8 PBV: 18 units

Income and rent limits: 50% AMI

- Operating Revenue is \$138,340 which is 18% (\$20,878) higher than budget due to the property being 100% occupied during the First Quarter.
- Occupancy averaged 100% (0 vacant units) over the First Quarter.
- Tenant Revenue is \$26,770 and Subsidy Revenue is \$99,980.
- Tenant Accounts Receivable are \$3,941.
- Operating Expenses are \$92,137, which is 8% (\$8,533) lower than budget due to conservative budgeting.
- Total Net Operating Income is \$46,203, which is 175% (\$29,411) higher than budget.
- Replacement Reserve deposit requirement is \$11,400 annually.
- Mandatory hard debt service is \$28,632 annually.
- DSCR is 6.47.
- Total Net Cash Flow is \$36,195.
- The property ended 2023 fully occupied and maintained 100% occupancy over the first Quarter. This allowed the property to save on expenses that would normally accompany turning units.

Littlejohn Commons- 1301 Buena Vista Avenue

Littlejohn Commons is a 31-unit Low Income Housing Tax Credit (LIHTC) development for seniors. ICD is the GP and NEF is the LP. ICD also holds an Option/ Right of First Refusal which can be executed on or after August 1, 2030. The Partnership entered a ground lease with the landowner, AHA, which expires December 31, 2115. FPI Management provides property management services. LifeSTEPS provides resident services. The project was placed in service on July 31, 2018.

Unit matrix: 1Bed- 30 units, 2Bed- 1 unit (manager's unit)

Section 8 PBV: 25 units

Income and rent limits: 30%-50% AMI

- Operating Revenue is \$160,106, which is 3% (\$5,331) lower than budget due to one eviction and one move-out in the first Quarter.
- Occupancy is 95% (2 vacant units) as of March 31st.
- Tenant Revenue is \$46,083 and Subsidy Revenue is \$133,549.
- Tenant Accounts receivable are \$59,297. Nonpayment is being actively addressed.
- Operating Expenses are \$83,097, which is 12% (10,999), lower than budget due to lower payroll as we hired two new office staff. It is anticipated some invoices from the first Quarter will be paid in April.
- Net Operating Income is \$77,009, which is 8% (\$5,668) higher than budget due to high occupancy and lower than budgeted expenses.
- Replacement Reserve deposit requirement is \$15,500 annually.
- Mandatory hard debt service is \$236,508 annually.
- Total Net Cash Flow is \$14,007.
- DSCR is 1.24 and will be monitored closely.

Everett Commons- 2437 Eagle Avenue

Everett Commons is a 20-unit Low Income Housing Tax Credit (LIHTC) development project for families. ICD is the GP and Enterprise is the LP. ICD also holds an Option to exercise the Right of First Refusal (ROFR) which can be executed on or after the end of the compliance period in 2033. The Partnership entered a ground lease with the landowner, AHA, which expires June 1, 2116. FPI Management provides property management services. LifeSTEPS provides resident services. The project was placed in service on December 17, 2018.

Unit matrix: 1Bed- 4 units, 2Bed- 11 units (1 Manager Unit), 3Bed- 5 units

Section 8 PBV: 12 units

VASH PBV: 5 units

Income and rent limits: 30%-60% AMI

- Operating Revenue is \$137,666, which is 4% (\$5,783) lower than budget.

- Occupancy is 95% (1 vacant unit) as of March 31st 2024 .
- Tenant Revenue is \$35,139 and Subsidy Revenue is \$110,150.
- Tenant Accounts Receivables are \$25,570 with \$13,509 occurring during the moratorium. Nonpayment is being actively addressed.
- Operating Expenses are \$69,287, which is 9% (7,104) lower than budget due to utilities not being paid timely. It is anticipated some of the First Quarter's expenses to be paid in April. This will largely be addressed with the introduction of Conservice.
- Net Operating Income is \$68,379, which is 2% (\$1,321) higher than budget due to strong and stabilized occupancy.
- Replacement Reserve deposit requirement is \$13,508 annually.
- Mandatory hard debt service is \$215,916.
- Total Net Cash Flow is \$11,023.- DSCR is 1.20. AHA will continue to monitor this property closely due to the low DSCR.

Rosefield Village – 727 Buena Vista Avenue

Rosefield Village is a 92-unit Low Income Housing Tax Credit (LIHTC) development project for families. ICD also holds an Option to exercise the Right of First Refusal (ROFR) which can be executed on or after the end of the compliance period in 2033. The Partnership entered a ground lease with the land owner, AHA, which expires December 31, 2115. FPI Management provides property management services . LifeSTEPS provides resident services. The project was placed in service in 2022. Please note 2024 is the first full year of operating so some numbers are skewed by the 2023 conversion to permanent financing.

Unit matrix: Studio- 8 units, 1Bed- 35 units, 2Bed- 26 units (1 Manager Unit), 3Bed- 23 units

Section 8 PBV: 23 units

Income and rent limits: 20%-80% AMI

- Operating Revenue is \$445,115, which is 3% (\$15,863) lower than budget.
- Occupancy averaged 88% (11 vacant units) over the First Quarter. Rosefield was affected significantly by the moratorium. While property management could not serve notices during the COVID Moratorium, residents let their delinquency build-up and many opted to move-out with large outstanding balances instead of going through the court process or working with LifeSTEPS. Staff have payment plans with those who are willing to work with LifeSTEPS and AHA. FPI and AHA are working hard to lease those units that vacated. Staff are holding weekly meetings with FPI. Leasing is ongoing and is expected to improve in 2024. As of March 31, 2024, there was 1 unrented vacant unit.
- Tenant Revenue is \$312,476 and Subsidy Revenue is \$166,736.
- Tenant Accounts receivable are \$259,831. Nonpayment is being actively addressed.
- Operating Expenses are \$255,385, which is 6% (13,745) higher than budget due

to a number of invoices incurred in 2023 being paid in the First Quarter. It is anticipated more invoices being paid from past months in April as we stabilize staffing onsite.

- Net Operating Income is \$189,730, which is 13% (\$29,608) lower than budget due to increasing accounts receivable and lower occupancy.
- Replacement Reserve deposit requirement is \$55,200 annually.
- Mandatory hard debt service is \$724,692 annually.
- Total Net Cash Flow is (\$5,243).
- DSCR is 0.97. AHA will continue to monitor this property closely due to the low DSCR.

Overall, the portfolio is performing strongly and AHA has established watch lists with FPI and JSCO to address issues stemming from issues with tenant balances from the moratoriums put in place during the pandemic. As these moratoriums are peeled back, AHA is working creatively with LifeSTEPS, legal, and FPI to create payment plans and keep our units occupied and in good standing. All the assets are able to fulfill mandatory hard debt service and deposit reserves with a debt service coverage ratio averaging at 2.47, ranging from 0.97 to 6.47. Also, most assets produce surplus cash/residual receipts for distribution. Reserve balances are attached.

FISCAL IMPACT

None

CEQA

N/A

RECOMMENDATION

Accept the LIHTC Portfolio Asset Management Fiscal Year to Date Financial Report through the Month of March 2024.

ATTACHMENTS

1. AHA LIHTC Q1 2024
2. LIHTC Q1 Quarterly Reports Final

Respectfully submitted,
Trevor Jones
Trevor Jones, Asset Manager

LIHTC Q1 2024 REPORT

Income is on a Cash Basis

Expenses are on an Accrual Basis

Income Variance is calculated Actual-Budget

Expense Variance is calculated Actual-Budget

TREVOR JONES
ASSET MANAGER

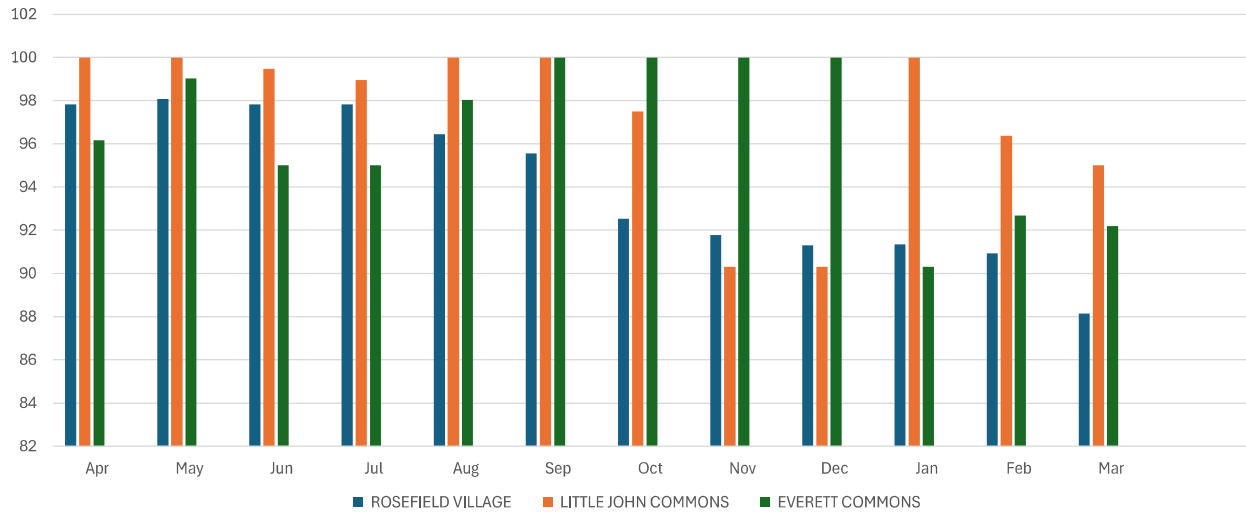


www.alamedahsg.org



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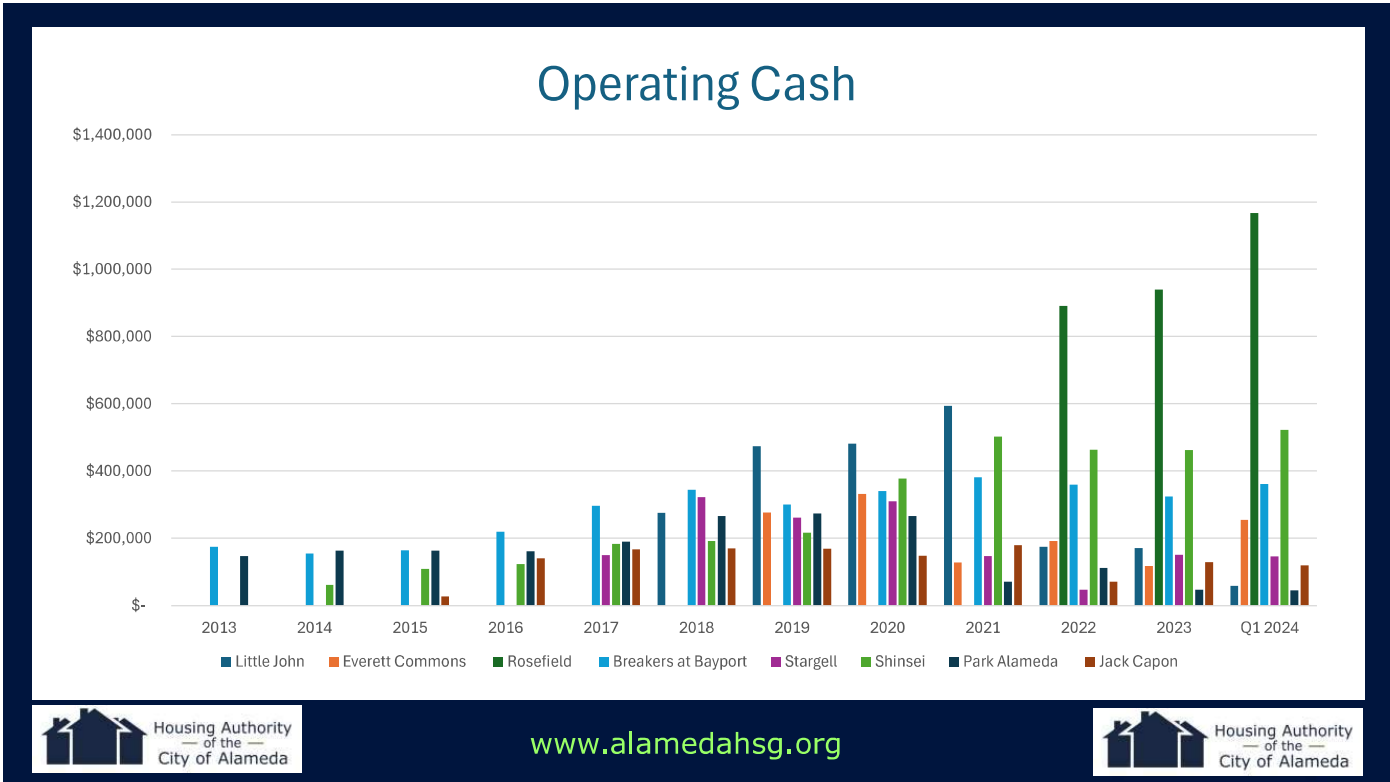
Occupancy %



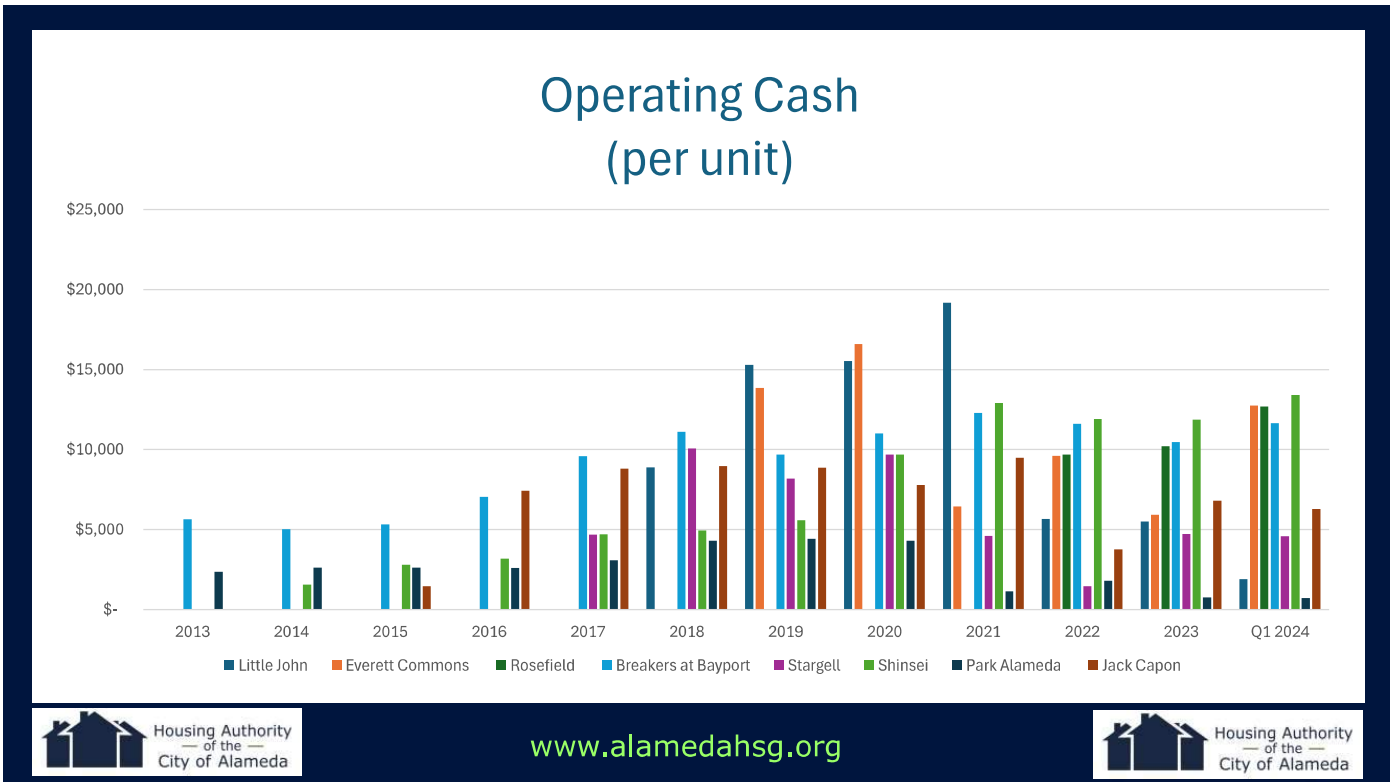
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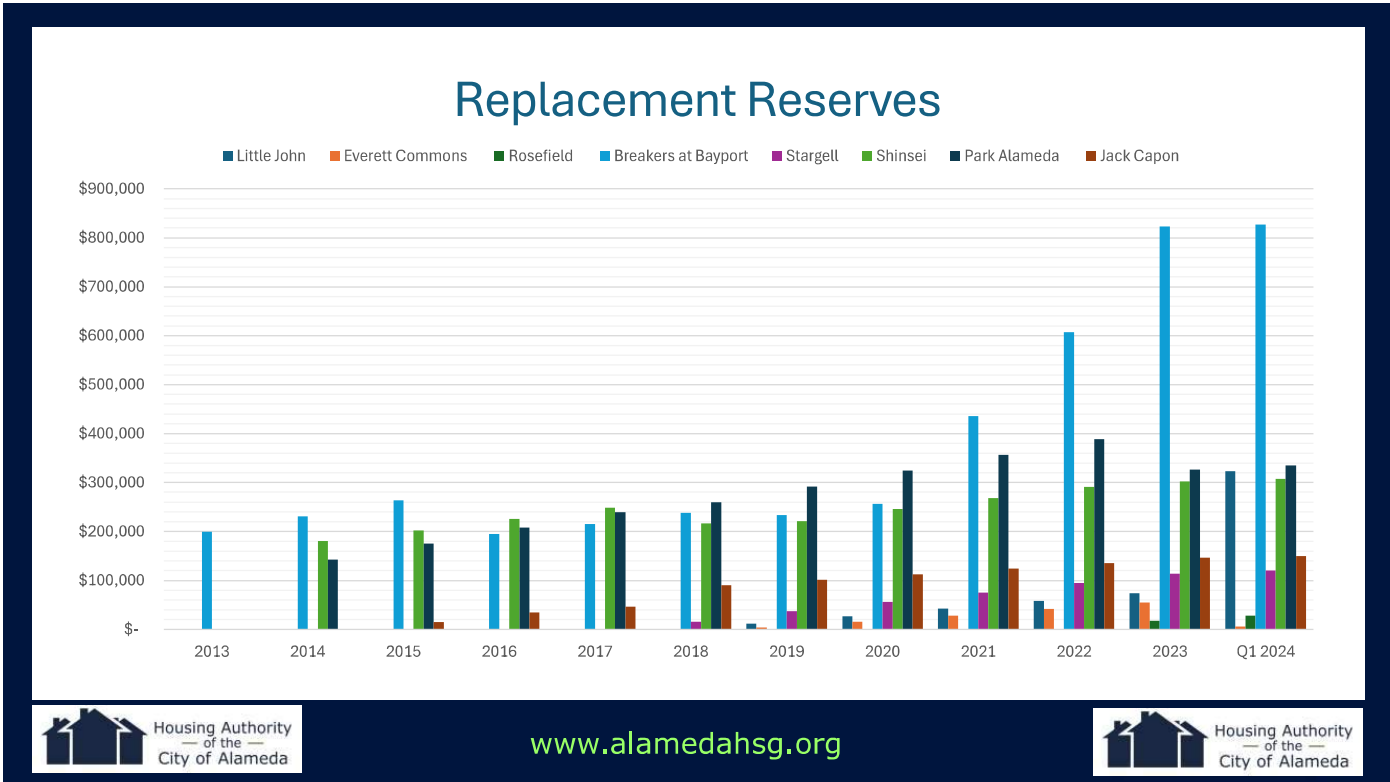
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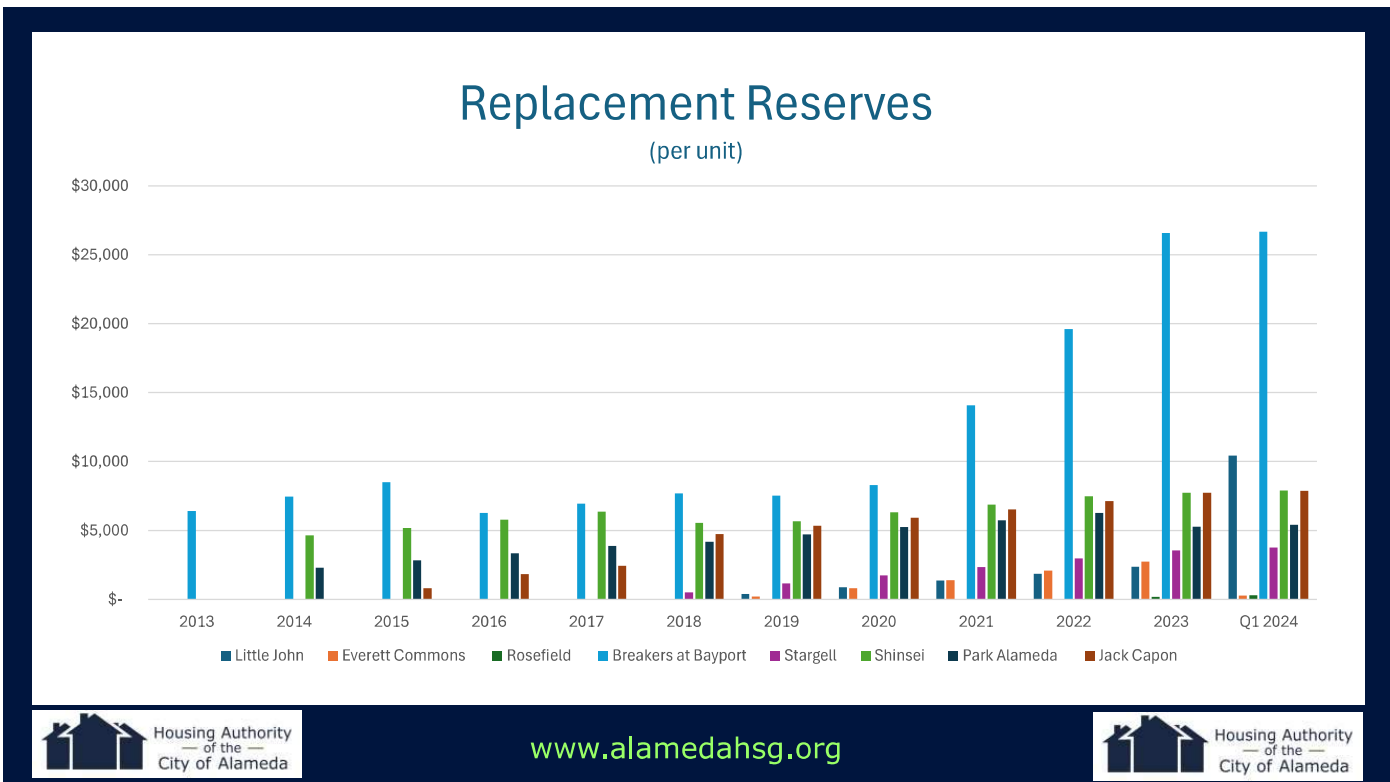
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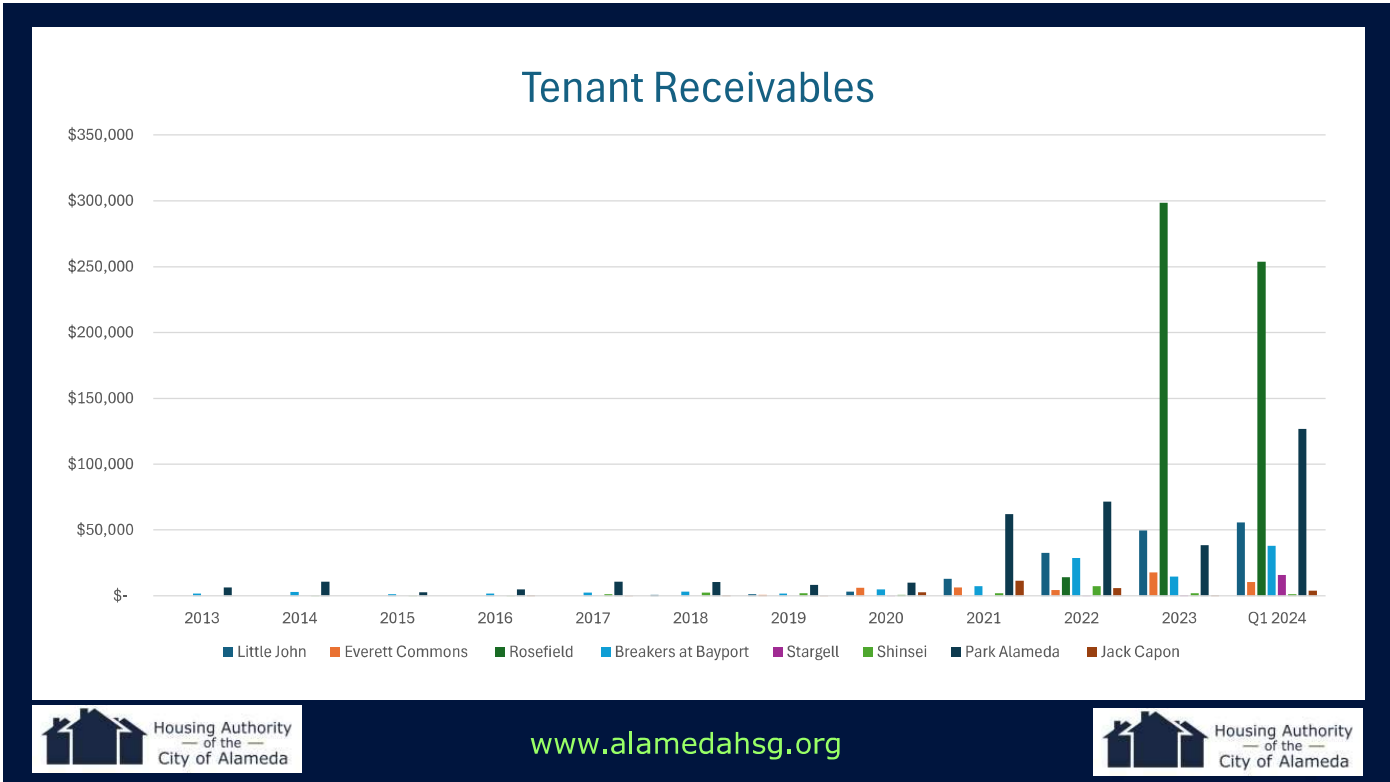
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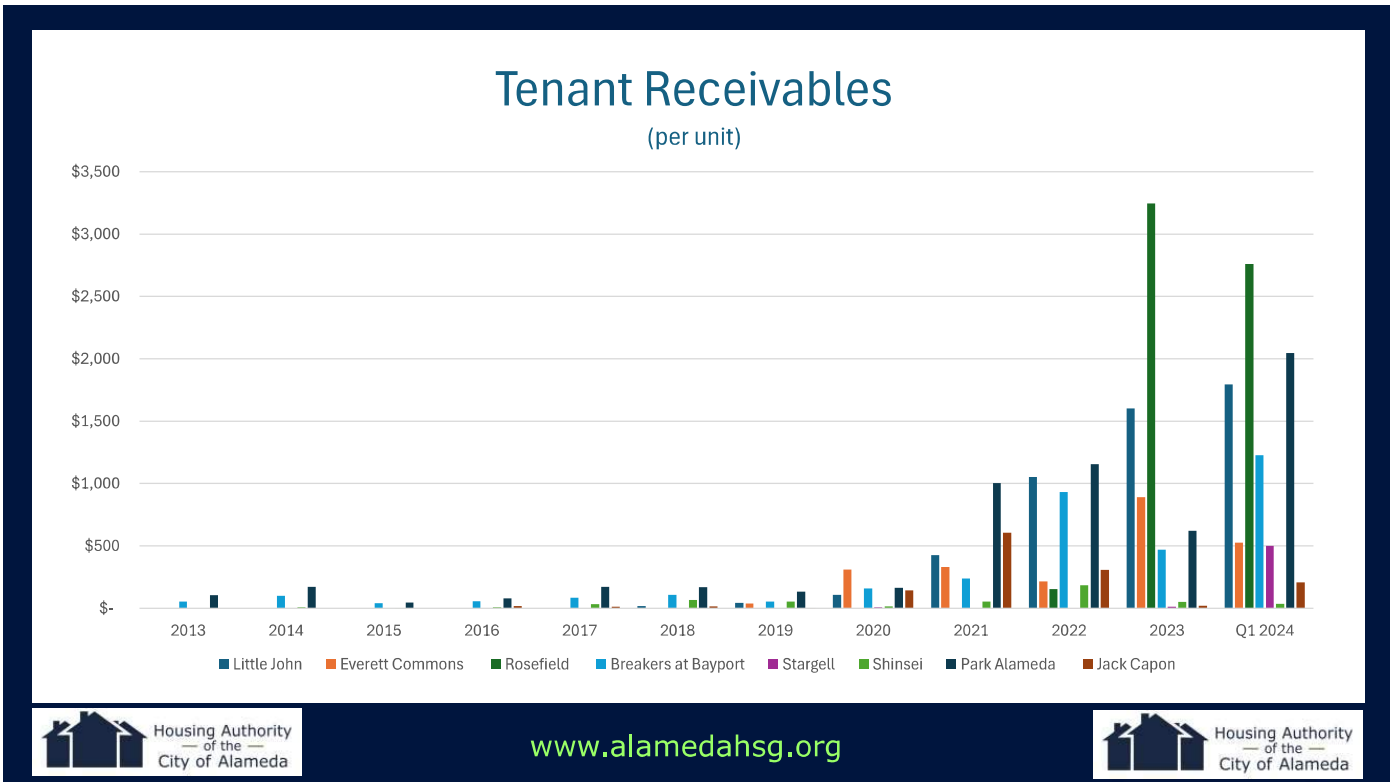
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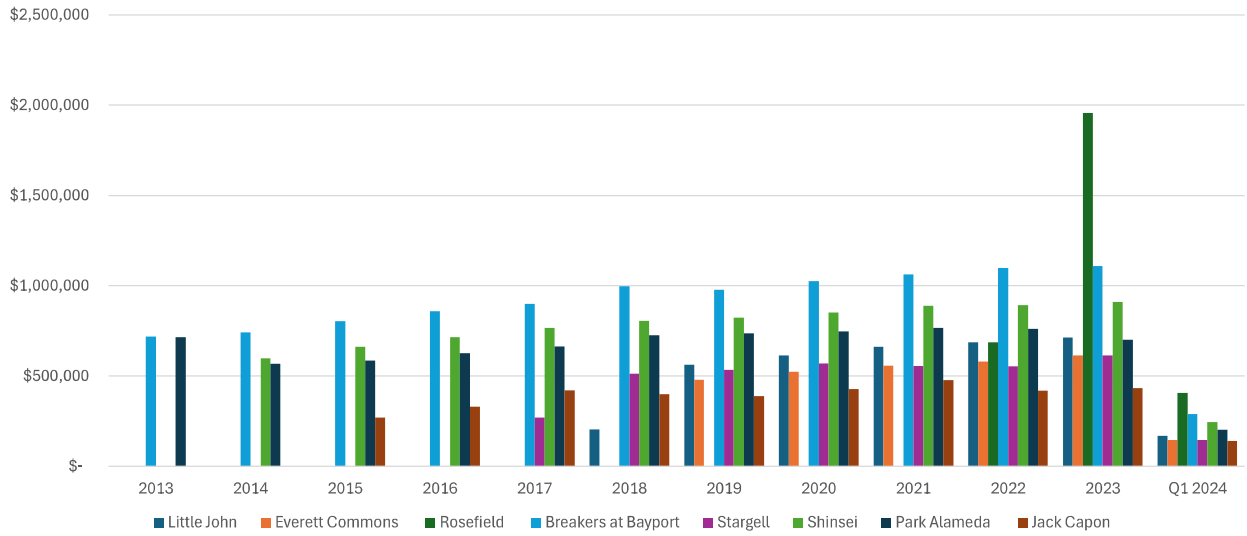


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Total Revenue



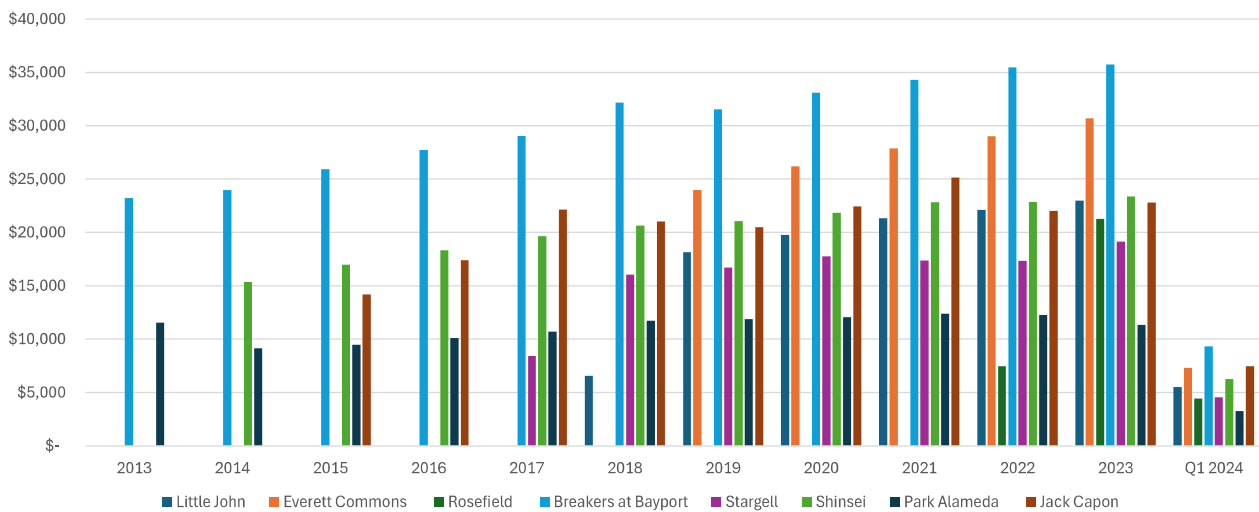
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Total Revenue

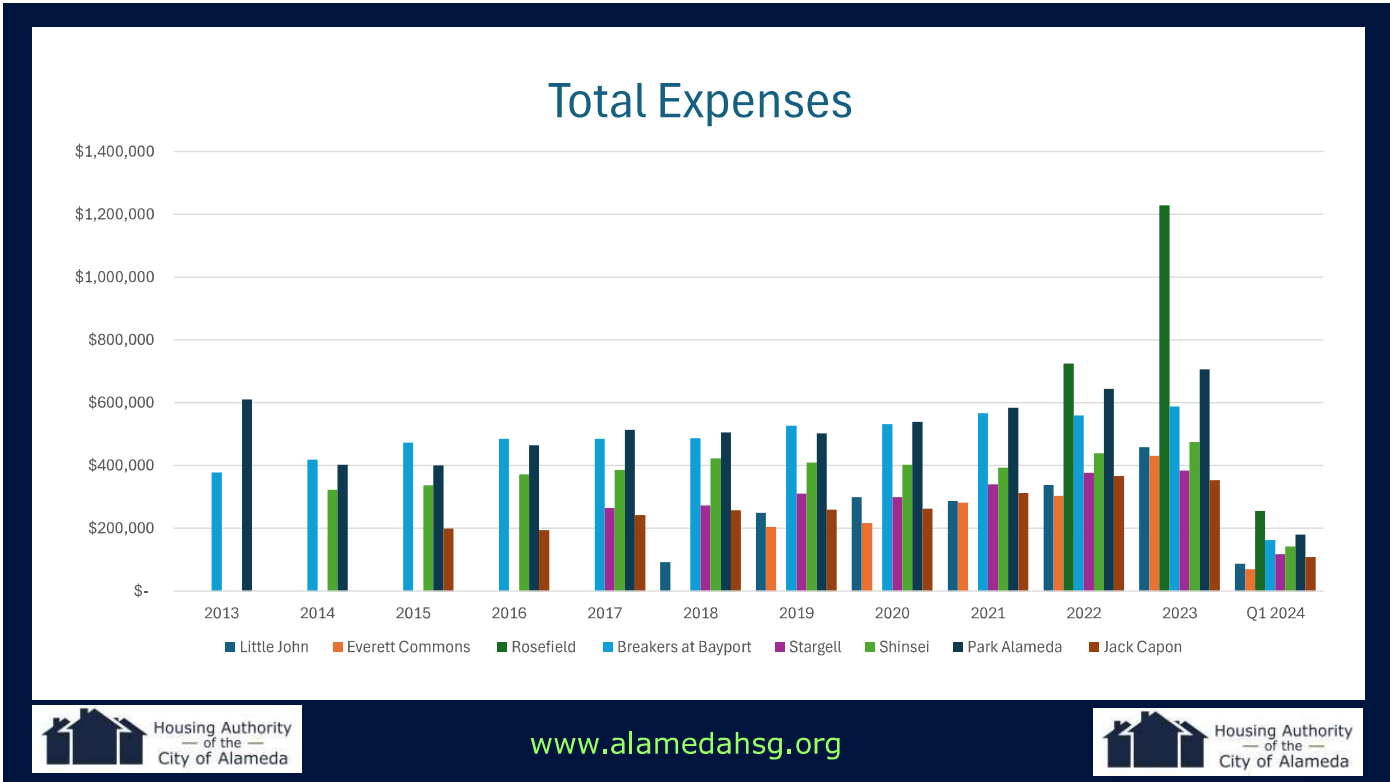
(per unit)



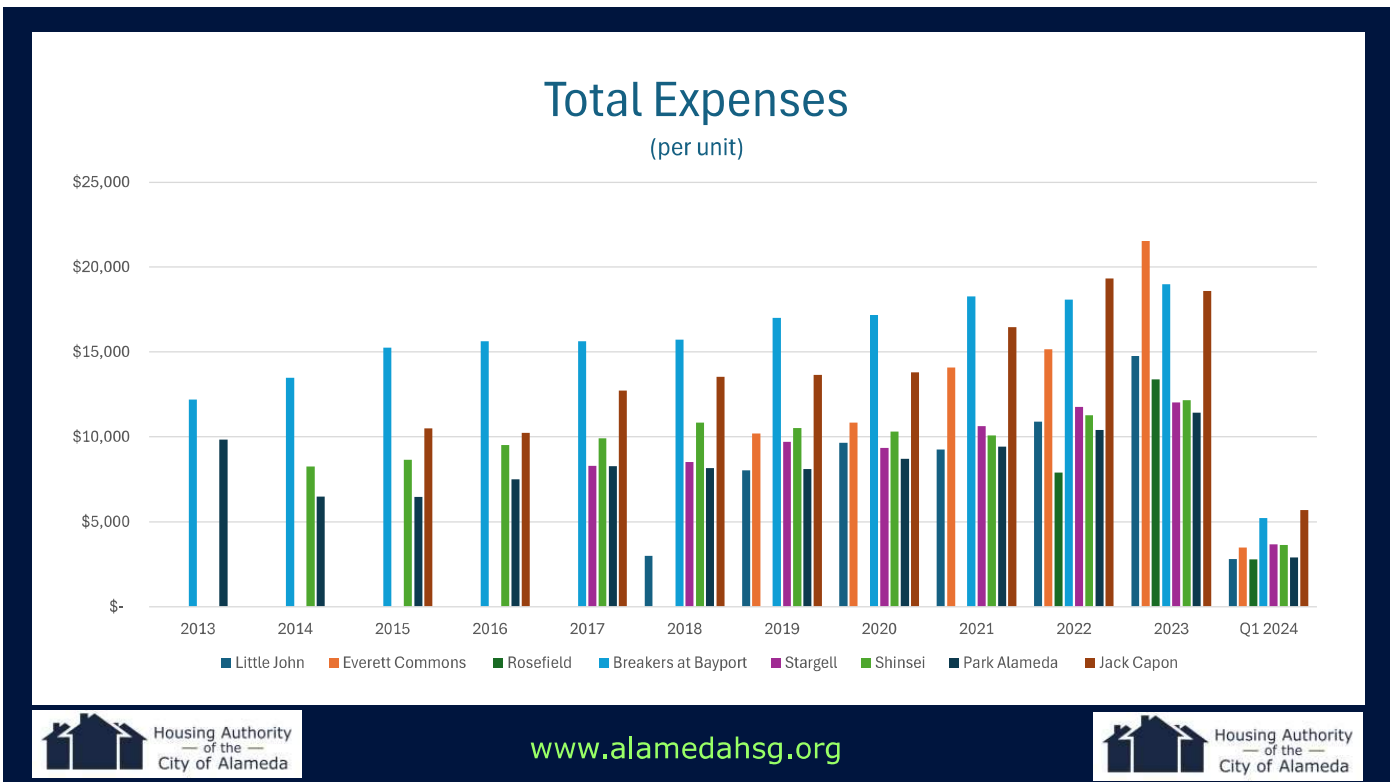
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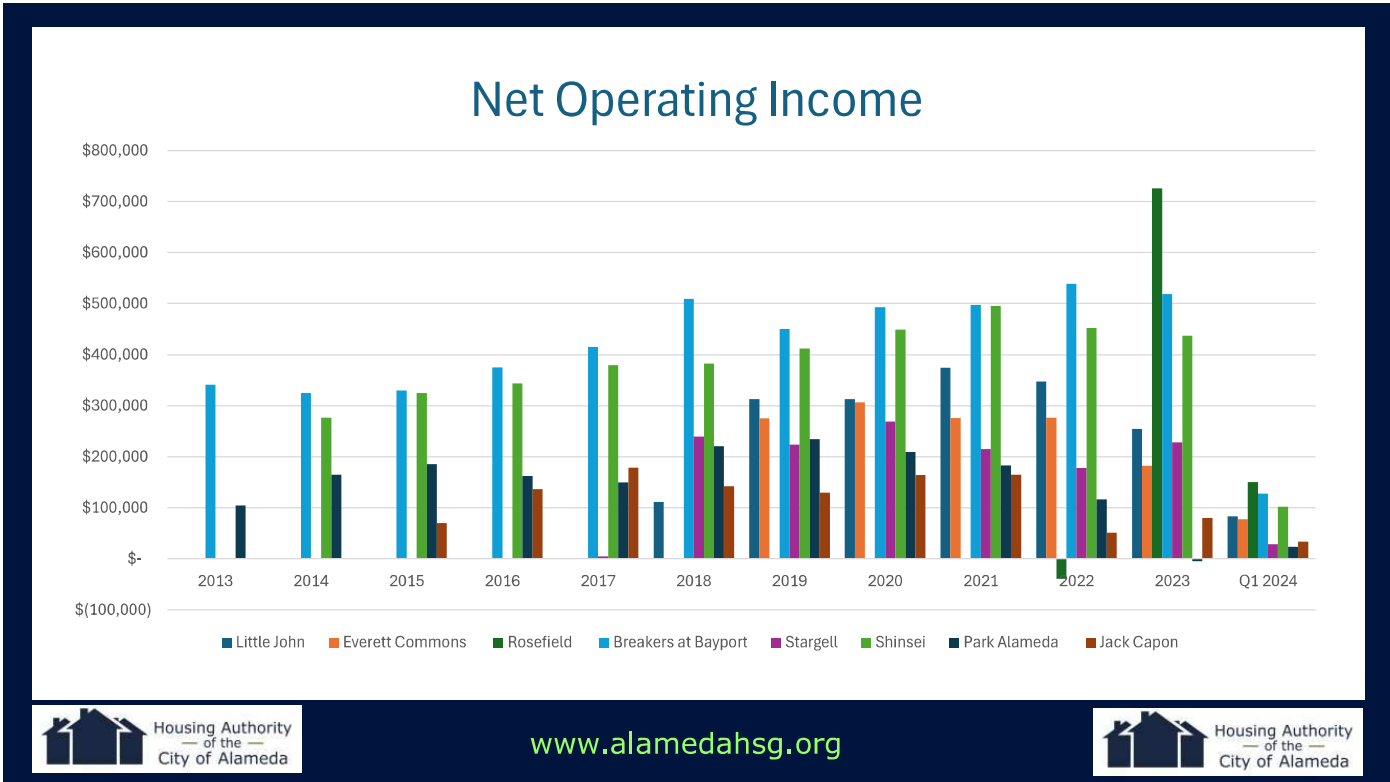
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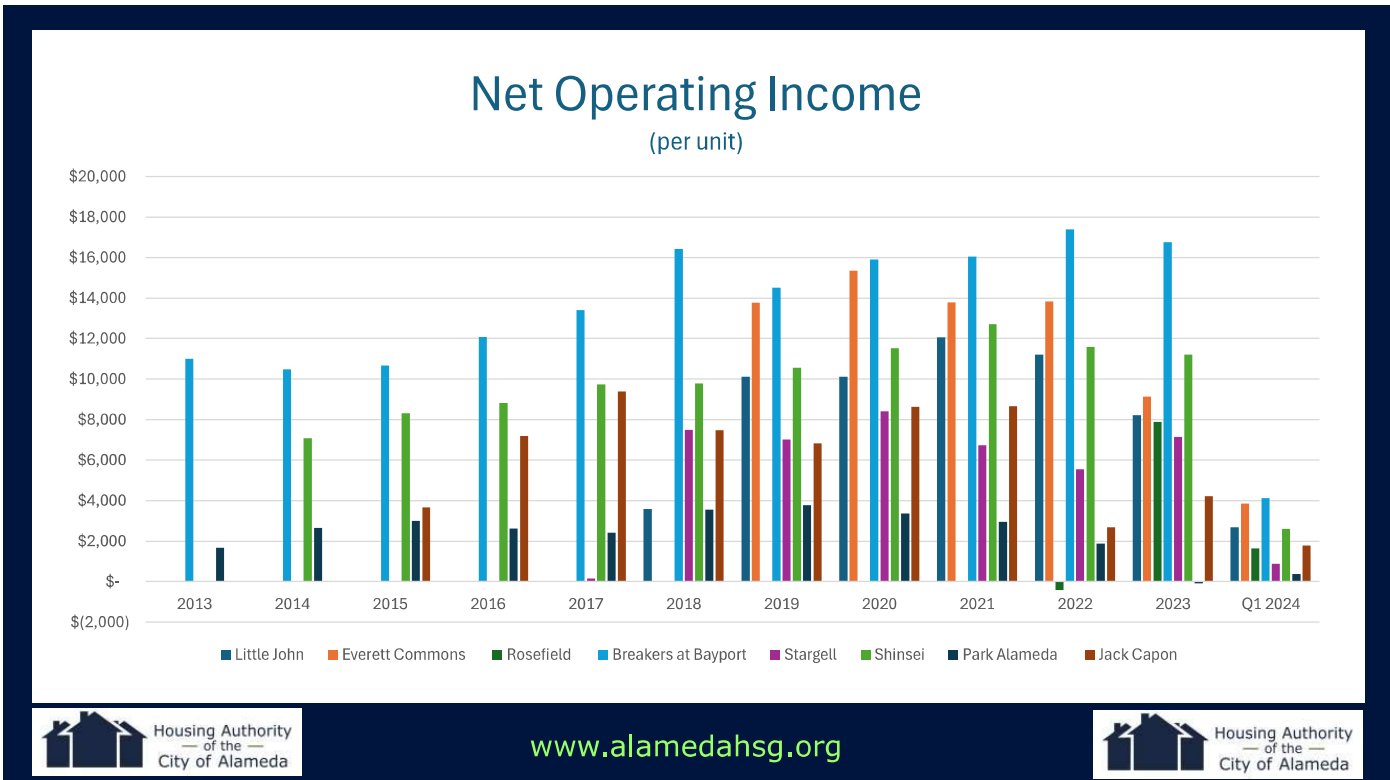
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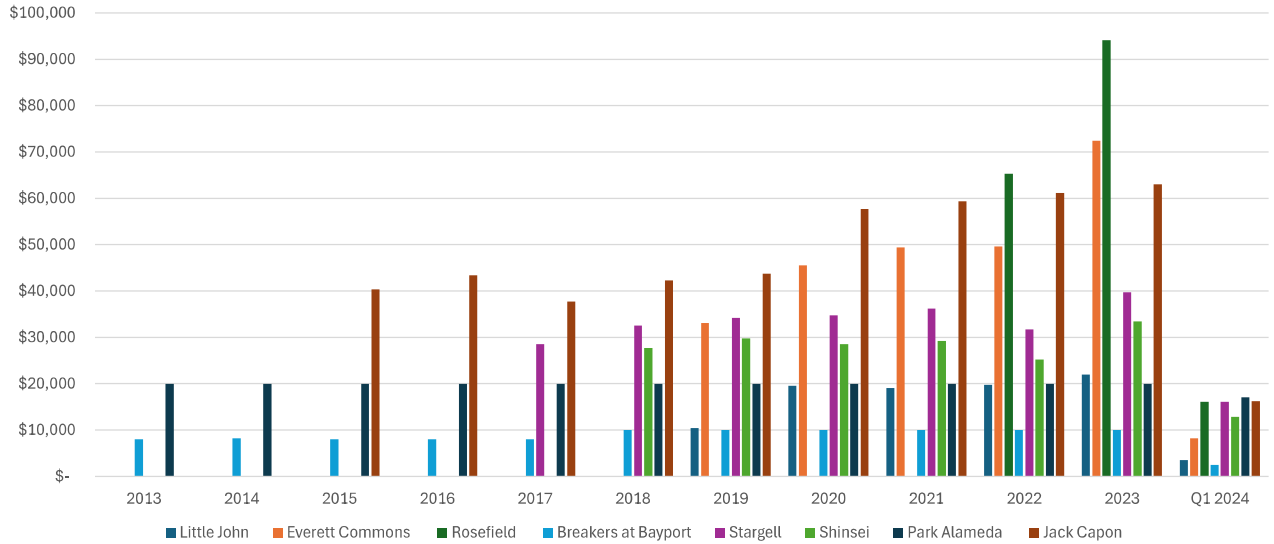


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14

Resident Services



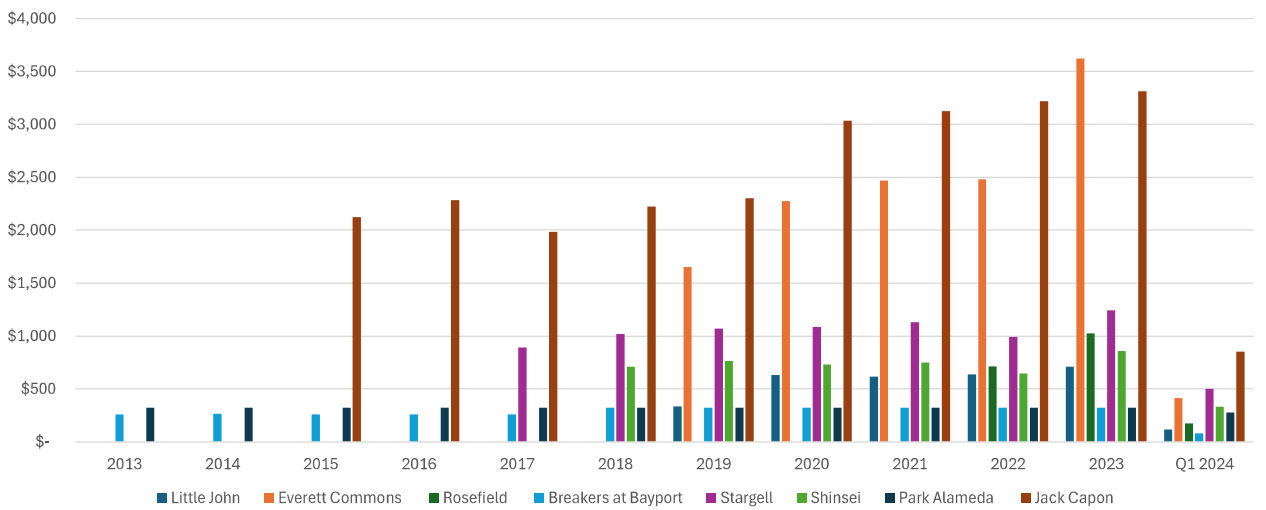
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15

Resident Services

(per unit)

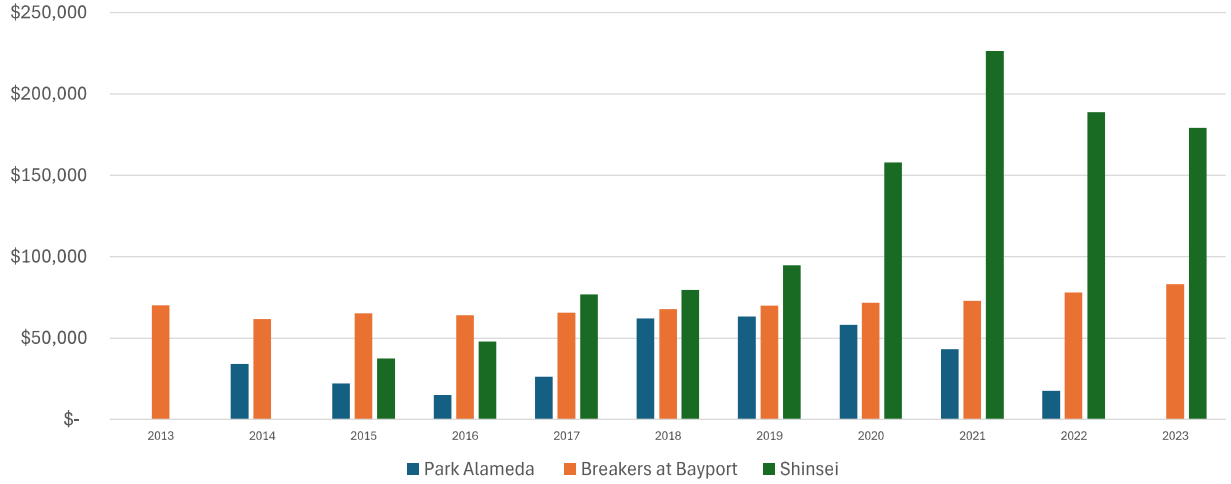


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16

Incentive Management Fee



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Breakers at Bayport

	Actual	Budget	Actual-Budget (\$)	Actual-Budget (%)	PUPY
Rental Revenue	\$ 157,216	\$ 172,623	\$ (15,407)	-9%	\$ 12,094
Subsidy Revenue	\$ 138,321	\$ 129,495	\$ 8,826	7%	\$ 10,640
Vacancy Loss	\$ (8,265)	\$ (6,043)	\$ (2,222)	37%	\$ (636)
Other Income	\$ 2,015	\$ 40	\$ 1,975	N/A	\$ 155
Total Operating Revenue	\$ 289,287	\$ 296,115	\$ (6,828)	-2%	\$ 22,253
Administrative Expenses	\$ 61,081	\$ 45,259	\$ 15,822	35%	\$ 4,699
Utilities Expense	\$ 24,817	\$ 23,682	\$ 1,135	5%	\$ 1,909
Operating and Maintenance	\$ 42,751	\$ 51,373	\$ (8,622)	-17%	\$ 3,289
Taxes and Insurance	\$ 30,479	\$ 30,054	\$ 425	1%	\$ 2,345
Resident Services	\$ 2,499	\$ 2,503	\$ (4)	0%	\$ 192
Total Operating Expenses	\$ 161,627	\$ 152,871	\$ 8,756	6%	\$ 12,433
Net Operating Income	\$ 127,660	\$ 143,244	\$ (15,584)	-11%	\$ 9,820
Replacement Reserves	\$ 3,875	\$ 3,875			
Debt Service	\$ 34,788	\$ 34,788			
Net Cash Flow	\$ 88,997	\$ 104,581	\$ (15,584)	-15%	\$ 6,846
Debt Service Coverage Ratio	3.56	4.01			
Operating Expense PUPY	\$ 12,433	\$ 11,759			
Operating Expense PUPM	\$ 4,144	\$ 3,920			
Number of Units	52				
Months In YTD	3				

Shinsei Gardens

	Actual	Budget	Actual-Budget (\$)	Actual-Budget (%)	PUPY
Rental Revenue	\$ 102,978	\$ 95,804	\$ 7,174	7%	\$ 10,562
Subsidy Revenue	\$ 150,741	\$ 169,797	\$ (19,056)	-11%	\$ 15,461
Vacancy Loss	\$ (11,831)	\$ (6,000)	\$ (5,831)	97%	\$ (1,213)
Financial Revenue	\$ -	\$ -	\$ -	N/A	\$ -
Other Income	\$ 2,000	\$ 1,102	\$ 898	81%	\$ 205
Total Operating Revenue	\$ 243,888	\$ 260,703	\$ (16,815)	-6%	\$ 25,014
Administrative Expenses	\$ 36,845	\$ 35,527	\$ 1,318	4%	\$ 3,779
Utilities Expense	\$ 25,619	\$ 18,180	\$ 7,439	41%	\$ 2,628
Operating and Maintenance	\$ 45,777	\$ 61,238	\$ (15,461)	-25%	\$ 4,695
Taxes and Insurance	\$ 21,083	\$ 23,267	\$ (2,184)	-9%	\$ 2,162
Resident Services	\$ 12,905	\$ 8,835	\$ 4,070	46%	\$ 1,324
Total Operating Expenses	\$ 142,229	\$ 147,047	\$ (4,818)	-3%	\$ 14,588
Net Operating Income	\$ 101,659	\$ 113,656	\$ (11,997)	-11%	\$ 10,427
Replacement Reserves	\$ 5,850	\$ 5,850			
Debt Service	None	None			
Net Cash Flow	\$ 95,809	\$ 107,806	\$ (11,997)	-11%	\$ 9,827
Debt Service Coverage Ratio	None	None			
Operating Expense PUPY	\$ 14,588	\$ 15,082			
Operating Expense PUPM	\$ 4,863	\$ 5,027			
Number of Units	39				
Months In YTD	3				

Park Alameda

	Actual	Budget	Actual-Budget (\$)	Actual-Budget (%)	PUPY
Rental Revenue	\$ 127,795	\$ 146,111	\$ (18,316)	-13%	\$ 8,245
Subsidy Revenue	\$ 94,938	\$ 89,429	\$ 5,509	6%	\$ 6,125
Vacancy Loss	\$ (20,870)	\$ (23,554)	\$ 2,684	-11%	\$ (1,346)
Other Income	\$ 821	\$ 2,554	\$ (1,733)	-68%	\$ 53
Total Operating Revenue	\$ 202,684	\$ 214,540	\$ (11,856)	-6%	\$ 13,076
Administrative Expenses	\$ 49,529	\$ 55,312	\$ (5,783)	-10%	\$ 3,195
Utilities Expense	\$ 22,997	\$ 17,797	\$ 5,200	29%	\$ 1,484
Operating and Maintenance	\$ 55,923	\$ 43,278	\$ 12,645	29%	\$ 3,608
Taxes and Insurance	\$ 33,821	\$ 30,653	\$ 3,168	10%	\$ 2,182
Resident Services	\$ 17,085	\$ 1,749	\$ 15,336	877%	\$ 1,102
Total Operating Expenses	\$ 179,355	\$ 148,789	\$ 30,566	21%	\$ 11,571
Net Operating Income	\$ 23,329	\$ 65,751	\$ (42,422)	-65%	\$ 1,505
Replacement Reserves	\$ 7,983	\$ 7,983			
Debt Service	None	None			
Net Cash Flow	\$ 15,347	\$ 57,769	\$ (42,422)	-73%	\$ 990
Debt Service Coverage Ratio	None	None			
Operating Expense PUPY	\$ 11,571	\$ 9,599			
Operating Expense PUPM	\$ 3,857	\$ 3,200			
Number of Units	62				
Months In YTD	3				

Stargell Commons

	Actual	Budget	Actual-Budget (\$)	Actual-Budget (%)	PUPY
Rental Revenue	\$ 104,274	\$ 95,009	\$ 9,265	10%	\$ 13,034
Subsidy Revenue	\$ 53,973	\$ 63,832	\$ (9,859)	-15%	\$ 6,747
Vacancy Loss	\$ (13,395)	\$ (2,440)	\$ (10,955)	449%	\$ (1,674)
Other Income	\$ 986	\$ 1,254	\$ (268)	-21%	\$ 123
Total Operating Revenue	\$ 145,838	\$ 157,655	\$ (11,817)	-7%	\$ 18,230
Administrative Expenses	\$ 32,422	\$ 30,702	\$ 1,720	6%	\$ 4,053
Utilities Expense	\$ 18,328	\$ 14,697	\$ 3,631	25%	\$ 2,291
Operating and Maintenance	\$ 28,779	\$ 25,344	\$ 3,435	14%	\$ 3,597
Taxes and Insurance	\$ 21,900	\$ 22,395	\$ (495)	-2%	\$ 2,738
Resident Services	\$ 16,106	\$ 10,407	\$ 5,699	55%	\$ 2,013
Total Operating Expenses	\$ 117,535	\$ 103,545	\$ 13,990	14%	\$ 14,692
Net Operating Income	\$ 28,303	\$ 54,110	\$ (25,807)	-48%	\$ 3,538
Replacement Reserves	\$ 4,800	\$ 4,800			
Debt Service	\$ 17,289	\$ 17,289			
Net Cash Flow	\$ 6,214	\$ 32,021	\$ (25,807)	-81%	\$ 777
Debt Service Coverage Ratio	1.36	2.85			
Operating Expense PUPY	\$ 14,692	\$ 12,943			
Operating Expense PUPM	\$ 4,897	\$ 4,314			
Number of Units	32				
Months In YTD	3				

Jack Capon Villas

	Actual	Budget	Actual-Budget (\$)	Actual-Budget (%)	PUPY
Rental Revenue	\$ 26,770	\$ 24,465	\$ 2,305	9%	\$ 5,636
Subsidy Revenue	\$ 99,980	\$ 105,354	\$ (5,374)	-5%	\$ 21,048
Vacancy Loss	\$ -	\$ (12,982)	\$ 12,982	-100%	\$ -
Other Income	\$ 11,590	\$ 625	\$ 10,965	1754%	\$ 2,440
Total Operating Revenue	\$ 138,340	\$ 117,462	\$ 20,878	18%	\$ 29,124
Administrative Expenses	\$ 23,466	\$ 26,762	\$ (3,296)	-12%	\$ 4,940
Utilities Expense	\$ 7,649	\$ 8,132	\$ (483)	-6%	\$ 1,610
Operating and Maintenance	\$ 36,056	\$ 38,872	\$ (2,816)	-7%	\$ 7,591
Taxes and Insurance	\$ 8,748	\$ 10,686	\$ (1,938)	-18%	\$ 1,842
Resident Services	\$ 16,218	\$ 16,218	\$ -	0%	\$ 3,414
Total Operating Expenses	\$ 92,137	\$ 100,670	\$ (8,533)	-8%	\$ 19,397
Net Operating Income	\$ 46,203	\$ 16,792	\$ 29,411	175%	\$ 9,727
Replacement Reserves	\$ 2,850	\$ 2,850			
Debt Service	\$ 7,158	\$ 7,158			
Net Cash Flow	\$ 36,195	\$ 6,784	\$ 29,411	434%	\$ 7,620
Debt Service Coverage Ratio	6.06	1.95			
Operating Expense PUPY	\$ 19,397	\$ 21,194			
Operating Expense PUPM	\$ 6,466	\$ 7,065			
Number of Units	19				
Months In YTD	3				

Littlejohn Commons

	Actual	Budget	Actual-Budget (\$)	Actual-Budget (%)	PUPY
Rental Revenue	\$ 46,083	\$ 31,281	\$ 14,802	47%	\$ 5,946
Subsidy Revenue	\$ 133,549	\$ 164,220	\$ (30,671)	-19%	\$ 17,232
Vacancy Loss	\$ (9,294)	\$ (3,910)	\$ (5,384)	138%	\$ (1,199)
Other Gain/Loss	\$ (7,573)	\$ (3,343)	\$ (4,230)	NA	\$ (977)
Other Income	\$ (2,659)	\$ (22,811)	\$ 20,152	-88%	\$ (343)
Total Operating Revenue	\$ 160,106	\$ 165,437	\$ (5,331)	-3%	\$ 20,659
Administrative Expenses	\$ 19,444	\$ 30,985	\$ (11,541)	-37%	\$ 2,509
Utilities Expense	\$ 11,614	\$ 13,777	\$ (2,163)	-16%	\$ 1,499
Operating and Maintenance	\$ 28,561	\$ 25,377	\$ 3,184	13%	\$ 3,685
Taxes and Insurance	\$ 19,955	\$ 18,509	\$ 1,446	8%	\$ 2,575
Resident Services	\$ 3,523	\$ 5,448	\$ (1,925)	-35%	\$ 455
Total Operating Expenses	\$ 83,097	\$ 94,096	\$ (10,999)	-12%	\$ 10,722
Net Operating Income	\$ 77,009	\$ 71,341	\$ 5,668	8%	\$ 9,937
Replacement Reserves	\$ 3,875	\$ 3,875			
Debt Service	\$ 59,127	\$ 59,127			
Net Cash Flow	\$ 14,007	\$ 8,339	\$ 5,668	68%	\$ 1,807
Debt Service Coverage Ratio	1.24	1.14			
Operating Expense PUPY	\$ 10,722	\$ 12,141			
Operating Expense PUPM	\$ 3,574	\$ 4,047			
Number of Units	31				
Months In YTD	3				

Everett Commons

	Actual	Budget	Actual-Budget (\$)	Actual-Budget (%)	PUPY
Rental Revenue	\$ 35,139	\$ 44,682	\$ (9,543)	-21%	\$ 7,028
Subsidy Revenue	\$ 110,150	\$ 116,913	\$ (6,763)	-6%	\$ 22,030
Vacancy Loss	\$ (2,757)	\$ (3,237)	\$ 480	-15%	\$ (551)
Other Gain/Loss	\$ (3,513)	\$ (2,834)	\$ (679)	NA	\$ (703)
Other Income	\$ (1,353)	\$ (12,075)	\$ 10,722	-89%	\$ (271)
Total Operating Revenue	\$ 137,666	\$ 143,449	\$ (5,783)	-4%	\$ 27,533
Administrative Expenses	\$ 19,662	\$ 19,655	\$ 7	0%	\$ 3,932
Utilities Expense	\$ (5,991)	\$ 15,425	\$ (21,416)	-139%	\$ (1,198)
Operating and Maintenance	\$ 27,809	\$ 15,621	\$ 12,188	78%	\$ 5,562
Taxes and Insurance	\$ 19,556	\$ 13,283	\$ 6,273	47%	\$ 3,911
Resident Services	\$ 8,251	\$ 12,407	\$ (4,156)	-33%	\$ 1,650
Total Operating Expenses	\$ 69,287	\$ 76,391	\$ (7,104)	-9%	\$ 13,857
Net Operating Income	\$ 68,379	\$ 67,058	\$ 1,321	2%	\$ 13,676
Replacement Reserves	\$ 3,377	\$ 3,377			
Debt Service	\$ 53,979	\$ 53,979			
Net Cash Flow	\$ 11,023	\$ 9,702	\$ 1,321	14%	\$ 2,205
Debt Service Coverage Ratio	1.20	1.18			
Operating Expense PUPY	\$ 13,857	\$ 15,278			
Operating Expense PUPM	\$ 4,619	\$ 5,093			
Number of Units	20				
Months In YTD	3				

Rosefield Village

	Actual	Budget	Actual-Budget (\$)	Actual-Budget (%)	PUPY
Rental Revenue	\$ 312,476	\$ 362,847	\$ (50,371)	-14%	\$ 13,586
Subsidy Revenue	\$ 166,736	\$ 177,804	\$ (11,068)	-6%	\$ 7,249
Vacancy Loss	\$ (59,216)	\$ (27,032)	\$ (32,184)	119%	\$ (2,575)
Other Gain/Loss	\$ 28,111	\$ (397)	\$ 28,508	NA	\$ 1,222
Other Income	\$ (2,992)	\$ (52,244)	\$ 49,252	-94%	\$ (130)
Total Operating Revenue	\$ 445,115	\$ 460,978	\$ (15,863)	-3%	\$ 19,353
Administrative Expenses	\$ 112,514	\$ 77,276	\$ 35,238	46%	\$ 4,892
Utilities Expense	\$ 19,342	\$ 55,510	\$ (36,168)	-65%	\$ 841
Operating and Maintenance	\$ 56,950	\$ 36,745	\$ 20,205	55%	\$ 2,476
Taxes and Insurance	\$ 50,513	\$ 48,765	\$ 1,748	4%	\$ 2,196
Resident Services	\$ 16,066	\$ 23,344	\$ (7,278)	-31%	\$ 699
Total Operating Expenses	\$ 255,385	\$ 241,640	\$ 13,745	6%	\$ 11,104
Net Operating Income	\$ 189,730	\$ 219,338	\$ (29,608)	-13%	\$ 8,249
Replacement Reserves	\$ 13,800	\$ 13,800			
Debt Service	\$ 181,173	\$ 181,173			
Net Cash Flow	\$ (5,243)	\$ 24,365	\$ (29,608)	-122%	\$ (228)
Debt Service Coverage Ratio	0.97	1.13			
Operating Expense PUPY	\$ 11,104	\$ 10,506			
Operating Expense PUPM	\$ 3,701	\$ 3,502			
Number of Units	92				
Months In YTD	3				



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701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Sylvia Martinez, Director of Housing Development

Date: June 26, 2024

Re: Accept an update to the Independence Plaza Faircloth to RAD transaction; Authorize the Executive Director to submit a Mixed Finance Development Application to the U.S. Housing and Urban Development using Rental Assistance Demonstration (RAD) program and negotiate and approve minor Amendments in documents.

BACKGROUND

Independence Plaza (IP) is currently owned by Alameda Affordable Housing Corporation (AAHC), a non-profit instrumentality of the Housing Authority of the City of Alameda (AHA). The property was originally developed by AHA in 1990 and continuously owned and operated in good condition. In 2019, the AHA transferred the property (including both the land and improvements) to AAHC because of a federal requirement and provided a \$34,200,000 seller carryback loan to cover the market value of the property.

IP consists of five (5), four-story multifamily residential buildings situated between Atlantic and Constitution Avenues. The project has a total of 186 units - 159 one-bedroom, one-bathroom units and 27 two-bedroom, one-bathroom units. Ten units are accessible, and 4 units have sight/hearing features; twenty other units were upgraded recently for accessibility features. The site contains a community room, laundry, elevators, property management and social service offices and parking. The property currently has a project-based voucher (PBV) contract for 25 units with an expiration date in 2040. This HAP contract covers non-Faircloth to RAD units and will remain in place. A small number of VASH PBV units are also in the process of being added to this site.

As discussed in previous Board updates, the Independence Plaza Faircloth to RAD transaction is a refinancing of IP, without rehabilitation, that is proposed to financially restructure its operations to deal with an expiring operating subsidy and permanent loan. Per the 2024 Physical Needs Assessment, no renovation is required at the time of the transaction.



AHA is proposing to convert 120 public housing units to 120 project-based voucher units through a RAD conversion. The remaining 41 units will remain at 80% AMI (two units are manager's units). AHA requests that the ultimate PBV contract for the Faircloth to RAD units be a mix of one- and two-bedroom units, and may change over time, so that the property can respond to the needs of tenants, including reasonable accommodation for a live-in aide, or adjustments to household size and composition. AHA anticipates placing the 120 vouchers on the property with the expectation that most, but not quite all, of the existing tenants will qualify and agree to participate in the voucher program. Any excess vouchers would be held until a qualified tenant leases an available unit and the voucher can be transferred to that qualified household.

In May 2024, the Board approved an application and up to a \$3 million grant to this project through the Alameda Affordable Housing Trust Fund (AAHTF) and State of California Local Housing Trust Fund (LHTF) application. Given the state's budget issues, the LHTF application may not move forward.

DISCUSSION

Staff has prepared the HUD application for the Independence Plaza Faircloth to RAD transaction and plans to submit before the end of June 2024. Staff wishes to update the Board on additional details and receive approval to submit the application to HUD. Any revisions and further updates will be brought to the Board in August.

A summary of the refined plan is below and in the attached presentation:

1. Authorize Splitting the existing Seller carryback Loan at IP into two parts - When AHA transferred ownership of the property to AAHC, it provided a loan of 100% of the appraised value of the land and improvements. This loan has been partially repaid down to a balance of approximately \$30,000,000. AHA wishes to have the land returned, and instead to provide a ground lease and a note to prepay all ground lease payments. AAHC will retain the portion of the seller note that covers the improvements. The net loan balance of \$30,000,000 will not change but will be split into two: \$10,600,000 for the ground lease and \$19,400,000 for improvements. Legally, this request may require that two new loans be made, in lieu of amending the existing seller carryback loan. Both loans will be repaid by 75% of residual receipts and surplus cash flow from operating the property, split *pari passu* (on a shared basis depending on the differing sizes of the two loans).
2. AHA to accept the transfer back of the land, approve a long-term ground lease to AAHC, and create a separate loan to prepay all the ground lease payment at the fair market transfer value of \$10,600,000. AHA prefers to retain ownership of the land in its transactions. This is a ground lease structure that AHA has used frequently and helps provide long-term control and regulatory agreement for the use of the site. The value of the transfer is shown above.
3. Authorize the previously approved \$3 million grant to be structured as a loan, if needed - In May 2024, the Board approved up to \$3 million in a grant from the

Housing Authority to AAHC. As that application may not move forward, staff would like to ask the Board to make the funds as a loan directly to AAHC for this transaction, if needed. It is proposed that this \$3 million dollar loan be consolidated into one of the new loans proposed. The \$3 million dollars will pay off the existing Northmarq loan and help create a \$1.8 million replacement reserve to support the project over the next 20 years (existing reserves of approximately \$600,000 that are held by Northmarq will also be used for this HUD required reserve). Staff estimates that this amount will be sufficient for the transaction, but will bring an update to the Board in August.

The \$3 million dollars will be added to the improvements loan:

Existing Loan Balance	\$30,000,000	
Split ground lease (2019 land value)	\$10,600,000	
Split loan for improvements		\$19,400,000
Additional loan		<u>\$3,000,000</u>
Final balance of 2nd loan		\$22,400,000

4. Authorize an application to HUD for the Faircloth to RAD transaction. The two loans are proposed at 0% interest, on a residual receipts basis from 75% of cash flow, paid quarterly. The cash flow included in the HUD application (attached) is conservative, because it does not include any extra income from tenant-based vouchers. There are typically 40 or more tenant-based vouchers at the site, which could yield an estimated \$400,000 or more a year in additional income not shown here because they are not 'guaranteed.'

Staff continues to look for ways to reduce the overall cost to AHA, including assistance from other funding partners, etc. However, in order to submit a complete application, the full commitment must be shown at this time. The source of this loan may derive from a combination of funding sources:

- Reserve Policy funds
- AAHC/IP operations cash flow - FY 2024-25
- Other public and private funders, if available. If an LHTF application becomes feasible, it will be attempted. Also, staff has reached out to other local funding partners to see if any sources might be available.

Legal documents will be drafted but not signed until HUD has reviewed and made any comments. The final legal documents will be provided to the Board in August, along with any material changes. For ease of complying with HUD review comments, staff is asking for the Executive Director to be able to negotiate and approve minor amendments. It is anticipated that AHA will receive HUD approval in September 2024 to begin the transaction.

Potential additional financial support for the IP Faircloth transaction:

AHA will negotiate with HUD regarding the need to provide support for the Faircloth vouchers at Independence Plaza for the period before HUD begins to support the project through additional federal funds. The amount of additional support ranges from nearly \$1,000,000 for an entire calendar year, or less, if not all vouchers are utilized immediately. Staff is discussing the best approach with HUD and will bring back a recommendation in August 2024.

Phased Approach to Voucher Lease Up

Staff estimates that there may be a phased approach to the voucher lease up of the 120 new project-based vouchers. There may not be enough households currently that income qualify and choose to participate. Also, rents will need to lift to the payment standards of \$2557 for a one-bedroom and \$3108 for a two-bedroom, even if the tenant's portion goes down or stays the same. Thus, staff needs to review and implement in light of all local and state regulations regarding rent increases.

Staff is starting income certifications for existing residents to pre-qualify them for the vouchers and will have a better understanding of who qualifies after this task is done. It is possible to obtain the contract with HUD for 120 vouchers, but to fill over time. Staff estimates that lease up may be extended over 2025. Staff will bring a proposal on how to prioritize households and fill these voucher opportunities to the Board in August.

FISCAL IMPACT

AHA has already approved up to \$3 million for this transaction and the existing seller carryback loan (in 2019). The income from the Independence Plaza property will increase significantly once the additional vouchers are added. Repayment is anticipated in less than 5 years for the additional loan amount. The remaining note balances will be repaid within 30 years. IP would retain 25% of its cash flow and would have the benefit of a \$1,800,000 deposit for replacement reserves. The project will be stabilized and continue to serve vulnerable seniors into the future.

CEQA

Not applicable.

RECOMMENDATION

Accept an update to the Independence Plaza Faircloth to RAD transaction; Authorize the Executive Director to submit a Mixed Finance Development Application to the U.S. Housing and Urban Development using Rental Assistance Demonstration (RAD) program and negotiate and approve minor Amendments in documents.

ATTACHMENTS

1. June 2024 Independence Plaza Transaction Update
2. HUD 50156 Workbook_IP

Respectfully submitted,



Sylvia Martinez, Director of Housing Development

**Accept an update to the Independence
Plaza Faircloth to RAD transaction;
Authorize the Executive Director to submit
a Mixed Finance Development Application
to the U.S. Housing and Urban
Development using Rental Assistance
Demonstration (RAD) program and
negotiate and approve minor Amendments
in documents.**

June 26, 2024

Independence Plaza Refi Proposal

- Need:** Replace expiring operating subsidy
- Proposal:** Use 120 Faircloth vouchers to provide tenant relief and add financial stability
- Timing:** May-December 2024
- Cost:** Estimated \$3-4 million in new funds and maintaining existing IP loans

Proposal to HUD – Key items

1. Pay off Northmarq, and create a large replacement reserve (HUD requirement)
2. Maintain existing loans from AHA to IP – The balance will remain the same, but there will be some restructuring
3. Extend approximately \$3 million in new loans
4. Structure an MITW rental supplement, as needed, for the initial 2-12 months of operations
5. Phased approach to voucher lease up

1. Pay off Northmarq; create reserve

As described in May 2024, IP needs to pay off its existing lender (Northmarq). Also, HUD will require a \$1.8 million replacement reserve. When IP pays off Northmarq, Northmarq will release approximately \$600,000 in its own replacement reserves which will roll over to the HUD reserve requirement. In all, approximately \$3 million in new funds will be required.

2. Maintain existing loan-AHA to AAHC/IP

- AHA built IP. In 2019, it transferred land + buildings to AAHC. It made a \$34,200,000 loan to AAHC for this 'purchase.'
- AAHC has paid down that loan to approx. \$30 million.
- Now, AHA wants the land back. It will offer a 99 year ground lease, plus a loan for \$10,600,000 (to prepay all ground lease payments at market value).
- AHA will maintain the \$19,400,000 'building' value on its existing loan to AAHC.
- These loans are at 0% interest. The terms may need to be extended.

Why does AHA want to own the land?

- *Owning the land gives AHA long term control of the property. Any changes have to come back to AHA for approval.*
- *The ground lease allows AHA to require a regulatory agreement with an affordability covenant, and to receive reports and notices.*
- *This structure is conservative, ‘belt and suspenders,’ and is being used throughout AHA’s portfolio with AAHC, ICD, and other developers.*
- *AHA doesn’t charge interest, because its motivation is long-term affordability and control of current and future uses of the property.*

3. Extend \$3 million in new loans

- In May 2024, AHA approved a \$3 million grant to this transaction, hoping to get a matching grant from the State LHTF program. The State may not hold a competition for LHTF match, so likely that \$3 million will be needed as a direct loan.
- To streamline, this \$3 million will likely be added to the existing 'building' loan of \$19,400,000 and repaid from its share of cash flow (residual receipts).
- As shown in the cash flow, once the 120 vouchers are in place, these loans are paid off rapidly.

4. Structure the MTW supplement

- In the end, full rent on these units will be paid by a combination of:
 - 30% of tenant income (the “tenant portion”),
 - the “Faircloth rent” of approximately \$900/mo; and
 - An MTW supplement (fills the gap to reach the AHA payment standards of \$2557 (1 bedroom) and \$3108 (2 bedroom))
- Once the HAP contract with HUD is established, HUD will fill that gap on an annual basis for 20 years. But in the first 2-12 months, AHA may need to provide that supplement. This would be an additional \$200k-\$1 million from AHA sources.
- AHA staff is working with HUD on how to structure this and will bring back a proposal for review in August.

5. Phased Approach - Voucher Lease Up

- There may not be enough existing households that are qualified for the vouchers, although we know that some tenants are very low income and could benefit immediately.
- Since rents will be lifted to the payment standards, even if the tenants themselves are paying much less, staff needs to review in light of all local and state regulations regarding rent increases.
- Staff is currently starting income certifications for existing residents.
- Staff will bring a proposal for the phased approach in August for Board approval.

Updated Sources/Uses

Uses:		Amount
Ground lease		\$ 10,600,000
Buildings		\$ 19,400,000
Replacement Reserves		\$ 1,800,000
Repay Northmarq		\$ 1,800,000
Legal & escrow		\$ 250,000
		\$ 33,850,000
Sources		Amount
	Terms	
AHA Ground lease loan	20-55 year loan; 0% interest	\$ 10,600,000
AHA loan	20-55 year loan; 0% interest	\$ 22,400,000
Northmarq reserves		\$ 627,300
Project cash flow		\$ 222,700
		\$ 33,850,000

Staff Recommendation

Accept an update to the Independence Plaza Faircloth to RAD transaction; Authorize the

Executive Director to submit a Mixed

Finance Development Application to the U.S.

Housing and Urban Development using

Rental Assistance Demonstration (RAD)

program and negotiate and approve minor Amendments in documents.

Applicant PHA/Grantee: Housing Authority of the City of Alameda
 Grant Name, if applicable: NA
 Phase/Project Name: Independence Plaza Faircloth Transaction
 PIC Development Number: CA062000000

	Year 1 2023	Year 2 2024	Year 3 2025	Year 4 2026	Year 5 2027	Year 6 2028	Year 7 2029	Year 8 2030	Year 9 2031
Operating Income									
Unrestricted (Market Rate) Unit Rent	0	0	0	0	0	0	0	0	0
Affordable/Restricted Rent	1,045,764	1,066,679	1,088,013	1,109,773	1,131,969	1,154,608	1,177,700	1,201,254	1,225,279
Total Non-Public Housing Rental Income	1,045,764	1,066,679	1,088,013	1,109,773	1,131,969	1,154,608	1,177,700	1,201,254	1,225,279
Housing Choice Voucher/PBRA									
Tenant Rent	196,824	200,760	204,776	208,871	213,049	217,310	221,656	226,089	230,611
Voucher/PBRA Amount	458,988	468,168	477,531	487,082	496,823	506,760	516,895	527,233	537,778
Total Housing Choice Voucher/PBRA	655,812	668,928	682,307	695,953	709,872	724,069	738,551	753,322	768,388
Public Housing Rental Income									
Tenant Rent	963,348	982,615	1,002,267	1,022,313	1,042,759	1,063,614	1,084,886	1,106,584	1,128,716
Public Housing Operating Subsidy	2,246,916	2,291,854	2,337,691	2,384,445	2,432,134	2,480,777	2,530,392	2,581,000	2,632,620
Total Public Housing Rental Income	3,210,264	3,274,469	3,339,959	3,406,758	3,474,893	3,544,391	3,615,279	3,687,584	3,761,336
Gross Rental Income	4,911,840	5,010,077	5,110,278	5,212,484	5,316,734	5,423,068	5,531,530	5,642,160	5,755,003
Other Income (laundry, interest, etc.)	15,000	15,300	15,606	15,918	16,236	16,561	16,892	17,230	17,575
Gross Income	4,926,840	5,025,377	5,125,884	5,228,402	5,332,970	5,439,629	5,548,422	5,659,390	5,772,578
Less Vacancy Allowance	147,805	150,761	153,777	156,852	159,989	163,189	166,453	169,782	173,177
Effective Gross Income	4,779,035	4,874,615	4,972,108	5,071,550	5,172,981	5,276,441	5,381,969	5,489,609	5,599,401

Operating Expenses

Administration/Salaries	809,654	833,944	858,962	884,731	911,273	938,611	966,769	995,772	1,025,645
Property Management Fee	109,368	112,649	116,029	119,509	123,095	126,787	130,591	134,509	138,544
Office Expenses	222,838	229,523	236,409	243,501	250,806	258,330	266,080	274,063	282,285
Insurance	252,601	260,179	267,984	276,024	284,305	292,834	301,619	310,667	319,987
Accounting	300,817	309,842	319,137	328,711	338,572	348,729	359,191	369,967	381,066
Maintenance	884,553	911,090	938,422	966,575	995,572	1,025,439	1,056,203	1,087,889	1,120,525
Utilities	289,860	298,556	307,512	316,738	326,240	336,027	346,108	356,491	367,186
Security	0	0	0	0	0	0	0	0	0
Real Estate Taxes/PILOT	36,000	37,080	38,192	39,338	40,518	41,734	42,986	44,275	45,604
Supportive Services	285,903	294,480	303,314	312,414	321,786	331,440	341,383	351,625	362,173
Replacement Reserve	92,500	94,304	96,143	98,017	99,929	101,877	103,864	105,889	107,954
Other	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0
Total Operating Expenses	3,284,094	3,381,646	3,482,105	3,585,558	3,692,096	3,801,810	3,914,794	4,031,147	4,150,970
Net Operating Income	1,494,941	1,492,970	1,490,003	1,485,992	1,480,885	1,474,631	1,467,175	1,458,461	1,448,431

Debt Service

Permanent Mortgage #1:									
Other: Seller Note									
Other: Seller Notes	1,121,206	1,119,727	1,117,502	1,114,494	1,110,664	1,105,973	1,100,381	1,093,846	1,086,323
Total Debt Service	1,121,206	1,119,727	1,117,502	1,114,494	1,110,664	1,105,973	1,100,381	1,093,846	1,086,323
Debt Coverage Ratio	1.33	1.33	1.33	1.33	1.33	1.33	1.33	1.33	1.33
Fee: identify									
Fee: identify									
Fee: identify									

Cash Flow Available for Distribution	373,735	373,242	372,501	371,498	370,221	368,658	366,794	364,615	362,108
Distribution: AHA 1st trust deed									
Distribution: AHA 2nd trust deed									
Distribution: identify									
Distribution: identify									
Distribution: identify									
Income	373,735	373,242	372,501	371,498	370,221	368,658	366,794	364,615	362,108

Fill out the section below for PBV Projects**Calculating Cash Flow as a % of Operating**

Expenses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Cash Flow Available for Distribution (NOI - Debt Service)	373,735	373,242	372,501	371,498	370,221	368,658	366,794	364,615	362,108
- less Deferred Developer Fee(s)	0	0	0	0	0	0	0	0	0
- less Operating Reserve Replenishment	0	0	0	0	0	0	0	0	0
Net Cash Flow	373,735	373,242	372,501	371,498	370,221	368,658	366,794	364,615	362,108
Operating Expenses	3,284,094	3,381,646	3,482,105	3,585,558	3,692,096	3,801,810	3,914,794	4,031,147	4,150,970
Net Cash Flow as a % of Operating Expenses	11%	11%	11%	10%	10%	10%	9%	9%	9%

Operating Pro Forma

Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
0	0	0	0	0	0	0	0	0	0	0
1,249,785	1,274,780	1,300,276	1,326,282	1,352,807	1,379,863	1,407,461	1,435,610	1,464,322	1,493,609	1,523,481
1,249,785	1,274,780	1,300,276	1,326,282	1,352,807	1,379,863	1,407,461	1,435,610	1,464,322	1,493,609	1,523,481
235,223	239,927	244,726	249,620	254,613	259,705	264,899	270,197	275,601	281,113	286,735
548,533	559,504	570,694	582,108	593,750	605,625	617,737	630,092	642,694	655,548	668,659
783,756	799,431	815,420	831,728	848,363	865,330	882,637	900,289	918,295	936,661	955,394
1,151,290	1,174,316	1,197,802	1,221,758	1,246,193	1,271,117	1,296,540	1,322,470	1,348,920	1,375,898	1,403,416
2,685,273	2,738,978	2,793,758	2,849,633	2,906,625	2,964,758	3,024,053	3,084,534	3,146,225	3,209,149	3,273,332
3,836,563	3,913,294	3,991,560	4,071,391	4,152,819	4,235,875	4,320,593	4,407,005	4,495,145	4,585,048	4,676,748
5,870,103	5,987,506	6,107,256	6,229,401	6,353,989	6,481,069	6,610,690	6,742,904	6,877,762	7,015,317	7,155,623
17,926	18,285	18,651	19,024	19,404	19,792	20,188	20,592	21,004	21,424	21,852
5,888,030	6,005,790	6,125,906	6,248,424	6,373,393	6,500,861	6,630,878	6,763,496	6,898,765	7,036,741	7,177,476
176,641	180,174	183,777	187,453	191,202	195,026	198,926	202,905	206,963	211,102	215,324
5,711,389	5,825,617	5,942,129	6,060,972	6,182,191	6,305,835	6,431,952	6,560,591	6,691,802	6,825,639	6,962,151

1,056,415	1,088,107	1,120,750	1,154,373	1,189,004	1,224,674	1,261,415	1,299,257	1,338,235	1,378,382	1,419,733
142,700	146,981	151,391	155,933	160,611	165,429	170,392	175,504	180,769	186,192	191,777
290,753	299,476	308,460	317,714	327,245	337,062	347,174	357,590	368,317	379,367	390,748
329,587	339,475	349,659	360,149	370,953	382,082	393,544	405,350	417,511	430,036	442,937
392,498	404,273	416,401	428,893	441,760	455,013	468,663	482,723	497,205	512,121	527,484
1,154,141	1,188,765	1,224,428	1,261,161	1,298,996	1,337,966	1,378,105	1,419,448	1,462,031	1,505,892	1,551,069
378,202	389,548	401,234	413,271	425,669	438,439	451,592	465,140	479,094	493,467	508,271
0	0	0	0	0	0	0	0	0	0	0
46,972	48,381	49,832	51,327	52,867	54,453	56,087	57,769	59,503	61,288	63,126
373,039	384,230	395,757	407,629	419,858	432,454	445,428	458,790	472,554	486,731	501,333
110,059	112,205	114,393	116,624	118,898	121,217	123,581	125,990	128,447	130,952	133,505
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
4,274,366	4,401,441	4,532,306	4,667,074	4,805,862	4,948,789	5,095,980	5,247,562	5,403,666	5,564,427	5,729,985
1,437,023	1,424,176	1,409,823	1,393,898	1,376,329	1,357,046	1,335,972	1,313,029	1,288,137	1,261,211	1,232,166

1,077,768	1,068,132	1,057,367	1,045,423	1,032,247	1,017,784	1,001,979	984,772	966,103	945,909	924,125
1,077,768	1,068,132	1,057,367	1,045,423	1,032,247	1,017,784	1,001,979	984,772	966,103	945,909	924,125
1.33	1.33	1.33	1.33	1.33	1.33	1.33	1.33	1.33	1.33	1.33

359,256	356,044	352,456	348,474	344,082	339,261	333,993	328,257	322,034	315,303	308,042
359,256	356,044	352,456	348,474	344,082	339,261	333,993	328,257	322,034	315,303	308,042

Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
359,256	356,044	352,456	348,474	344,082	339,261	333,993	328,257	322,034	315,303	308,042
0	0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0	0
359,256	356,044	352,456	348,474	344,082	339,261	333,993	328,257	322,034	315,303	308,042
4,274,366	4,401,441	4,532,306	4,667,074	4,805,862	4,948,789	5,095,980	5,247,562	5,403,666	5,564,427	5,729,985
8%	8%	8%	7%	7%	7%	7%	6%	6%	6%	5%



PHONE: (510) 747-4300
FAX: (510) 522-7848
TTY/TRS: 711

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Tony Weng, Senior Project Manager

Date: June 26, 2024

Re: Ratify a Geotechnical and Environmental Engineering Contract Amendment #8 not to exceed \$378,000 with ENGEО, Inc. and Approve a Geotechnical and Environmental Engineering Contract Amendment #9 not to exceed \$478,000 with ENGEО, Inc. related to Soil and Offsite Improvement Work for North Housing Block A.

BACKGROUND

The Housing Authority of the City of Alameda (AHA) is leading the development of the 12-acre North Housing redevelopment parcel at the former Alameda Naval Air Station (NAS), formerly known as Coast Guard Housing under a homeless accommodation conveyance, alongside partners Alameda Point Collaborative (APC) and Building Futures. The North Housing parcel was successfully transferred to AHA ownership on May 30, 2019. The Board of Commissioners approved the Agency’s Vision for the North Housing site at its August 2019 meeting.

AHA is the master developer of North Housing, and is responsible for site preparation, demolition, and infrastructure. AHA has also supported Island City Development (ICD) in its active development of approximately 3 acres (Block A), which is the first phase of North Housing, with a total of 155 apartments, to be built in three separate projects.

DISCUSSION

Ratify the Geotechnical Contract Amendment #8 and Approve the Geotechnical Contract Amendment #9 with ENGEО

Staff procured and contracted with ENGEО, Inc. to provide geotechnical and environmental engineering services for the Soil Stabilization and Offsite Improvement work at North Housing Block A. The Board of Commissioners previously approved and authorized the ENGEО contract with a not-to-exceed amount of \$333,000. In moving forward with construction work, AHA further contracted with ENGEО (amendment #8 attached to this memo) for additional soil stabilization for on-site field observations and earthwork testing services. The current not-to-exceed contract amount is \$378,000.



Staff is requesting the Board to ratify the ENGEO contract amendment #8.

We have completed the soil stabilization work and the associated field observation and testing. Now, we need to conduct further field observations and earthwork testing for offsite improvement work on public and private roads. This includes utility trench backfill, sidewalk construction, and laying asphalt concrete on the new roads. ENGEO has submitted a change order for additional offsite improvement testing and observation, totaling about \$60,000. Staff is seeking the Board's approval to increase the ENGEO contract (amendment #9 attached to this memo) by approximately \$60,000 for the additional offsite improvement work testing and observation and an extra \$40,000 for contingency. With the Board's approval, the not-to-exceed contract amount with ENGEO would be up to \$478,000.

FISCAL IMPACT

The cost of this contract discussed above is within the budget for the three proposed projects at North Housing Block A.

CEQA

Not Applicable.

RECOMMENDATION

Ratify a Geotechnical and Environmental Engineering Contract Amendment #8 not to exceed \$378,000 with ENGEO, Inc. and Approve a Geotechnical and Environmental Engineering Contract Amendment #9 not to exceed \$478,000 with ENGEO, Inc. related to Soil and Offsite Improvement Work for North Housing Block A.

ATTACHMENTS

1. Att 1_ENGEO Contract Amendment No. 8
2. Att 2_ENGEO Contract Amendment No. 9

Respectfully submitted,



Tony Weng, Senior Project Manager

Amendment No. 8
ENGEO – North Housing Block A

AMENDMENT NO. 8 TO CONSULTANT SERVICES CONTRACT

This Amendment of a Consultant Services Contract by and between the HOUSING AUTHORITY OF THE CITY OF ALAMEDA, a public body corporate and politic (hereinafter referred to as "AHA"), and ENGEO Incorporated, a California corporation, whose address is 2010 Crow Canyon Place, Suite 250 San Ramon, CA 94583, (hereinafter referred to as "Consultant"), is made with reference to the following:

RECITALS

A. On December 1, 2021, a Consultant Services Contract was entered into by and between AHA and Consultant.

B. The effective date of this Amendment shall be April 1, 2024.

C. The Original Consultant Services Contract limited the Compensation to Consultant to a not exceed amount of thirty-eight thousand dollars and zero cents (\$38,000.00) for the term of the contract which ends on December 31, 2024 unless extended or terminated.

D. Contract amendment no. 1 increased the total compensation from thirty-eight thousand dollars and zero cents (\$38,000.00) to forty-nine thousand and five hundred dollars and zero cents (\$49,500.00) for the term of the contract.

E. Contract amendment no. 2 increased the total compensation from forty-nine thousand and five hundred dollars and zero cents (\$49,500.00) to fifty-nine thousand and five hundred dollars and zero cents (\$59,500).

F. Contract amendment no. 3 increased the total compensation from fifty-nine thousand and five hundred dollars and zero cents (\$59,500) to sixty-four thousand and five hundred dollars and zero cents (\$64,500.00).

G. Contract amendment no. 4 increased the total compensation from to sixty-four thousand and five hundred dollars and zero cents (\$64,500.00) to one hundred thirty-nine thousand and seven hundred dollars and zero cents (\$139,700.00).

H. Contract amendment no. 5 was authorized by AHA's board on October 25, 2023 and increased the total compensation from one hundred thirty-nine thousand and seven hundred dollars and zero cents (\$139,700.00) to two hundred ninety-two thousand and seven hundred dollars and zero cents (\$292,700).

I. Contract amendment no. 6 was executed on December 8, 2023 and increased the total compensation from two hundred ninety-two thousand and seven hundred

Amendment No. 8
ENGEO – North Housing Block A

dollars and zero cents (\$292,700) to two hundred ninety-six thousand and two hundred dollars and zero cents (\$296,200).

J. Contract amendment no. 7 was executed on December 22, 2023 and increased the total compensation from two hundred ninety-six thousand and two hundred dollars and zero cents (\$296,200) to three hundred thirty-three thousand dollars and zero cents (\$333,000).

K. All conditions of the Consultant Services Contract will remain the same except as amended below.

NOW, THEREFORE, it is mutually agreed by and between the undersigned parties as follows:

The not to exceed amount for the entire Contract shall be amended from three hundred thirty-three thousand dollars and zero cents (\$333,000) to three hundred seventy-eight thousand dollars and zero cents (\$378,000).

The additional scope of work and fee is documented in Attachment A dated March 20, 2024, for up to forty-five thousand dollars and zero cents (\$45,000) for soil stabilization testing and observation, additional earthwork testing for the offsite improvements, and engineering support during construction.

[REMAINDER OF PAGE INTENTIONALLY BLANK]


[SIGNATURES ON FOLLOWING PAGE]

Amendment No. 8
ENGEO – North Housing Block A

IN WITNESS WHEREOF, the parties hereto have caused this modification of the Consultant Services Contract to be executed on the day and year first above written.

“CONSULTANT”

ENGEO Incorporated, a California corporation

By:  _____
64FA7058EC50487...

Name: Shawn Munger



Its: Principal

“AHA”

HOUSING AUTHORITY OF THE CITY OF ALAMEDA, a public body, corporate and politic

By:  _____
5AFA57239EC2484...

Vanessa Cooper, Executive Director



2010 Crow Canyon Place, Suite 250
 San Ramon, CA 94583-4634
 (925) 866-9000 | FAX (888) 279-2698

REQUEST FOR CHANGE ORDER

TO: Mr. Tony Weng
 Housing Authority of the City of Alameda
 701 Atlantic Avenue
 Alameda, CA 94501

DATE: March 20, 2024

ENGEO PROJECT NO.: 19799.000.003
Phases: 001 through 003
ENGEO Contact: Lydia Kelley

PROJECT NAME: North Housing, Block A

ORIGINAL CONTRACT NO.: Consultant Services Contract (ENGEO Project No. 19799.000.001)
ORIGINAL CONTRACT DATE: December 1, 2021

Additional Scope of Services:

- Additional time during lightweight cellular concrete (LWCC) testing and observation phase due to overtime, standby time, and weekend work during LWCC placement; additional sampling due to LWCC repair on Mahubay street.
- Additional time in engineering consultation phase due to ongoing meeting attendance, response to RFIs and submittals, recommendation letter preparation, and as-needed construction engineering support.

Remaining Services:

We will have additional time for completion of testing and observation services during pad grading, on-site improvements construction, and off-site improvements construction. Based on conversations with the project team, we understand the following scope of work remains to be completed.

- Full-time testing and observation during remaining pad grading for the senior center.
- Part-time testing and observation during remaining on-site and underslab utility trench backfill including sewer, storm, water, and joint trench lines.
- Part-time testing and observation during remaining off-site utility trench backfill including sewer, storm, water, and joint trench lines.
- Part-time testing and observation during parking lot and sidewalk construction including testing and observation of subgrade, aggregate base, and asphalt concrete placement.
- Part-time testing and observation during off-site paving and sidewalk construction including testing and observation of subgrade, aggregate base, and asphalt concrete placement.
- Laboratory testing to support field services on an as-needed basis, including compaction curves, import acceptance testing, plasticity index and gradation testing, and other miscellaneous testing.
- As-needed engineering consultation, meeting attendance, recommendation letter preparation, response to RFIs and submittals.
- Pad readiness letters for PSH2 and senior center.
- Final conformance report for permit closeout. This report will summarize our testing and observation services during site improvements, utilities construction, and any earthwork that has not been included in our previous conformance reports.

Housing Authority of the City of Alameda
 North Housing, Block A
 REQUEST FOR CHANGE ORDER

19799.000.003
 March 20, 2024
 Page 2

TABLE 1: Estimated Additional Fees:

SCOPE	ESTIMATED REMAINING CHARGES	ADDITIONAL CHARGES TO DATE	REMAINING CONTRACT AMOUNT	ADDITIONAL REQUESTED FEE
Task 1 – Lightweight Cellular Concrete Testing and Observation	-	\$30,330	-	\$30,500
Task 2 – Earthwork Testing and Observation*	\$20,000	-	\$19,358	-
Task 3 – Engineering Support During Construction (Time-and-expense basis)	\$10,000	\$4,225	-	\$14,500
			TOTAL	\$45,000

*Estimated up to 17 more part-time (up to 6 hours portal-to-portal) visits

We request extending our existing geotechnical construction services budget by **\$45,000** to provide the above-described services.

Assumptions And Exclusions

Our estimates within this RFCO are based on our understanding of the estimated project schedule and our experience with similar projects. We will undertake the scope of work described above on a time-and-expense basis in accordance with our current fee schedule. For added construction duration, time, or number of visits exceeding the above estimates, our services will be charged on a time-and-expense basis in accordance with our current fee schedule.

If unexpected conditions occur or if you request an expansion of our scope, we will provide a written fee estimate to perform the added work. Please note that our time estimate depends to a great extent on the site conditions, the diligence and efficiency of the contractor, and the weather. We have not included any overtime or weekend work in our estimate.

We also made the following general assumptions and exclusions in the preparation of this proposal.

1. Construction work will be performed between regular business hours (8:00am to 5:00pm). No prevailing wage, weeknight, weekend, or holiday work is included in our proposed budgets. Should prevailing wage, after hours, weekend, or holiday work be required to complete the project, we will review our budget to determine if a fee adjustment is necessary.
2. If construction extends beyond our estimated durations, we will review our remaining budget to determine if an addendum is necessary. Our estimate may also be reviewed and revised, if necessary, when a detailed schedule is provided.
3. Our fees are subject to annual increases.
4. We only have a 2-hour minimum show-up time. Time will be billed portal-to-portal on an as-needed basis.

If you are in agreement with the scope of services and fees outlined in this request, please forward a change order to the above-referenced original contract as authorization for us to proceed. All other terms and conditions of the original contract shall remain in effect.

ENGEO INCORPORATED

BY: 

PRINTED NAME: Jeff Fippin

TITLE: Principal

DATE: March 20, 2024

jh/jaf/ca

AMENDMENT NO. 9 TO CONSULTANT SERVICES CONTRACT

This Amendment of a Consultant Services Contract by and between the HOUSING AUTHORITY OF THE CITY OF ALAMEDA, a public body corporate and politic (hereinafter referred to as "AHA"), and ENGEO Incorporated, a California corporation, whose address is 2010 Crow Canyon Place, Suite 250 San Ramon, CA 94583, (hereinafter referred to as "Consultant"), is made with reference to the following:

RECITALS

A. On December 1, 2021, a Consultant Services Contract was entered into by and between AHA and Consultant.

B. The effective date of this Amendment shall be June 12, 2024.

C. The Original Consultant Services Contract limited the Compensation to Consultant to a not exceed amount of thirty-eight thousand dollars and zero cents (\$38,000.00) for the term of the contract which ends on December 31, 2024 unless extended or terminated.

D. Contract amendment no. 1 increased the total compensation from thirty-eight thousand dollars and zero cents (\$38,000.00) to forty-nine thousand and five hundred dollars and zero cents (\$49,500.00) for the term of the contract.

E. Contract amendment no. 2 increased the total compensation from forty-nine thousand and five hundred dollars and zero cents (\$49,500.00) to fifty-nine thousand and five hundred dollars and zero cents (\$59,500).

F. Contract amendment no. 3 increased the total compensation from fifty-nine thousand and five hundred dollars and zero cents (\$59,500) to sixty-four thousand and five hundred dollars and zero cents (\$64,500.00).

G. Contract amendment no. 4 increased the total compensation from to sixty-four thousand and five hundred dollars and zero cents (\$64,500.00) to one hundred thirty-nine thousand and seven hundred dollars and zero cents (\$139,700.00).

H. Contract amendment no. 5 was authorized by AHA's board on October 25, 2023 and increased the total compensation from one hundred thirty-nine thousand and seven hundred dollars and zero cents (\$139,700.00) to two hundred ninety-two thousand and seven hundred dollars and zero cents (\$292,700).

I. Contract amendment no. 6 was executed on December 8, 2023 and increased the total compensation from two hundred ninety-two thousand and seven hundred

Amendment No. 9
ENGEO – North Housing Block A

dollars and zero cents (\$292,700) to two hundred ninety-six thousand and two hundred dollars and zero cents (\$296,200).

J. Contract amendment no. 7 was executed on December 22, 2023 and increased the total compensation from two hundred ninety-six thousand and two hundred dollars and zero cents (\$296,200) to three hundred thirty-three thousand dollars and zero cents (\$333,000).

K. Contract amendment no. 8 increased the total compensation from three hundred thirty-three thousand dollars and zero cents (\$333,000) to three hundred seventy-eight thousand dollars and zero cents (\$378,000).

L. All conditions of the Consultant Services Contract will remain the same except as amended below.

NOW, THEREFORE, it is mutually agreed by and between the undersigned parties as follows:

The not to exceed amount for the entire Contract shall be amended from three hundred seventy-eight thousand dollars and zero cents (\$378,000) to four hundred thirty-five thousand dollars and zero cents (\$435,000).

The additional scope of work and fee is documented in Attachment A dated June 5, 2024, for up to fifty-seven thousand dollars and zero cents (\$57,000) for additional earthwork field observations and testing for the offsite improvements, and engineering support during construction.

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[SIGNATURES ON FOLLOWING PAGE]

Amendment No. 9
ENGEO – North Housing Block A

IN WITNESS WHEREOF, the parties hereto have caused this modification of the Consultant Services Contract to be executed on the day and year first above written.

“CONSULTANT”

ENGEO Incorporated, a California corporation

By: _____

Name: Shawn Munger

Its: Principal

“AHA”

HOUSING AUTHORITY OF THE CITY OF ALAMEDA, a public body, corporate and politic

By: _____

Vanessa Cooper, Executive Director



REQUEST FOR CHANGE ORDER

TO: Mr. Tony Weng
Housing Authority of the City of Alameda
701 Atlantic Avenue
Alameda, CA 94501

DATE: June 5, 2024

ENGEO PROJECT NO.: 19799.000.003
Phase: 002
ENGEO Contact: Lydia Kelley

PROJECT NAME: North Housing, Block A

ORIGINAL CONTRACT NO.: Consultant Services Contract (ENGEO Project No. 19799.000.001)

ORIGINAL CONTRACT DATE: December 1, 2021

Remaining Services:

We were provided with three schedules by J.H. Fitzmaurice, Inc (JHF) which indicate that construction of on-site and off-site utilities and improvements associated with the North Housing Block A project will continue until October 2025, with the majority of off-site wet utilities wrapping up by October 2024. These schedules include:

- North Housing Block A Offsite Construction Summary & Delay Log prepared by JHF on April 22, 2024
- North Housing PSH1 “The Estuary I” Construction Summary & Delay Log prepared by JHF on April 22, 2024
- North Housing Block A Linnet Court (Senior Housing) Construction Overall Schedule prepared by JHF on March 12, 2024

These schedules will extend our time for completion of testing and observation services, construction of the on-site and off-site utilities, and improvements beyond our authorized amount. We discussed ongoing services with both representatives of Alameda Housing Authority and JHF on June 4, 2024, and recommend the following scope of work for completion of the Block A on- and off-site construction.

- Part-time testing and observation during remaining off-site utility trench backfill including sewer, storm, water, and joint trench street crossings.
- Part-time testing and observation during off-site paving and sidewalk construction including testing and observation of subgrade, aggregate base, and asphalt concrete placement.
- Part-time testing and observation during parking lot and sidewalk construction, including testing and observation of subgrade, aggregate base, and asphalt concrete placement, **as requested.**
- Laboratory testing to support field services on an as-needed basis, including compaction curves, import acceptance testing, plasticity index and gradation testing, and other miscellaneous testing.
- As-needed engineering consultation, meeting attendance, and response to RFIs and submittals.
- Final conformance report for permit closeout. This report will summarize our testing and observation services during site improvements, utilities construction, and any earthwork that has not been included in our previous conformance reports.

Estimated Additional Fees:

We request extending our existing geotechnical construction services budget by **\$57,000** to perform the above-described services.

Assumptions and Exclusions:

Our estimates within this RFCO are based on our understanding of the estimated project schedule and our experience with similar projects. We will undertake the scope of work described above on a time-and-expense basis in accordance with our current fee schedule. For added construction duration, time, or number of visits exceeding the above estimates, our services will be charged on a time-and-expense basis in accordance with our current fee schedule.

If you are in agreement with the scope of services and fees outlined in this request, please forward a change order to the above-referenced original contract as authorization for us to proceed. All other terms and conditions of the original contract shall remain in effect.

ENGEO INCORPORATED

BY:  _____

PRINTED NAME: Jeff Fippin

TITLE: Principal

DATE: June 5, 2024

jh/jaf/cb



PHONE: (510) 747-4300
FAX: (510) 522-7848
TTY/TRS: 711

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Jenny Wong, Senior Project Manager

Date: June 26, 2024

Re: Ratify a Consultant Services Agreement Not to Exceed \$2,309,519.07 between the Housing Authority of the City of Alameda and Lakehurst and Mosley LP and Ratify a Consultant Services Agreement Not to Exceed \$5,439,696.14 between the Housing Authority of the City of Alameda and Mabuhay and Lakehurst LP for North Housing Block A Master Development Work.

BACKGROUND

The Housing Authority of the City of Alameda (AHA) is leading the development of the 12-acre North Housing parcel redevelopment at the former Alameda Naval Air Station (NAS), formerly known as Coast Guard Housing. AHA has supported Island City Development (ICD) in its active development of approximately 3 acres (Block A), which is the first phase of North Housing, with a total of 155 apartments, to be built as three separate projects: The Estuary I, The Estuary II, and Linnet Corner. ICD is the developer and has received options to ground lease for the three projects, each owned by a separate legal entity. As of January 2024 for The Estuary I and March 2024 for Linnet Corner, the ground leases for the land where these projects are located came into effect.

Please see previous Board reports for additional project details.

DISCUSSION

In September 2023 through January 2024, the Board approved the AHA master development work for the North Housing Block A site and the concept of reimbursement agreements between the limited partnerships of each project and AHA to repay AHA for their pro rata share of the site preparation work.

On June 26, 2023, the Public Works Department approved the North Housing Phase I backbone improvements plan, which enabled the site infrastructure, soil stabilization, and offsite work to begin at North Housing Block A. On July 19, 2023, the Board approved the soil stabilization work performed by General Contractor, J.H. Fitzmaurice



(JHF). On October 4, 2023, AHA authorized JHF to begin soil stabilization work on the Block A site in preparation for the future construction of the North Housing Block A projects. JHF completed the soil stabilization work in February 2024. As the final step in this process, on January 30, 2024, AHA initiated JHF to begin offsites work on the Block A site. Offsites work includes joint trench, installation of new water, sewer, and storm drain infrastructure, forming curbs and gutters, and construction of the new Mabuhay Street. Offsites work will be completed with the completion of the Linnet Corner project, which is approximately October 2025.

The master development work requires other soft costs such as: soil engineer’s field observations and materials testing to ensure work is performed to specification; builder’s risk insurance; construction management consultant; security; and wage compliance monitoring requirements. Please see the sources and uses chart attached for the master development work budget.

This action is to ratify the consultant services agreements for The Estuary I and Linnet Corner projects with the effective date of February 1, 2024. The consultant services agreement serves as a contractual document that formalizes the reimbursement obligations of each development for the soil stabilization work, offsites work costs, soft costs, and any other costs taken on as part of the master plan activities. The pro rata share of master development work for The Estuary I and Linnet Corner is expected to be repaid to AHA by each respective Partnership on a monthly basis as work is completed through construction term sources. The remaining costs will be covered by future development.

For clarity, the projects and associated limited partnerships are:
The Estuary I - Lakehurst and Mosley LP
Linnet Corner - Mabuhay and Lakehurst LP

As approved in May 2024, a portion of the site work and offsites costs will be retained by AHA until repaid by future development.

FISCAL IMPACT

The contract amounts discussed above are covered within the budget for The Estuary I and Linnet Corner. JHF will submit invoices for payment to AHA for work completed on a monthly basis and retention will be withheld until completion. The Estuary I and Linnet Corner limited partnerships plan to repay AHA 100% of their respective portions as outlined in the contracts. These projects have construction term sources available to reimburse AHA.

AHA will continue to carry the remaining costs for master development work at North Housing until future development is able to repay those costs.

CEQA

None.

RECOMMENDATION

Ratify a Consultant Services Agreement Not to Exceed \$2,309,519.07 between the Housing Authority of the City of Alameda and Lakehurst and Mosley LP and Ratify a Consultant Services Agreement Not to Exceed \$5,439,696.14 between the Housing Authority of the City of Alameda and Mabuhay and Lakehurst LP for North Housing Block A Master Development Work.

ATTACHMENTS

1. Att1_AHA Master Plan Fee Breakdown
2. Att2_Master Plan Consultant Services Agreement for The Estuary I
3. Att3_Master Plan Consultant Services Agreement for Linnet Corner

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Jenny Wong', is positioned below the text 'Respectfully submitted,'.

Jenny Wong, Senior Project Manager

AHA MASTER PLAN COSTS

Uses	Amount	The Estuary I	Linnet Corner	AHA/Future Development
Soil Stabilization	\$4,444,191.22	\$1,022,163.98	\$2,666,514.73	\$755,512.51
Offsites	\$4,015,746.78	\$923,621.76	\$2,409,448.07	\$682,676.95
HKIT Construction Administration	\$45,000.00	\$15,000.00	\$15,000.00	\$15,000.00
ENGEO Geotechnical	\$296,200.00	\$98,733.33	\$98,733.34	\$98,733.33
Contingency	\$750,000.00	\$250,000.00	\$250,000.00	\$250,000.00
Total	\$9,551,138.00	\$2,309,519.07	\$5,439,696.14	\$1,801,922.79

CONSULTANT SERVICES AGREEMENT

THIS AGREEMENT, effective as of this 1st day of February 2024, by and between LAKEHURST AND MOSLEY LP, a California limited partnership (hereinafter referred to as "Owner") and HOUSING AUTHORITY OF THE CITY OF ALAMEDA, a public body corporate and politic, whose address is 701 Atlantic Avenue, Alameda, California 94501, (hereinafter referred to as "Consultant"), is made with reference to the following:

RECITALS:

A. Owner is duly organized and validly existing under the laws of the State of California with the power to carry on its business as it is now being conducted under the statutes of the State of California.

B. Consultant is specially trained, experienced and competent to perform the special services which will be required by this Agreement;

C. Consultant possesses the skill, experience, ability, background, applicable certification and knowledge to provide the services described in this Agreement on the terms and conditions described herein; and

D. Consultant has entered into AIA A102-2017, AIA A201-2017, and respective contract exhibits with J.H. Fitzmaurice, Inc. dated August 9, 2023, AIA A102-2017, AIA A201-2017, and respective contract exhibits with J.H. Fitzmaurice, Inc. dated January 12, 2024 (collectively referred to as "Construction Contract"), Consultant Services Agreement with HKIT Architects dated October 1, 2023, and Consultant Services Contract and subsequent Amendments with ENGEO Incorporated dated December 1, 2021 through December 1, 2023 to perform this work.

E. Owner and Consultant desire to enter into an agreement for master plan development services for The Estuary I project (the "Project").

NOW, THEREFORE, it is mutually agreed by and between the undersigned parties as follows:

1. **TERM:**

The time for Completion shall be by December 31, 2026, (the "Completion Date"), unless terminated earlier as set forth herein.

2. **SERVICES TO BE PERFORMED:**

Consultant shall perform services according to the schedule set forth in Exhibit "A" which is attached hereto and incorporated herein by this reference.

3. **COMPENSATION TO CONSULTANT:**

Owner agrees to compensate Consultant pursuant to the terms and conditions of this Agreement only for the performance, to the reasonable satisfaction of Owner, of those tasks which began prior to the effective date of this agreement and will continue to take place during the term of this Agreement as specified in Exhibit A. Owner will not be obligated to compensate Consultant for

Consultant Services Agreement
AHA - Lakehurst and Mosley LP

any work, services, or functions performed by Consultant which do not arise directly from the performance of tasks relating to the Scope of Services as outlined in Exhibit A, and according to the Fee Schedule set forth in Exhibit B. Owner shall pay Consultant within thirty (30) days receipt of Consultant's properly submitted invoice, which shall not be submitted more than once a month.

Total compensation under this contract will not exceed Two Million, Three Hundred Nine Thousand, Five Hundred Nineteen Dollars and Seven Cents (\$2,309,519.07). Twenty Thousand Dollars and Zero Cents (\$20,000.00) will be held back as retention and made available upon evidence of 90% completion of the Construction Contracts.

4. **TIME IS OF THE ESSENCE:**

Consultant and Owner agree that time is of the essence regarding the performance of this Agreement.

5. **STANDARD OF CARE:**

Consultant agrees to perform all services hereunder in a manner commensurate with the prevailing standards of like professionals in the San Francisco Bay Area and agrees that all services shall be performed by qualified and experienced personnel who are not employed by Owner nor have any contractual relationship with Owner.

6. **INDEPENDENT PARTIES:**

Owner and Consultant intend that the relationship between them created by this Agreement is that of employer-independent contractor. The manner and means of conducting the work are under the control of Consultant, except to the extent they are limited by statute, rule or regulation and the express terms of this Agreement. No right of employment will be acquired by virtue of Consultant's services. None of the benefits provided by Owner to its employees, including but not limited to unemployment insurance, workers' compensation coverage, vacation and sick leave are available from Owner to Consultant, its employees or agents. Deductions shall not be made for any state or federal taxes, FICA payments, PERS payments, or other purposes normally associated with an employer-employee relationship from any fees due Consultant. Payments of the above items, if required, are the responsibility of Consultant.

Owner and Consultant agree that during the term of this Agreement and for a period of one year after termination, the parties shall not solicit for employment, hire, or retain, whether as an employee or independent contractor, any person who is or has been employed by the other without written agreement by the other party.

7. **IMMIGRATION REFORM AND CONTROL ACT (IRCA):**

Consultant assumes any and all responsibility for verifying the identity and employment authorization of all of its employees performing work hereunder, pursuant to all applicable IRCA or other federal or state rules and regulations. Consultant shall indemnify and hold Owner harmless from and against any loss, damage, liability, costs or expenses arising from any noncompliance of this provision by Consultant.

8. **NON-DISCRIMINATION:**

Consistent with Owner's policy that harassment and discrimination are unacceptable employer/employee conduct, Consultant agrees that harassment or discrimination directed toward a job applicant, an Owner employee, or a citizen by Consultant or Consultant's employee on the basis of race, religious creed, color, national origin, ancestry, handicap, disability, marital status, pregnancy, sex, age, gender identity or sexual orientation will not be tolerated. Consultant agrees that any and all violations of this provision shall constitute a breach of this Agreement.

9. **INDEMNIFICATION/HOLD HARMLESS:**

Consultant Services Agreement
AHA - Lakehurst and Mosley LP

Consultant shall indemnify, defend, and hold harmless the Owner, its general partners, lenders, investors, partners, legal representatives, successors and assigns, and their respective officers, officials, employees, contractors and agents (“Indemnitees”) from and against any and all loss, damages, liability, claims, suits, costs and expenses whatsoever, including reasonable attorneys’ fees (“Claims”), arising from or in any manner connected to negligent act or omission, whether alleged or actual, regarding performance of services or work conducted or performed pursuant to this Agreement. If Claims are filed against Indemnitees which allege negligence on behalf of the Consultant, Consultant shall have no right of reimbursement against Indemnitees for the costs of defense even if negligence is not found on the part of Consultant. However, Consultant shall not be obligated to indemnify Indemnitees from Claims arising from the sole or active negligence or willful misconduct of Indemnitees.

10. **INSURANCE:**

On or before the commencement of the terms of this Agreement, Consultant shall furnish Owner with certificates showing the type, amount, class of operations covered, effective dates and dates of expiration of insurance coverage in compliance with paragraphs 10A, B, C, D and E. Such certificates, which do not limit Consultant’s indemnification, shall also contain substantially the following statement:

“Should any of the above insurance covered by this certificate be canceled or coverage reduced before the expiration date thereof, the insurer affording coverage shall provide thirty (30) days’ advance written notice to Lakehurst and Mosley LP by certified mail.”

It is agreed that Consultant shall maintain in force at all times during the performance of the Agreement all appropriate coverage of insurance acceptable to Owner and licensed to do insurance business in the State of California.

An endorsement naming Owner and any and all lenders, investors, and partners, if requested, as additional insured shall be submitted with the insurance certificates.

A. **COVERAGE:**

Consultant shall maintain the following insurance coverage:

(1) **Workers’ Compensation:**

Statutory coverage as required by the State of California.

(2) **Liability:**

Commercial general liability coverage in the following minimum limits:

Bodily Injury:	\$1,000,000	each occurrence
	\$2,000,000	aggregate – all other
Property Damage:	\$1,000,000	each occurrence
	\$2,000,000	aggregate

If submitted, combined single limit policy with aggregate limits in the amounts of \$1,000,000 will be considered equivalent to the required minimum limits shown above.

(3) **Automotive:**

Comprehensive automobile liability coverage in the following minimum limits:

Bodily Injury:	\$1,000,000	per accident
	\$2,000,000	aggregate
Property Damage:	\$1,000,000	per accident
	\$2,000,000	aggregate

OR

Combined Single Limit:	\$1,000,000	per accident
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(4) **Professional Liability:**

Consultant Services Agreement
AHA - Lakehurst and Mosley LP

Professional liability insurance which includes coverage for the negligent professional acts, errors and omissions of Consultant in the amount of at least \$1,000,000.

B. SUBROGATION WAIVER:

Consultant agrees that in the event of loss due to any of the perils for which it has agreed to provide comprehensive general and automotive liability insurance that Consultant shall look solely to its insurance for recovery. Consultant hereby grants to Owner, on behalf of any insurer providing comprehensive general and automotive liability insurance to either Consultant or Owner with respect to the services of Consultant herein, a waiver of any right to subrogation which any such insurer of said Consultant may acquire against Owner by virtue of the payment of any loss under such insurance.

C. FAILURE TO SECURE:

If Consultant, at any time during the term hereof, should fail to secure or maintain the foregoing insurance, Owner shall be permitted to obtain such insurance in the Consultant's name or as an agent of the Consultant and shall be compensated by the Consultant for the costs of the insurance premiums at the maximum rate permitted by law and computed from the date written notice is received that the premiums have not been paid.

D. ADDITIONAL INSURED:

Lakehurst and Mosley LP, ICD Lakehurst LLC, Island City Development, Bank of America, N.A., its successors and assigns, Wincopin Circle LLP and its successors, assigns, and transferees, The Banc of America Housing Fund XVII Limited Partnership, LLLP, City of Alameda, U.S. Bank National Association, a national banking association, its successors and assigns, State of California Department of Housing and Community Development, Housing Authority of the City of Alameda, Alameda Affordable Housing Corporation, and Bank of Marin shall be named as an additional insured under all insurance coverage's, except any professional liability insurance or worker's compensation insurance, required by this Agreement. The naming of an insured shall not affect any recovery to which such additional insured would be entitled under this policy if not named as such additional insured. An additional insured named herein shall not be held liable for any premium, deductible portion of any loss, or expense of any nature on this policy or any extension thereof.

Any other insurance held by an additional insured shall not be required to contribute anything toward any loss or expense covered by the insurance provided by this policy.

E. SUFFICIENCY OF INSURANCE:

The insurance limits required by Owner are not represented as being sufficient to protect Consultant. Consultant is advised to consult Consultant's insurance broker to determine adequate coverage for Consultant.

11. CONFLICT OF INTEREST:

Consultant warrants that it is not a conflict of interest for Consultant to perform the services required by this Agreement. Consultant may be required to fill out a conflict of interest form if the services provided under this Agreement require Consultant to make certain governmental decisions or serve in a staff capacity as defined in Title 2, Division 6, Section 18700 of the California Code of Regulations.

12. PROHIBITION AGAINST ASSIGNMENTS:

Consultant shall not assign, sublease, hypothecate, or transfer this Agreement or any interest therein directly or indirectly, by operation of law or otherwise without prior written consent of Owner. Any attempt to do so without said consent shall be null and void, and any assignee, sub lessee, hypothecate or transferee shall acquire no right or interest by reason of such attempted assignment,

hypothecation or transfer. However, claims for money by Consultant from Owner under this Agreement may be assigned to a bank, trust company or other financial institution without prior written consent, but written notice of such assignment shall be promptly furnished to Owner by Consultant.

The sale, assignment, transfer or other disposition of any of the issued and outstanding capital stock of Consultant, or of the interest of any general partner or joint venturer or syndicate member or cotenant if Consultant is a partnership or joint venture or syndicate or co tenancy, which shall result in changing the control of Consultant, shall be construed as an assignment of this Agreement. Control means fifty percent (50%) or more of the voting power of the corporation.

13. SUBCONTRACTOR APPROVAL:

Unless prior written consent from Owner is obtained, only J. H. Fitzmaurice, Inc.; HKIT Architects; Carlson, Barbee, and Gibson, Inc.; ENGEO Incorporated; and those people and subcontractors performing under the Construction Contract shall be used in the performance of this Agreement. In the event that Consultant employs subcontractors, such subcontractors shall be required to furnish proof of worker's compensation insurance and shall also be required to carry general, automobile and professional liability insurance in reasonable conformity to the insurance carried by Consultant. In addition, any work or services subcontracted hereunder shall be subject to each provision of this Agreement.

14. ENFORCEMENT OF THE CONSTRUCTION CONTRACT WITH J.H. FITZMAURICE, INC.:

The parties hereto agree that the Owner shall have, and is hereby assigned, the right of the Consultant to enforce the provisions of the Construction Contract and all documents related thereto in the event, as determined by the Owner, in its sole discretion, that the Consultant fails, refuses, or is otherwise unable to enforce them. The Owner shall notify the Consultant, in writing, of its determination to effect this assignment, specifying the reasons therefor, at least fifteen (15) days prior to the Owner's undertaking any such action.

15. PERMITS AND LICENSES:

Consultant, at its sole expense, shall obtain and maintain during the term of this Agreement, all appropriate permits, certificates and licenses, including, but not limited to, a City of Alameda business license, that may be required in connection with the performance of services hereunder.

16. REPORTS:

A. Each and every report, draft, work product, map, record and other document, hereinafter collectively referred to as "Report" reproduced, prepared or caused to be prepared by Consultant pursuant to or in connection with this Agreement shall be the exclusive property of Owner. Consultant shall not copyright any Report required by this Agreement and shall execute appropriate documents to assign to Owner the copyright to Reports created pursuant to this Agreement. Any Report, information and data acquired or required by this Agreement shall become the property of Owner, and all publication rights are reserved to Owner.

B. All Reports prepared by Consultant may be used by Owner in execution or implementation of:

- (1) The original Project for which Consultant was hired;
- (2) Completion of the original Project by others;
- (3) Subsequent additions to the original project; and/or
- (4) Other Owner projects as appropriate.

C. Consultant shall, at such time and in such form as Owner may require, furnish reports concerning the status of services required under this Agreement.

Consultant Services Agreement
AHA - Lakehurst and Mosley LP

D. All Reports required to be provided by this Agreement shall be printed on recycled paper. All Reports shall be copied on to both sides of the paper except for one original which shall be single sided.

E. No Report, information nor other data given to or prepared or assembled by Consultant pursuant to this Agreement shall be made available to any individual or organization by Consultant without prior approval by Owner

F. Consultant shall not be held liable for reuse of "Reports" for any purpose other than the original intent of this Agreement.

17. **RECORDS:**

Consultant shall maintain complete and accurate records with respect to sales, costs, expenses, receipts and other such information required by Owner that relate to the performance of services under this Agreement.

Consultant shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to the representatives of Owner or its designees to such books and records at proper times; and gives Owner the right to examine and audit same, and to make transcripts there from as necessary, and to allow inspection of all work, data, documents, proceedings and activities related to this Agreement. Such records, together with supporting documents, shall be kept separate from other documents and records and shall be maintained for a period of three (3) years after receipt of final payment.

18. **NOTICES:**

All notices, demands, requests or approvals to be given under this Agreement shall be given in writing and conclusively shall be deemed served when delivered personally or on the second business day after the deposit thereof in the United States mail, postage prepaid, registered or certified, addressed as hereinafter provided.

All notices, demands, requests or approvals from Consultant to Owner shall be addressed to Owner at:

Lakehurst and Mosley LP
c/o Island City Development
701 Atlantic Avenue
Alameda, CA 94501-2161
Attention: President

All notices, demands, requests, or approvals from Owner to Consultant shall be addressed to Consultant at:

Housing Authority of the City of Alameda
701 Atlantic Avenue
Alameda, CA 94501-2161
Attention: Vanessa Cooper
Phone: 510-747-4300

Email: vcooper@alamedahsg.org

19. **NO SMOKING, DRINKING OR RADIO USE:**

Consultant agrees and acknowledges that smoking of tobacco products, drinking alcoholic beverages, and listening to radios is prohibited at any Owner site, including individual units, common areas, and every building and adjoining grounds. Consultant shall ensure that his/her employees and suppliers comply with these prohibitions.

20. TERMINATION:

In the event Consultant hereto fails or refuses to perform any of the provisions hereof at the time and in the manner required hereunder, Consultant shall be deemed in default in the performance of this Agreement. If such default is not cured within a period of two (2) days after receipt by Consultant from Owner of written notice of default, specifying the nature of such default and the steps necessary to cure such default, Owner may terminate the Agreement forthwith by giving to the Consultant written notice thereof. Consultant will not be held responsible for failure to perform in the event such failure is due to delay caused by the Owner. Owner shall have the option, at its sole discretion and without cause, of terminating this Agreement by giving seven (7) days' prior written notice to Consultant as provided herein. Upon termination of this Agreement, each party shall pay to the other party that portion of compensation specified in this Agreement that is earned and unpaid prior to the effective date of termination.

21. COMPLIANCES:

Consultant shall comply with all state and federal laws, all City of Alameda ordinances, and all rules and regulations enacted or issued by Owner. In the event that the Consultant encounters a potential conflict between state, federal or local law, Consultant shall inform Owner and Owner shall direct Consultant on proper course of action.

22. GOVERNING LAW:

This Agreement shall be interpreted under, and enforced by the laws of the State of California excepting any choice of law rules which may direct the application of laws of another jurisdiction. The Agreement and obligations of the parties are subject to all valid laws, orders, rules, and regulations of the authorities having jurisdiction over this Agreement (or the successors of those authorities.)

Any suits brought pursuant to this Agreement shall be filed with the Courts of the County of Alameda, the State of California.

23. ADVERTISEMENT:

Consultant shall not post, exhibit, display or allow to be posted, exhibited, displayed any signs, advertising, show bills, lithographs, posters or cards of any kind pertaining to the services performed under this Agreement unless prior written approval has been secured from Owner to do otherwise.

24. CONFIDENTIALITY:

A. **Definition.** Confidential Information, as used in this Agreement, shall mean any Owner Client data.

B. **Nondisclosure and Nonuse Obligation.** Consultant agrees that it will not use, disseminate, or in any way disclose any Confidential Information to any person, firm or business, except that Consultant may use Confidential Information to the extent necessary to perform its obligations under this Agreement. Consultant agrees that it shall treat all Confidential Information with the same degree of care as the Consultant accords to its own Confidential Information, but in no case less than reasonable care. Consultant agrees that it shall disclose Confidential Information only to those of its employees who need to know such information, and the Consultant certifies that such employees have previously agreed, as a condition of employment, to be bound by terms and conditions applicable to Consultant under this Agreement. Consultant shall immediately give notice to Owner of any unauthorized use or disclosure of Confidential Information.

C. **Exclusions from Nondisclosure and Nonuse Obligations.** The obligations

Consultant Services Agreement
AHA - Lakehurst and Mosley LP

under 23B (“Nondisclosure and Nonuse Obligation”) shall not apply to such portion that Consultant can document was i) in the public domain at the time such portion was disclosed or used, or ii) was disclosed in response to a valid court order.

D. Ownership and Return of Confidential Information and Other Materials. All Confidential Information shall remain the property of the Owner. At Owner’s request and no later than five (5) business days after such request, Consultant shall promptly destroy or deliver to Owner, at Owner’s option, i) all materials furnished to Consultant, ii) all tangible media of expression in Consultant’s possession or control to the extent that such tangible media incorporate any of the Confidential Information, and iii) written certification of the Consultant’s compliance with such obligations under this sentence.

25. WAIVER:

A waiver by Owner of any breach of any term, covenant, or condition contained herein shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or condition contained herein whether of the same or a different character.

26. INTEGRATED CONTRACT:

This Agreement represents the full and complete understanding of every kind or nature whatsoever between the parties hereto and all preliminary negotiations and agreements of whatsoever kind or nature are merged herein. No verbal agreement or implied covenant shall be held to vary the provisions hereof. Any modification of this Agreement will be effective only by written execution signed by both Owner and Consultant.

27. CAPTIONS:

The captions in this Agreement are for convenience only, are not a part of the Agreement and in no way affect, limit or amplify the terms or provisions of this Agreement.

28. EXHIBITS. The following exhibits are attached hereto and incorporated herein by this reference:

- i. Exhibit A – Scope of Services
- ii. Exhibit B – Fee Schedule
- iii. Exhibit C – Project Milestones
- iv. Exhibit D – Insurance Requirements for Consultants

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Consultant Services Agreement
AHA - Lakehurst and Mosley LP

IN WITNESS WHEREOF, the parties have caused the Agreement to be executed on the 8th of May 2024.

Owner:

Consultant:

LAKEHURST AND MOSLEY LP,
a California limited partnership

By: ICD Lakehurst LLC,
a California limited liability company,
its managing general partner

By: Island City Development,
a California nonprofit public
benefit corporation, its sole
manager

HOUSING AUTHORITY
OF THE CITY OF ALAMEDA,
a public body, corporate and politic

DocuSigned by:
Vanessa Cooper
5AF-A57-239E-C2484
Vanessa M. Cooper
President

DocuSigned by:
Vanessa Cooper
5AF-A57-239E-C2484
Vanessa M. Cooper
Executive Director

DS DS
SM JW

EXHIBIT A
SCOPE OF SERVICES

The Housing Authority of the City of Alameda (“AHA” or “Consultant”) is the property owner and master developer of the 12-acre North Housing site generally located at 501 Mosley Avenue, Alameda, CA 94501. AHA has performed or will perform the following work to prepare the site for the future North Housing Block A housing developments, and the Scope of Services shall mean the following work to the extent located on the site of the Project:

1. Ground improvements in the form of soil stabilization per AIA A102-2017, AIA A201-2017, and respective contract exhibits between AHA and J.H. Fitzmaurice, Inc. dated August 9, 2023 for the “North Housing Block A Soil Stabilization” project under JHF Job No. 23849. Work is expected to be completed by March 31, 2024.
2. Ground improvements in the form of offsites work per AIA A102-2017, AIA A201-2017, and respective contract exhibits between AHA and J.H. Fitzmaurice, Inc. dated January 12, 2024 for the “North Housing Block A Offsites” project under JHF Job No. 23845. Work is expected to be completed by December 31, 2025.
3. Housing Development services, including project management and construction administration of the North Housing Block A soil stabilization or site preparation activities (demolition, excavation, and ground improvements) per Consultant Services Agreement between AHA and HKIT Architects, Inc. dated October 1, 2023.
4. Geotechnical services per Consultant Services Agreement between AHA and ENGEO Incorporated dated December 1, 2021, Amendment No.1 dated March 21, 2022, Amendment No. 2 dated January 23, 2023, Amendment No. 3 dated May 1, 2023, Amendment No. 4 dated June 14, 2023, Amendment No. 5 dated October 10, 2023, Amendment No. 6 dated December 1, 2023, and Amendment No. 7 dated December 1, 2023.
5. Any additional work required to prepare the site for the future housing developments, as agreed upon by the Owner and Consultant.

EXHIBIT B
FEE SCHEDULE

The table below outlines the pro rata share of costs attributable to the project.

	Costs	The Estuary I 500 Mosley Avenue	Linnet Corner 2000 Lakehurst Circle	AHA / Future Development
Soil Stabilization	\$4,444,191.22	\$1,022,163.98	\$2,666,514.73	\$755,512.51
Offsites	\$4,015,746.78	\$923,621.76	\$2,409,448.07	\$682,676.95
HKIT Construction Administration	\$45,000.00	\$15,000.00	\$15,000.00	\$15,000.00
ENGEO Geotechnical	\$296,200.00	\$98,733.33	\$98,733.34	\$98,733.33
Contingency	\$750,000.00	\$250,000.00	\$250,000.00	\$250,000.00
Total	\$9,551,138.00	\$2,309,519.07	\$5,439,696.14	\$1,801,922.79

The not-to-exceed amount for this contract is \$2,309,519.07.

EXHIBIT C
PROJECT MILESTONES

50% Completion of Construction Contracts

January 1, 2026

90% Completion of Construction Contracts

October 1, 2026

EXHIBIT D
INSURANCE REQUIREMENTS FOR CONSULTANTS
 (Cyber/tech optional, not to be used for construction contracts)

Consultant shall procure and maintain for the duration of the contract, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the Consultant, its agents, representatives, employees, or subcontractors.

MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

- **Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01 covering CGL on an “occurrence” basis, including products and completed operations, property damage, bodily injury, and personal and advertising injury with limits no less than \$1,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit. For consultants interacting with the public or with tenants, coverage must include coverage for discrimination, harassment, and fair housing claims under DFEH and HUD.
- **Automobile Liability:** ISO Form Number CA 00 01 coverage any auto (Code 1), or if Consultant has no owned autos, hired (Code 8) and non-owned autos (Code 9) with limit no less than \$1 million for bodily injury and property damage. This requirement does not apply if no motor vehicles are used in providing services under the contract.
- **Workers’ Compensation,** as required by the State of California, with Statutory Limits and Employers’ Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease. This requirement does not apply to sole proprietors.
- **Professional Liability (Errors and Omissions):** Insurance appropriate to the Consultant’s profession, with limit no less than \$1,000,000 per occurrence or claim, \$2,000,000 in the aggregate. For consultants interacting with the public or with tenants, coverage must include coverage against discrimination, harassment, and fair housing claims under DFEH and HUD. If cover age is provided on a claims-made basis, the retroactive date must be shown and must be before the date of the contract or the beginning of the contract work; insurance must be maintained, and evidence of coverage must be provided for at least five (5) years after completion of the contract of work. If coverage is cancelled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective date, the Contractor must purchase “extended reporting” coverage for a minimum of five (5) years after completion of work.
- **IF APPLICABLE: Cyber Liability Insurance:** Coverage is required if the vendor/consultant is accessing, collecting, storing, or transferring Personally identifiable Information or medical information on staff, tenant, applicants etc.). Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by Vendor in this agreement and shall include, but not be limited to, claims involving security breach, system failure, data recovery, business interruption, cyber extortion, social engineering, infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, and alteration of electronic

information. The policy shall provide coverage for breach response costs, regulatory fines, and penalties as well as credit monitoring expenses with limits not less than \$1,000,000 per occurrence or claim, \$2,000,000 aggregate. This requirement does not apply if the consultant will not be accessing or storing AHA data subject to privacy regulations under Federal or state law, including but not limited to PII, PCI, and PHI, providing software, or accessing AHA information technology systems.

- **IF APPLICABLE: Technology Professional Liability:** Coverage is required if the vendor/consultant is providing software or a technology services (data storage, website design, etc.). Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by Consultant in this agreement and shall include, but not be limited to, claims involving media liability and infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress, security and privacy liability that include invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, alteration of electronic information, extortion and network security. The policy shall provide coverage for breach response costs as well as regulatory fines and penalties as well as credit monitoring expenses with limits sufficient to respond to these obligations. Limits no less than \$2,000,000 per occurrence or claim, \$4,000,000 in the aggregate. For consultants interacting with the public or with tenants, coverage must include coverage against discrimination, harassment, and fair housing claims under DFEH and HUD. If coverage is provided on a claims-made basis, the retroactive date must be shown and must be before the date of the contract or the beginning of the contract work; insurance must be maintained, and evidence of coverage must be provided for at least five (5) years after completion of the contract of work. If coverage is cancelled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective date, the Contractor must purchase "extended reporting" coverage for a minimum of five (5) years after completion of work.
 - The Policy shall include or be endorsed to include property damage liability coverage for damage to, alteration of, loss of, or destruction of the electronic data and/or information "property" of Owner in the care, custody, or control of the Consultant. If not covered under the Consultant's liability policy, such "property coverage of Owner may be endorsed onto the Consultants Cyber Liability Policy as follows:
 - Cyber Liability coverage in an amount sufficient to cover the full replacement value of damage to, alteration of, loss of, destruction of electronic data and/or information "property" of Owner that will be in the Care, custody, or control of Consultant.

If the consultant maintains broader coverage and/or higher limits than the minimums shown above, Owner requires and shall be entitled to the broader coverage and/or the higher limits maintained by the consultant. The insurance limits required by Owner are not represented as being sufficient to protect Consultant. Consultant is advised to consult Consultant's insurance broker to determine adequate coverage for Consultant.

OTHER INSURANCE REQUIREMENTS:

The insurance policies are to contain, or be endorsed to contain, the following provisions:

- **Additional Insured Status:** Bank of America, N.A., its successors and assigns, Wincopin Circle LLP and its successors, assigns, and transferees, California Community Reinvestment Corporation, a California nonprofit public benefit corporation, its successors and assigns, The Banc of America Housing Fund XVII Limited Partnership, LLLP, City of Alameda, U.S. Bank National Association, a

national banking association, its successors and assigns, State of California Department of Housing and Community Development, California Municipal Finance Authority, a joint exercise of powers agency duly organized and existing under the laws of the State of California, Bank of Marin, and Housing Authority of the City of Alameda and its affiliates, Alameda Affordable Housing Corporation, Island City Development, ICD Lakehurst LLC and its Subsidiaries, and their departments, their respective directors, officers, Boards of Commissioners, employees, designated volunteers, elected or appointed officials, (AHA), are to be covered as additional insured on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Consultant including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Consultant's insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10, CG20 26, CG 20 33, or CG 20 38; and CG 20 37 if a later edition is used.

- **Primary Coverage:** For any claims related to this contract, the Consultant's insurance coverage shall be primary coverage at least as broad as ISO CG 20 01 04 13 as respects Owner, its general partners, lenders, investors, partners, successors or assigns. Any insurance or self-insurance maintained by Owner, its general partners, lenders, investors, partners, successors or assigns shall be excess of the Contractor's insurance and shall not contribute to it.
- **Notice of Cancellation:** Each insurance policy required above shall provide that coverage shall not be canceled, except with 30 days' notice to Owner.
- **Self-Insured Retentions:** Self-insured retentions must be declared and approved by Owner. Owner may require the Consultant to purchase coverage with a lower retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or Owner.
- **Acceptability of Insurers:** Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A: VII, unless otherwise acceptable to Owner.
- **Verification of Coverage:** Consultant shall furnish Owner with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause, and a copy of the Declarations and Endorsement page of the CGL policy listing all policy endorsements before work begins. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide them. Owner reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.
- **Subcontractors:** Consultant shall pass down the insurance obligations contained herein to all tiers of subcontractors working under the contract.
- **Notification of claims:** The Proposer agrees to notify Owner in writing of any claim by a third party or any incident or event that may give rise to a claim arising from the performance of the contract as soon as practicable, but no later than three (3) business days after their first knowledge of such claim or event.
- **Special Risks or Circumstance:** Owner reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstance.

CONSULTANT SERVICES AGREEMENT

THIS AGREEMENT, effective as of this 1st day of February 2024, by and between MABUHAY AND LAKEHURST LP, a California limited partnership (hereinafter referred to as "Owner") and HOUSING AUTHORITY OF THE CITY OF ALAMEDA, a public body corporate and politic, whose address is 701 Atlantic Avenue, Alameda, California 94501, (hereinafter referred to as "Consultant"), is made with reference to the following:

RECITALS:

A. Owner is duly organized and validly existing under the laws of the State of California with the power to carry on its business as it is now being conducted under the statutes of the State of California.

B. Consultant is specially trained, experienced and competent to perform the special services which will be required by this Agreement;

C. Consultant possesses the skill, experience, ability, background, applicable certification and knowledge to provide the services described in this Agreement on the terms and conditions described herein; and

D. Consultant has entered into AIA A102-2017, AIA A201-2017, and respective contract exhibits with J.H. Fitzmaurice, Inc. dated August 9, 2023, AIA A102-2017, AIA A201-2017, and respective contract exhibits with J.H. Fitzmaurice, Inc. dated January 12, 2024 (collectively referred to as "Construction Contract"), Consultant Services Agreement with HKIT Architects dated October 1, 2023, and Consultant Services Contract and subsequent Amendments with ENGEO Incorporated dated December 1, 2021 through December 1, 2023 to perform this work.

E. Owner and Consultant desire to enter into an agreement for master plan development services for Linnet Corner project (the "Project").

NOW, THEREFORE, it is mutually agreed by and between the undersigned parties as follows:

1. **TERM:**

The time for Completion shall be by December 31, 2026, (the "Completion Date"), unless terminated earlier as set forth herein.

2. **SERVICES TO BE PERFORMED:**

Consultant shall perform services according to the schedule set forth in Exhibit "A" which is attached hereto and incorporated herein by this reference.

3. **COMPENSATION TO CONSULTANT:**

Owner agrees to compensate Consultant pursuant to the terms and conditions of this Agreement only for the performance, to the reasonable satisfaction of Owner, of those tasks which began prior to the effective date of this agreement and will continue to take place during the term of this Agreement. Owner will not be obligated to compensate Consultant for any work, services, or

Consultant Services Agreement
AHA - Mabuhay and Lakehurst LP

functions performed by Consultant which do not arise directly from the performance of tasks relating to the Scope of Services as outlined in Exhibit A, and according to the Fee Schedule set forth in Exhibit B. Owner shall pay Consultant within thirty (30) days receipt of Consultant's properly submitted invoice, which shall not be submitted more than once a month.

Total compensation under this contract will not exceed Five Million, Four Hundred Thirty-Nine Thousand, Six Hundred Ninety-Six Dollars and Fourteen Cents (\$5,439,696.14). Twenty Thousand Dollars and Zero Cents (\$20,000.00) will be held back as retention and made available upon evidence of 90% completion of the Construction Contracts.

4. **TIME IS OF THE ESSENCE:**

Consultant and Owner agree that time is of the essence regarding the performance of this Agreement.

5. **STANDARD OF CARE:**

Consultant agrees to perform all services hereunder in a manner commensurate with the prevailing standards of like professionals in the San Francisco Bay Area and agrees that all services shall be performed by qualified and experienced personnel who are not employed by Owner nor have any contractual relationship with Owner.

6. **INDEPENDENT PARTIES:**

Owner and Consultant intend that the relationship between them created by this Agreement is that of employer-independent contractor. The manner and means of conducting the work are under the control of Consultant, except to the extent they are limited by statute, rule or regulation and the express terms of this Agreement. No right of employment will be acquired by virtue of Consultant's services. None of the benefits provided by Owner to its employees, including but not limited to unemployment insurance, workers' compensation coverage, vacation and sick leave are available from Owner to Consultant, its employees or agents. Deductions shall not be made for any state or federal taxes, FICA payments, PERS payments, or other purposes normally associated with an employer-employee relationship from any fees due Consultant. Payments of the above items, if required, are the responsibility of Consultant.

Owner and Consultant agree that during the term of this Agreement and for a period of one year after termination, the parties shall not solicit for employment, hire, or retain, whether as an employee or independent contractor, any person who is or has been employed by the other without written agreement by the other party.

7. **IMMIGRATION REFORM AND CONTROL ACT (IRCA):**

Consultant assumes any and all responsibility for verifying the identity and employment authorization of all of its employees performing work hereunder, pursuant to all applicable IRCA or other federal or state rules and regulations. Consultant shall indemnify and hold Owner harmless from and against any loss, damage, liability, costs or expenses arising from any noncompliance of this provision by Consultant.

8. **NON-DISCRIMINATION:**

Consistent with Owner's policy that harassment and discrimination are unacceptable employer/employee conduct, Consultant agrees that harassment or discrimination directed toward a job applicant, an Owner employee, or a citizen by Consultant or Consultant's employee on the basis of race, religious creed, color, national origin, ancestry, handicap, disability, marital status, pregnancy, sex, age, gender identity or sexual orientation will not be tolerated. Consultant agrees that any and all violations of this provision shall constitute a breach of this Agreement.

9. **INDEMNIFICATION/HOLD HARMLESS:**

Consultant Services Agreement
AHA - Mabuhay and Lakehurst LP

Consultant shall indemnify, defend, and hold harmless the Owner, its general partners, lenders, investors, partners, legal representatives, successors and assigns, and their respective officers, officials, employees, contractors and agents ("Indemnitees") from and against any and all loss, damages, liability, claims, suits, costs and expenses whatsoever, including reasonable attorneys' fees ("Claims"), arising from or in any manner connected to negligent act or omission, whether alleged or actual, regarding performance of services or work conducted or performed pursuant to this Agreement. If Claims are filed against Indemnitees which allege negligence on behalf of the Consultant, Consultant shall have no right of reimbursement against Indemnitees for the costs of defense even if negligence is not found on the part of Consultant. However, Consultant shall not be obligated to indemnify Indemnitees from Claims arising from the sole or active negligence or willful misconduct of Indemnitees.

10. **INSURANCE:**

On or before the commencement of the terms of this Agreement, Consultant shall furnish Owner with certificates showing the type, amount, class of operations covered, effective dates and dates of expiration of insurance coverage in compliance with paragraphs 10A, B, C, D and E. Such certificates, which do not limit Consultant's indemnification, shall also contain substantially the following statement:

"Should any of the above insurance covered by this certificate be canceled or coverage reduced before the expiration date thereof, the insurer affording coverage shall provide thirty (30) days' advance written notice to Mabuhay and Lakehurst LP by certified mail."

It is agreed that Consultant shall maintain in force at all times during the performance of the Agreement all appropriate coverage of insurance acceptable to Owner and licensed to do insurance business in the State of California.

An endorsement naming Owner and any and all lenders, investors, and partners, if requested, as additional insured shall be submitted with the insurance certificates.

A. **COVERAGE:**

Consultant shall maintain the following insurance coverage:

(1) **Workers' Compensation:**

Statutory coverage as required by the State of California.

(2) **Liability:**

Commercial general liability coverage in the following minimum limits:

Bodily Injury:	\$1,000,000	each occurrence
	\$2,000,000	aggregate – all other
Property Damage:	\$1,000,000	each occurrence
	\$2,000,000	aggregate

If submitted, combined single limit policy with aggregate limits in the amounts of \$1,000,000 will be considered equivalent to the required minimum limits shown above.

(3) **Automotive:**

Comprehensive automobile liability coverage in the following minimum limits:

Bodily Injury:	\$1,000,000	per accident
	\$2,000,000	aggregate
Property Damage:	\$1,000,000	per accident
	\$2,000,000	aggregate

OR

Combined Single Limit:	\$1,000,000	per accident
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(4) **Professional Liability:**

Consultant Services Agreement
AHA - Mabuhay and Lakehurst LP

Professional liability insurance which includes coverage for the negligent professional acts, errors and omissions of Consultant in the amount of at least \$1,000,000.

B. SUBROGATION WAIVER:

Consultant agrees that in the event of loss due to any of the perils for which it has agreed to provide comprehensive general and automotive liability insurance that Consultant shall look solely to its insurance for recovery. Consultant hereby grants to Owner, on behalf of any insurer providing comprehensive general and automotive liability insurance to either Consultant or Owner with respect to the services of Consultant herein, a waiver of any right to subrogation which any such insurer of said Consultant may acquire against Owner by virtue of the payment of any loss under such insurance.

C. FAILURE TO SECURE:

If Consultant, at any time during the term hereof, should fail to secure or maintain the foregoing insurance, Owner shall be permitted to obtain such insurance in the Consultant's name or as an agent of the Consultant and shall be compensated by the Consultant for the costs of the insurance premiums at the maximum rate permitted by law and computed from the date written notice is received that the premiums have not been paid.

D. ADDITIONAL INSURED:

Mabuhay and Lakehurst LP, ICD Mabuhay LLC, Island City Development, Bank of America, N.A., its successors and assigns, Wincopin Circle LLP and its successors, assigns, and transferees, California Community Reinvestment Corporation, a California nonprofit public benefit corporation, its successors and assigns, The Banc of America Housing Fund XVII Limited Partnership, LLLP, U.S. Bank National Association, a national banking association, its successors and assigns, State of California Department of Housing and Community Development, California Municipal Finance Authority, a joint exercise of powers agency duly organized and existing under the laws of the State of California, Housing Authority of the City of Alameda, Alameda Affordable Housing Corporation, and Bank of Marin shall be named as an additional insured under all insurance coverage's, except any professional liability insurance or worker's compensation insurance, required by this Agreement. The naming of an insured shall not affect any recovery to which such additional insured would be entitled under this policy if not named as such additional insured. An additional insured named herein shall not be held liable for any premium, deductible portion of any loss, or expense of any nature on this policy or any extension thereof. Any other insurance held by an additional insured shall not be required to contribute anything toward any loss or expense covered by the insurance provided by this policy.

E. SUFFICIENCY OF INSURANCE:

The insurance limits required by Owner are not represented as being sufficient to protect Consultant. Consultant is advised to consult Consultant's insurance broker to determine adequate coverage for Consultant.

11. CONFLICT OF INTEREST:

Consultant warrants that it is not a conflict of interest for Consultant to perform the services required by this Agreement. Consultant may be required to fill out a conflict of interest form if the services provided under this Agreement require Consultant to make certain governmental decisions or serve in a staff capacity as defined in Title 2, Division 6, Section 18700 of the California Code of Regulations.

12. PROHIBITION AGAINST ASSIGNMENTS:

Consultant shall not assign, sublease, hypothecate, or transfer this Agreement or any interest therein directly or indirectly, by operation of law or otherwise without prior written consent of Owner.

Consultant Services Agreement
AHA - Mabuhay and Lakehurst LP

Any attempt to do so without said consent shall be null and void, and any assignee, sub lessee, hypothecate or transferee shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer. However, claims for money by Consultant from Owner under this Agreement may be assigned to a bank, trust company or other financial institution without prior written consent, but written notice of such assignment shall be promptly furnished to Owner by Consultant.

The sale, assignment, transfer or other disposition of any of the issued and outstanding capital stock of Consultant, or of the interest of any general partner or joint venturer or syndicate member or cotenant if Consultant is a partnership or joint venture or syndicate or co tenancy, which shall result in changing the control of Consultant, shall be construed as an assignment of this Agreement. Control means fifty percent (50%) or more of the voting power of the corporation.

13. **SUBCONTRACTOR APPROVAL:**

Unless prior written consent from Owner is obtained, only J. H. Fitzmaurice, Inc.; HKIT Architects; Carlson, Barbee, and Gibson, Inc.; ENGEO Incorporated; and those people and subcontractors performing under the Construction Contract shall be used in the performance of this Agreement. In the event that Consultant employs subcontractors, such subcontractors shall be required to furnish proof of worker's compensation insurance and shall also be required to carry general, automobile and professional liability insurance in reasonable conformity to the insurance carried by Consultant. In addition, any work or services subcontracted hereunder shall be subject to each provision of this Agreement.

14. **ENFORCEMENT OF THE CONSTRUCTION CONTRACT WITH J.H. FITZMAURICE, INC.:**

The parties hereto agree that the Owner shall have, and is hereby assigned, the right of the Consultant to enforce the provisions of the Construction Contract and all documents related thereto in the event, as determined by the Owner, in its sole discretion, that the Consultant fails, refuses, or is otherwise unable to enforce them. The Owner shall notify the Consultant, in writing, of its determination to effect this assignment, specifying the reasons therefor, at least fifteen (15) days prior to the Owner's undertaking any such action.

15. **PERMITS AND LICENSES:**

Consultant, at its sole expense, shall obtain and maintain during the term of this Agreement, all appropriate permits, certificates and licenses, including, but not limited to, a City of Alameda business license, that may be required in connection with the performance of services hereunder.

16. **REPORTS:**

A. Each and every report, draft, work product, map, record and other document, hereinafter collectively referred to as "Report" reproduced, prepared or caused to be prepared by Consultant pursuant to or in connection with this Agreement shall be the exclusive property of Owner. Consultant shall not copyright any Report required by this Agreement and shall execute appropriate documents to assign to Owner the copyright to Reports created pursuant to this Agreement. Any Report, information and data acquired or required by this Agreement shall become the property of Owner, and all publication rights are reserved to Owner.

B. All Reports prepared by Consultant may be used by Owner in execution or implementation of:

- (1) The original Project for which Consultant was hired;
- (2) Completion of the original Project by others;
- (3) Subsequent additions to the original project; and/or
- (4) Other Owner projects as appropriate.

Consultant Services Agreement
AHA - Mabuhay and Lakehurst LP

C. Consultant shall, at such time and in such form as Owner may require, furnish reports concerning the status of services required under this Agreement.

D. All Reports required to be provided by this Agreement shall be printed on recycled paper. All Reports shall be copied on to both sides of the paper except for one original which shall be single sided.

E. No Report, information nor other data given to or prepared or assembled by Consultant pursuant to this Agreement shall be made available to any individual or organization by Consultant without prior approval by Owner

F. Consultant shall not be held liable for reuse of "Reports" for any purpose other than the original intent of this Agreement.

17. **RECORDS:**

Consultant shall maintain complete and accurate records with respect to sales, costs, expenses, receipts and other such information required by Owner that relate to the performance of services under this Agreement.

Consultant shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to the representatives of Owner or its designees to such books and records at proper times; and gives Owner the right to examine and audit same, and to make transcripts there from as necessary, and to allow inspection of all work, data, documents, proceedings and activities related to this Agreement. Such records, together with supporting documents, shall be kept separate from other documents and records and shall be maintained for a period of three (3) years after receipt of final payment.

18. **NOTICES:**

All notices, demands, requests or approvals to be given under this Agreement shall be given in writing and conclusively shall be deemed served when delivered personally or on the second business day after the deposit thereof in the United States mail, postage prepaid, registered or certified, addressed as hereinafter provided.

All notices, demands, requests or approvals from Consultant to Owner shall be addressed to Owner at:

Mabuhay and Lakehurst LP
c/o Island City Development
701 Atlantic Avenue
Alameda, CA 94501-2161
Attention: President

All notices, demands, requests, or approvals from Owner to Consultant shall be addressed to Consultant at:

Housing Authority of the City of Alameda
701 Atlantic Avenue
Alameda, CA 94501-2161
Attention: Vanessa Cooper
Phone: 510-747-4300

Email: vcooper@alamedahsg.org

19. **NO SMOKING, DRINKING OR RADIO USE:**

Consultant agrees and acknowledges that smoking of tobacco products, drinking alcoholic beverages, and listening to radios is prohibited at any Owner site, including individual units,

Consultant Services Agreement
AHA - Mabuhay and Lakehurst LP

common areas, and every building and adjoining grounds. Consultant shall ensure that his/her employees and suppliers comply with these prohibitions.

20. **TERMINATION:**

In the event Consultant hereto fails or refuses to perform any of the provisions hereof at the time and in the manner required hereunder, Consultant shall be deemed in default in the performance of this Agreement. If such default is not cured within a period of two (2) days after receipt by Consultant from Owner of written notice of default, specifying the nature of such default and the steps necessary to cure such default, Owner may terminate the Agreement forthwith by giving to the Consultant written notice thereof. Consultant will not be held responsible for failure to perform in the event such failure is due to delay caused by the Owner. Owner shall have the option, at its sole discretion and without cause, of terminating this Agreement by giving seven (7) days' prior written notice to Consultant as provided herein. Upon termination of this Agreement, each party shall pay to the other party that portion of compensation specified in this Agreement that is earned and unpaid prior to the effective date of termination.

21. **COMPLIANCES:**

Consultant shall comply with all state and federal laws, all City of Alameda ordinances, and all rules and regulations enacted or issued by Owner. In the event that the Consultant encounters a potential conflict between state, federal or local law, Consultant shall inform Owner and Owner shall direct Consultant on proper course of action.

22. **GOVERNING LAW:**

This Agreement shall be interpreted under, and enforced by the laws of the State of California excepting any choice of law rules which may direct the application of laws of another jurisdiction. The Agreement and obligations of the parties are subject to all valid laws, orders, rules, and regulations of the authorities having jurisdiction over this Agreement (or the successors of those authorities.)

Any suits brought pursuant to this Agreement shall be filed with the Courts of the County of Alameda, the State of California.

23. **ADVERTISEMENT:**

Consultant shall not post, exhibit, display or allow to be posted, exhibited, displayed any signs, advertising, show bills, lithographs, posters or cards of any kind pertaining to the services performed under this Agreement unless prior written approval has been secured from Owner to do otherwise.

24. **CONFIDENTIALITY:**

A. **Definition.** Confidential Information, as used in this Agreement, shall mean any Owner Client data.

B. **Nondisclosure and Nonuse Obligation.** Consultant agrees that it will not use, disseminate, or in any way disclose any Confidential Information to any person, firm or business, except that Consultant may use Confidential Information to the extent necessary to perform its obligations under this Agreement. Consultant agrees that it shall treat all Confidential Information with the same degree of care as the Consultant accords to its own Confidential Information, but in no case less than reasonable care. Consultant agrees that it shall disclose Confidential Information only to those of its employees who need to know such information, and the Consultant certifies that such employees have previously agreed, as a condition of employment, to be bound by terms and conditions applicable to Consultant under this Agreement. Consultant shall immediately give notice to Owner of any unauthorized use or disclosure of Confidential Information.

C. **Exclusions from Nondisclosure and Nonuse Obligations.** The obligations under 23B (“Nondisclosure and Nonuse Obligation”) shall not apply to such portion that Consultant can document was i) in the public domain at the time such portion was disclosed or used, or ii) was disclosed in response to a valid court order.

D. **Ownership and Return of Confidential Information and Other Materials.** All Confidential Information shall remain the property of the Owner. At Owner’s request and no later than five (5) business days after such request, Consultant shall promptly destroy or deliver to Owner, at Owner’s option, i) all materials furnished to Consultant, ii) all tangible media of expression in Consultant’s possession or control to the extent that such tangible media incorporate any of the Confidential Information, and iii) written certification of the Consultant’s compliance with such obligations under this sentence.

25. **WAIVER:**

A waiver by Owner of any breach of any term, covenant, or condition contained herein shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant, or condition contained herein whether of the same or a different character.

26. **INTEGRATED CONTRACT:**

This Agreement represents the full and complete understanding of every kind or nature whatsoever between the parties hereto and all preliminary negotiations and agreements of whatsoever kind or nature are merged herein. No verbal agreement or implied covenant shall be held to vary the provisions hereof. Any modification of this Agreement will be effective only by written execution signed by both Owner and Consultant.

27. **CAPTIONS:**

The captions in this Agreement are for convenience only, are not a part of the Agreement and in no way affect, limit or amplify the terms or provisions of this Agreement.

28. **EXHIBITS.** The following exhibits are attached hereto and incorporated herein by this reference:

- i. Exhibit A – Scope of Services
- ii. Exhibit B – Fee Schedule
- iii. Exhibit C – Project Milestones
- iv. Exhibit D – Insurance Requirements for Consultants

[REMAINDER OF PAGE INTENTIONALLY BLANK]

Consultant Services Agreement
AHA - Mabuhay and Lakehurst LP

IN WITNESS WHEREOF, the parties have caused the Agreement to be executed on the 8th of May 2024.

Owner:

Consultant:

MABUHAY AND LAKEHURST LP,
a California limited partnership

By: ICD Mabuhay LLC,
a California limited liability company,
its managing general partner

By: Island City Development,
a California nonprofit public
benefit corporation, its sole
manager

HOUSING AUTHORITY
OF THE CITY OF ALAMEDA,
a public body, corporate and politic

DocuSigned by:
Vanessa Cooper
5AF-A57-239E-C2484
Vanessa M. Cooper
President

DocuSigned by:
Vanessa Cooper
5AF-A57-239E-C2484
Vanessa M. Cooper
Executive Director

DS DS
SM PH

EXHIBIT A
SCOPE OF SERVICES

The Housing Authority of the City of Alameda (“AHA” or “Consultant”) is the property owner and master developer of the 12-acre North Housing site generally located at 501 Mosley Avenue, Alameda, CA 94501. AHA has performed or will perform the following work to prepare the site for the future North Housing Block A housing developments, and the Scope of Services shall mean the following work to the extent located on the site of the Project:

1. Ground improvements in the form of soil stabilization per AIA A102-2017, AIA A201-2017, and respective contract exhibits between AHA and J.H. Fitzmaurice, Inc. dated August 9, 2023 for the “North Housing Block A Soil Stabilization” project under JHF Job No. 23849. Work is expected to be completed by March 31, 2024.
2. Ground improvements in the form of offsites work per AIA A102-2017, AIA A201-2017, and respective contract exhibits between AHA and J.H. Fitzmaurice, Inc. dated January 12, 2024 for the “North Housing Block A Offsites” project under JHF Job No. 23845. Work is expected to be completed by December 31, 2025.
3. Housing Development services, including project management and construction administration of the North Housing Block A soil stabilization or site preparation activities (demolition, excavation, and ground improvements) per Consultant Services Agreement between AHA and HKIT Architects, Inc. dated October 1, 2023.
4. Geotechnical services per Consultant Services Agreement between AHA and ENGEO Incorporated dated December 1, 2021, Amendment No.1 dated March 21, 2022, Amendment No. 2 dated January 23, 2023, Amendment No. 3 dated May 1, 2023, Amendment No. 4 dated June 14, 2023, Amendment No. 5 dated October 10, 2023, Amendment No. 6 dated December 1, 2023, and Amendment No. 7 dated December 1, 2023.
5. Any additional work required to prepare the site for the future housing developments, as agreed upon by the Owner and Consultant.

EXHIBIT B
FEE SCHEDULE

The table below outlines the pro rata share of costs attributable to the project.

	Costs	The Estuary I 500 Mosley Avenue	Linnet Corner 2000 Lakehurst Circle	AHA / Future Development
Soil Stabilization	\$4,444,191.22	\$1,022,163.98	\$2,666,514.73	\$755,512.51
Offsites	\$4,015,746.78	\$923,621.76	\$2,409,448.07	\$682,676.95
HKIT Construction Administration	\$45,000.00	\$15,000.00	\$15,000.00	\$15,000.00
ENGEO Geotechnical	\$296,200.00	\$98,733.33	\$98,733.34	\$98,733.33
Contingency	\$750,000.00	\$250,000.00	\$250,000.00	\$250,000.00
Total	\$9,551,138.00	\$2,309,519.07	\$5,439,696.14	\$1,801,922.79

The not-to-exceed amount for this contract is \$5,439,696.14.

EXHIBIT C
PROJECT MILESTONES

50% Completion of Construction Contracts

January 1, 2026

90% Completion of Construction Contracts

October 1, 2026

EXHIBIT D
INSURANCE REQUIREMENTS FOR CONSULTANTS
 (Cyber/tech optional, not to be used for construction contracts)

Consultant shall procure and maintain for the duration of the contract, insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the Consultant, its agents, representatives, employees, or subcontractors.

MINIMUM SCOPE AND LIMIT OF INSURANCE

Coverage shall be at least as broad as:

- **Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01 covering CGL on an “occurrence” basis, including products and completed operations, property damage, bodily injury, and personal and advertising injury with limits no less than \$1,000,000 per occurrence. If a general aggregate limit applies, either the general aggregate limit shall apply separately to this project/location (ISO CG 25 03 or 25 04) or the general aggregate limit shall be twice the required occurrence limit. For consultants interacting with the public or with tenants, coverage must include coverage for discrimination, harassment, and fair housing claims under DFEH and HUD.
- **Automobile Liability:** ISO Form Number CA 00 01 coverage any auto (Code 1), or if Consultant has no owned autos, hired (Code 8) and non-owned autos (Code 9) with limit no less than \$1 million for bodily injury and property damage. This requirement does not apply if no motor vehicles are used in providing services under the contract.
- **Workers’ Compensation,** as required by the State of California, with Statutory Limits and Employers’ Liability Insurance with limit of no less than \$1,000,000 per accident for bodily injury or disease. This requirement does not apply to sole proprietors.
- **Professional Liability (Errors and Omissions):** Insurance appropriate to the Consultant’s profession, with limit no less than \$1,000,000 per occurrence or claim, \$2,000,000 in the aggregate. For consultants interacting with the public or with tenants, coverage must include coverage against discrimination, harassment, and fair housing claims under DFEH and HUD. If cover age is provided on a claims-made basis, the retroactive date must be shown and must be before the date of the contract or the beginning of the contract work; insurance must be maintained, and evidence of coverage must be provided for at least five (5) years after completion of the contract of work. If coverage is cancelled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective date, the Contractor must purchase “extended reporting” coverage for a minimum of five (5) years after completion of work.
- **IF APPLICABLE: Cyber Liability Insurance:** Coverage is required if the vendor/consultant is accessing, collecting, storing, or transferring Personally identifiable Information or medical information on staff, tenant, applicants etc.). Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by Vendor in this agreement and shall include, but not be limited to, claims involving security breach, system failure, data recovery, business interruption, cyber extortion, social engineering, infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, and alteration of electronic

information. The policy shall provide coverage for breach response costs, regulatory fines, and penalties as well as credit monitoring expenses with limits not less than \$1,000,000 per occurrence or claim, \$2,000,000 aggregate. This requirement does not apply if the consultant will not be accessing or storing AHA data subject to privacy regulations under Federal or state law, including but not limited to PII, PCI, and PHI, providing software, or accessing AHA information technology systems.

- **IF APPLICABLE: Technology Professional Liability:** Coverage is required if the vendor/consultant is providing software or a technology services (data storage, website design, etc.). Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by Consultant in this agreement and shall include, but not be limited to, claims involving media liability and infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress, security and privacy liability that include invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, alteration of electronic information, extortion and network security. The policy shall provide coverage for breach response costs as well as regulatory fines and penalties as well as credit monitoring expenses with limits sufficient to respond to these obligations. Limits no less than \$2,000,000 per occurrence or claim, \$4,000,000 in the aggregate. For consultants interacting with the public or with tenants, coverage must include coverage against discrimination, harassment, and fair housing claims under DFEH and HUD. If coverage is provided on a claims-made basis, the retroactive date must be shown and must be before the date of the contract or the beginning of the contract work; insurance must be maintained, and evidence of coverage must be provided for at least five (5) years after completion of the contract of work. If coverage is cancelled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective date, the Contractor must purchase "extended reporting" coverage for a minimum of five (5) years after completion of work.
 - The Policy shall include or be endorsed to include property damage liability coverage for damage to, alteration of, loss of, or destruction of the electronic data and/or information "property" of Owner in the care, custody, or control of the Consultant. If not covered under the Consultant's liability policy, such "property coverage of Owner may be endorsed onto the Consultants Cyber Liability Policy as follows:
 - Cyber Liability coverage in an amount sufficient to cover the full replacement value of damage to, alteration of, loss of, destruction of electronic data and/or information "property" of Owner that will be in the Care, custody, or control of Consultant.

If the consultant maintains broader coverage and/or higher limits than the minimums shown above, Owner requires and shall be entitled to the broader coverage and/or the higher limits maintained by the consultant. The insurance limits required by Owner are not represented as being sufficient to protect Consultant. Consultant is advised to consult Consultant's insurance broker to determine adequate coverage for Consultant.

OTHER INSURANCE REQUIREMENTS:

The insurance policies are to contain, or be endorsed to contain, the following provisions:

- **Additional Insured Status:** Bank of America, N.A., its successors and assigns, Wincopin Circle LLP and its successors, assigns, and transferees, California Community Reinvestment Corporation, a California nonprofit public benefit corporation, its successors and assigns, The Banc of America Housing Fund XVII Limited Partnership, LLLP, U.S. Bank National Association, a national banking

association, its successors and assigns, State of California Department of Housing and Community Development, California Municipal Finance Authority, a joint exercise of powers agency duly organized and existing under the laws of the State of California, Bank of Marin, and Housing Authority of the City of Alameda and its affiliates, Alameda Affordable Housing Corporation, Island City Development, ICD Mabuhay LLC and its Subsidiaries, and their departments, their respective directors, officers, Boards of Commissioners, employees, designated volunteers, elected or appointed officials, (AHA), are to be covered as additional insured on the CGL policy with respect to liability arising out of work or operations performed by or on behalf of the Consultant including materials, parts, or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Consultant's insurance (at least as broad as ISO Form CG 20 10 11 85 or if not available, through the addition of both CG 20 10, CG20 26, CG 20 33, or CG 20 38; and CG 20 37 if a later edition is used.

- **Primary Coverage:** For any claims related to this contract, the Consultant's insurance coverage shall be primary coverage at least as broad as ISO CG 20 01 04 13 as respects Owner, its general partners, lenders, investors, partners, successors or assigns. Any insurance or self-insurance maintained by Owner, its general partners, lenders, investors, partners, successors or assigns shall be excess of the Contractor's insurance and shall not contribute to it.
- **Notice of Cancellation:** Each insurance policy required above shall provide that coverage shall not be canceled, except with 30 days' notice to Owner.
- **Self-Insured Retentions:** Self-insured retentions must be declared and approved by Owner. Owner may require the Consultant to purchase coverage with a lower retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or Owner.
- **Acceptability of Insurers:** Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A: VII, unless otherwise acceptable to Owner.
- **Verification of Coverage:** Consultant shall furnish Owner with original certificates and amendatory endorsements or copies of the applicable policy language effecting coverage required by this clause, and a copy of the Declarations and Endorsement page of the CGL policy listing all policy endorsements before work begins. However, failure to obtain the required documents prior to the work beginning shall not waive the Consultant's obligation to provide them. Owner reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.
- **Subcontractors:** Consultant shall pass down the insurance obligations contained herein to all tiers of subcontractors working under the contract.
- **Notification of claims:** The Proposer agrees to notify Owner in writing of any claim by a third party or any incident or event that may give rise to a claim arising from the performance of the contract as soon as practicable, but no later than three (3) business days after their first knowledge of such claim or event.
- **Special Risks or Circumstance:** Owner reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstance.



PHONE: (510) 747-4300
FAX: (510) 522-7848
TTY/TRS: 711

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Vanessa Cooper, Executive Director

Date: June 26, 2024

Re: Authorize the Executive Director to contract for and conduct a rent study on behalf of a coalition of East Bay Public Housing Agencies, provided the Housing Authority of the City of Alameda's (AHA) share of cost does not exceed \$250,000.

BACKGROUND

In May 2024, the Housing Authority of the City of Alameda (AHA) was notified that it had been awarded just a 1.8% increase in HUD Housing Assistance Payment (HAP) funding for 2024. This was unexpected as the inflation rate is clearly significantly higher.

AHA has been actively leasing up as part of the MTW landlord cohort and paying higher landlord incentives as part of the pilot program. In addition, landlords may request a contract rent increase of up to 9.2% this year. All of these activities have increased the monthly demand on HAP funds.

In addition to the vouchers current issued, AHA needs to have HAP funding to support the Faircloth to RAD conversion expected for November 2024. AHA has 80 vouchers due to be leased at The Estuary I and the Linnet Corner in 2025 that are currently under an Agreement to Enter into a Housing Assistance Payments contract.

The unexpectedly low renewal amount (combined with the very late publication) means that it is possible there are insufficient funds to pay the projected HAP costs for the year. This is called going into shortfall. A meeting has been set for June 27, 2024, with the HUD Shortfall team and new issuance of vouchers has been halted for now. Staff submitted a number of Shortfall applications for additional funding and is working with our HUD consultant/counsel on possible options to address this.

DISCUSSION

One mechanism to increase HAP and the renewal inflation factor is to do a rent study. This was done by AHA in 2015 and 2018. This is to request authority to contract for and conduct a survey ahead of the fall issuance of the Fair Market Rents, if needed. Like last time, AHA would lead a collaborative effort with the other East Bay PHAs. In the last



two survey efforts, AHA contracted and advanced the full cost of the survey and then recouped prorated amounts from other PHAs and non-profits. There is no July Board meeting planned, so staff are asking for advance approval in case the contract needs to be signed before the August Board meeting.

FISCAL IMPACT

The full cost is unknown, but it is likely that AHA's share would fall well below \$100,000.

CEQA

None

RECOMMENDATION

Authorize the Executive Director to contract for and conduct a rent study on behalf of a coalition of East Bay Public Housing Agencies, provided the AHA's share of cost does not exceed \$250,000.

ATTACHMENTS

None

Respectfully submitted,



Vanessa Cooper, Executive Director



PHONE: (510) 747-4300
FAX: (510) 522-7848
TTY/TRS: 711

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Sepideh Kiumarsi, Management Analyst

Date: June 26, 2024

Re: Approve changes to the Administrative Plan to implement the approved Moving To Work activities and other procedural updates.

BACKGROUND

The Administrative Plan for the Housing Choice Voucher Program (HCV) for the Housing Authority of the City of Alameda (AHA) establishes the policies and procedures whereby AHA will administer HCV tenant-based and project-based rental assistance programs under contract to Department of Housing and Urban Development (HUD) and in accordance with applicable statutes, HUD regulations, and state and local law.

In March 2022, the AHA was designated a Moving to Work (MTW) Agency as part of the Landlord Incentives Expansion Cohort. This allows the AHA to request waivers of regulations from HUD through the Annual Plan and MTW Supplement process. In order to implement some activities, a revision of the Administrative Plan is required.

In 2016, Congress approved the Housing Opportunity Through Modernization Act (HOTMA) which required many changes to the HCV program. The HOTMA regulations have been released by HUD in batches ever since. As such, some components have already been enacted, others will be enacted in 2024, and there are still upcoming changes that will be effective in 2025 or later. Accordingly, the AHA will bring the Administrative Plan to the Board of Commissioners per the release of each subsequent HOTMA policy change.

DISCUSSION

This revision is to implement the MTW activities that HUD approved in March 2024 to be effective August 1, 2024. From the MTW Supplement for Fiscal Year 2022-2023, HUD approved activity 2022-13 Allow Owner Referrals Under PBV Program, and approved activities 2023-03 Project-Based Voucher First Year Moves, and 2023-05 Flexible Subsidy Standards in Project-Based Voucher Admissions from the MTW Supplement for Fiscal Year 2023-2024. This revision also makes changes to previously approved MTW activities such as including a policy for downsizing between triennial reexaminations, revising the interim limit for income increases, and revising the MTW



triennial inspection schedule to be risk-based.

This Administrative Plan revision also includes language regarding the sunseting of the Earned Income Disregard (EID) program under HOTMA which was effective January 1, 2024. AHA staff will bring the Administrative Plan back for additional revisions related to new HOTMA regulations before the end of the year.

In addition, these revisions update the information in the Administrative Plan to comply with the State of California Assembly Bill 12 Tenancy: security deposits to reflect the new security deposit limits which will be effective July 1, 2024. This set of revisions also revises the Reasonable Accommodation time frame to allow for more time for Reasonable Accommodations to be processed which will be effective August 1, 2024.

Lastly, this revision includes formatting changes so that the document is more accessible and readable, as well as updates to the table of contents so that links correctly direct readers to the appropriate pages of the Administrative Plan given all the new changes.

FISCAL IMPACT

Not Applicable.

CEQA

Not Applicable.

RECOMMENDATION

Approve changes to the Administrative Plan to implement the approved Moving To Work activities and other procedural updates.

ATTACHMENTS

1. June 2024 Proposed Administrative Plan Revisions 2024-03

Respectfully submitted,



Sepideh Kiumarsi, Management Analyst

ADMINISTRATIVE PLAN

FOR THE

SECTION 8 HOUSING CHOICE VOUCHER PROGRAM

OF

THE HOUSING AUTHORITY OF THE CITY OF ALAMEDA

Approved by the Housing Commission: May 18, 2005

Submitted to HUD: May 23, 2005

Last Revised: ~~March 20~~June 26, 2024

ADMINISTRATIVE PLAN – TABLE OF CONTENTS

CHAPTER 1 1

OVERVIEW OF THE PROGRAM AND PLAN 1

PART I: THE AHA 1

- 1-I.A. OVERVIEW 1
- 1-I.B. ORGANIZATION AND STRUCTURE OF THE AHA 1
- 1-I.C. AHA MISSION 2
- 1-I.D. THE AHA’S PROGRAMS 2
- 1-I.E. THE AHA’S COMMITMENT TO ETHICS AND SERVICE 2

PART II. THE HOUSING CHOICE VOUCHER (HCV) PROGRAM 4

- 1-II.A. OVERVIEW AND HISTORY OF THE PROGRAM 4
- 1-II.B. HCV PROGRAM BASICS..... 65
- 1-II.C. THE HCV PARTNERSHIPS 76
- 1-II.D. APPLICABLE REGULATIONS 109

PART III. THE HCV ADMINISTRATIVE PLAN 109

- 1-III.A. OVERVIEW AND PURPOSE OF THE PLAN 109
- 1-III.B. CONTENTS OF THE PLAN (24CFR 982.54)..... 109
- 1-III.C. ORGANIZATION OF THE PLAN..... 1140
- 1-III.D. UPDATING AND REVISING THE PLAN 1244

CHAPTER 2 1

FAIR HOUSING AND EQUAL OPPORTUNITY 1

PART I: NONDISCRIMINATION 1

- 2-I.A. OVERVIEW 1
- 2-I.B. NONDISCRIMINATION 2

PART II: POLICIES RELATED TO PERSONS WITH DISABILITIES 3

- 2-II.A. OVERVIEW 3
- 2-II.B. Definition of REASONABLE Accommodation 4
- 2-II.C. Request for an ACCOMMODATION 4
- 2-II.D. Verification of Disability 5
- 2-II.E. Approval/Denial of a Requested Accommodation..... 6
- 2-II.F. Program Accessibility for Persons with Hearing or Vision Impairments 6
- 2-II.G. Physical Accessibility 7
- 2-II.H. Denial or Termination of Assistance 8

PART III: IMPROVING ACCESS TO SERVICES FOR PERSONS WITH LIMITED ENGLISH PROFICIENCY (LEP) 8

- 2-III.A. OVERVIEW 8
- 2-III.B. ORAL INTERPRETATION..... 9
- 2-III.C. WRITTEN TRANSLATION 9
- 2-III.D. IMPLEMENTATION PLAN 10

Part iv: Affirmatively Furthering Fair Housing in the Family Unification Program and other programs covered by this Administrative Plan 11

CHAPTER 3 1

ELIGIBILITY 1

PART I: DEFINITIONS OF FAMILY AND HOUSEHOLD MEMBERS 1

3-I.A. OVERVIEW 1
3-I.B. FAMILY AND HOUSEHOLD [24 CFR 982.201(c), HUD-50058 IB, p. 13] 2
3-I.C. FAMILY BREAK-UP AND REMAINING MEMBER OF TENANT FAMILY 3
3-I.D. HEAD OF HOUSEHOLD [24 CFR 5.504(b)] 4
3-I.E. SPOUSE, COHEAD, AND OTHER ADULT 4
3-I.F. DEPENDENT [24 CFR 5.603]..... 4
3-I.G. FULL-TIME STUDENT [24 CFR 5.603, HCV GB eligibility determination and denial of assistance pg. 7] 5
3-I.H. ELDERLY AND NEAR-ELDERLY PERSONS, AND ELDERLY FAMILY [24 CFR 5.100 and 5.403] 5
3-I.I. PERSONS WITH DISABILITIES AND DISABLED FAMILY [24 CFR 5.403]..... 5
3-I.J. GUESTS [24 CFR 5.100] 7
3-I.K. FOSTER CHILDREN AND FOSTER ADULTS 7
3-I.L. ABSENT FAMILY MEMBERS..... 8
3-I.M. LIVE-IN AIDE 9

PART II: BASIC ELIGIBILITY CRITERIA 11

3-II.A. INCOME ELIGIBILITY AND TARGETING 11
3-II.B. CITIZENSHIP OR ELIGIBLE IMMIGRATION STATUS [24 CFR 5, Subpart E] 12
3-II.C. SOCIAL SECURITY NUMBERS [24 CFR 5.216 and 5.218]..... 14
3-II.D. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 5.230, HCV GB eligibility determination and denial of assistance pg. 14] 15
3-II.E. STUDENTS ENROLLED IN INSTITUTIONS OF HIGHER EDUCATION [24 CFR 5.612 and FR Notice 4/10/06] 15

PART III: DENIAL OF ASSISTANCE 18

3-III.A. OVERVIEW 18
3-III.B. MANDATORY DENIAL OF ASSISTANCE [24 CFR 982.553(a)]..... 19
3-III.C. OTHER PERMITTED REASONS FOR DENIAL OF ASSISTANCE 20
3-III.D. SCREENING 22
3-III.E. CRITERIA FOR DECIDING TO DENY ASSISTANCE 23
3-III.F. NOTICE OF ELIGIBILITY OR DENIAL 24
3-III.G. PROHIBITION AGAINST DENIAL OF ASSISTANCE TO VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, AND STALKING [Pub. L. 113-4]... 25

CHAPTER 4 1

APPLICATIONS, WAITING LIST AND TENANT SELECTION 1

PART I: THE APPLICATION PROCESS 2

4-I.A. OVERVIEW	2
4-I.B. APPLYING FOR ASSISTANCE.....	2
4-I.C. ACCESSIBILITY OF THE APPLICATION PROCESS.....	3
4-I.D. PLACEMENT ON THE WAITING LIST	4
PART II: MANAGING THE WAITING LIST	4
4-II.A. OVERVIEW	4
4-II.B. ORGANIZATION OF THE WAITING LIST [24 CFR 982.204 and 205]	5
4-II.C. OPENING AND CLOSING THE WAITING LIST [24 CFR 982.206]	6
4-II.D. FAMILY OUTREACH	7
4-II.E. REPORTING CHANGES IN FAMILY CIRCUMSTANCES	8
4-II.F. UPDATING A WAITING LIST [24 CFR 982.204]	8
PART III: SELECTION FOR ASSISTANCE	9
4-III.A. OVERVIEW	9
4-III.B. SELECTION AND FUNDING SOURCES	9
4-III.C. SELECTION METHOD.....	10
4-III.D. NOTIFICATION OF SELECTION	16
4-III.E. THE APPLICATION INTERVIEW	16
4-III.F. COMPLETING THE APPLICATION PROCESS.....	17
CHAPTER 5 1	
BRIEFINGS AND VOUCHER ISSUANCE	1
PART I: BRIEFINGS AND FAMILY OBLIGATIONS	1
5-I.A. OVERVIEW	1
5-I.B. BRIEFINGS [24 CFR 982.301]	1
5-I.C. FAMILY OBLIGATIONS	4
PART II: SUBSIDY STANDARDS AND VOUCHER ISSUANCE	7
5-II.A. OVERVIEW	7
5-II.B. DETERMINING FAMILY UNIT (VOUCHER) SIZE [24 CFR 982.402]	7
5-II.C. EXCEPTIONS TO SUBSIDY STANDARDS.....	8
5-II.D. VOUCHER ISSUANCE AND RESCISSION [24 CFR 982.302] for housing choice voucher program	9
5-II.E. VOUCHER TERM, EXTENSIONS, AND SUSPENSIONS	10
CHAPTER 6 1	
INCOME AND SUBSIDY DETERMINATIONS	1
PART I: ANNUAL INCOME	1
6-I.A. OVERVIEW	1
6-I.B. HOUSEHOLD COMPOSITION AND INCOME.....	2
6-I.C. ANTICIPATING ANNUAL INCOME.....	4
6-I.D. EARNED INCOME	6
6-I.E. EARNED INCOME DISALLOWANCE FOR PERSONS WITH DISABILITIES [24 CFR 5.617]	8

6-I.F. BUSINESS INCOME [24 CFR 5.609(b)(2)]..... 9
6-I.G. ASSETS [24 CFR 5.609(b)(3) and 24 CFR 5.603(b)]..... 10
6-I.H. PERIODIC PAYMENTS 16
6-I.I. PAYMENTS IN LIEU OF EARNINGS 1817
6-I.J. WELFARE ASSISTANCE 18
6-I.K. PERIODIC AND DETERMINABLE ALLOWANCES [24 CFR 5.609(b)(7)] 19
6-I.L. STUDENT FINANCIAL ASSISTANCE [24 CFR 5.609(b)(9)] 19
6-I.M. ADDITIONAL EXCLUSIONS FROM ANNUAL INCOME 20

PART II: ADJUSTED INCOME 24

6-II.A. INTRODUCTION 24
6-II.B. DEPENDENT DEDUCTION 2524
6-II.C. ELDERLY OR DISABLED FAMILY DEDUCTION 25
6-II.D. MEDICAL EXPENSES DEDUCTION [24 CFR 5.611(a)(3)(i)] 25
6-II.E. DISABILITY ASSISTANCE EXPENSES DEDUCTION [24 CFR 5.603(b) and
24 CFR 5.611(a)(3)(ii)] 26
6-II.F. CHILD CARE EXPENSE DEDUCTION 2928

PART III: CALCULATING FAMILY SHARE AND AHA SUBSIDY 3234

6-III.A. OVERVIEW OF RENT AND SUBSIDY CALCULATIONS 3234
TTP Formula [24 CFR 5.628] 3234
6-III.B. FINANCIAL HARDSHIPS AFFECTING MINIMUM RENT [24 CFR 5.630]
3332
6-III.C. HARDSHIP POLICIES FOR FAMILIES AND PARTICIPANTS INCLUDED IN
MTW 3332
HARDSHIP POLICY- PAYMENT STANDARD – FMR..... 3332
HARDSHIP POLICY- ALTERNATIVE REEXAMINATION SCHEDULE FOR
HOUSEHOLDS 3534
6-III.D. APPLYING PAYMENT STANDARDS [24 CFR 982.505] 3837
6-III.E. APPLYING UTILITY ALLOWANCES [24 CFR 982.517] 4039
6-III.F. PRORATED ASSISTANCE FOR MIXED FAMILIES [24 CFR 5.520] 4039

CHAPTER 7 1

VERIFICATION 1

PART I. GENERAL VERIFICATION REQUIREMENTS 1

7-I.A. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 982.516 AND
982.551, 24 CFR 5.230] 1
7-I.B. OVERVIEW OF VERIFICATION REQUIREMENTS..... 2
7-I.C. UP-FRONT INCOME VERIFICATION (UIV) 3
7-I.D. THIRD PARTY VERIFICATIONS 65
7-I.E. SELF DECLARATION 87

Part II. Verifying FAMILY INFORMATION 98

7-II.A. VERIFICATION OF LEGAL IDENTITY 98
7-II.B. SOCIAL SECURITY NUMBERS [24 CFR 5.216 and HCV GB Eligibility and
Determination of ASSISTANCE PG. 14] 109

7-II.C. DOCUMENTATION OF AGE	1140
7-II.D. FAMILY RELATIONSHIPS	1140
7-II.E. VERIFICATION OF STUDENT STATUS	1244
7-II.F. DOCUMENTATION OF DISABILITY	1312
7-II.G. CITIZENSHIP OR ELIGIBLE IMMIGRATION STATUS [24 CFR 5.508] ..	1443
7-II.H. VERIFICATION OF PREFERENCE STATUS	1514
PART III. Verifying Income AND ASSETS	<u>1615</u>
7-III.A. EARNED INCOME	<u>1615</u>
7-III.B. BUSINESS AND SELF-EMPLOYMENT INCOME.....	1645
7-III.C. PERIODIC PAYMENTS AND PAYMENTS IN LIEU OF EARNINGS	1746
7-III.D. ALIMONY OR CHILD SUPPORT	1746
7-III.E. ASSETS AND INCOME FROM ASSETS	1846
7-III.F. NET INCOME FROM RENTAL PROPERTY	1917
7-III.G. RETIREMENT ACCOUNTS	1948
7-III.H. INCOME FROM EXCLUDED SOURCES.....	1948
7-III.I. ZERO ANNUAL INCOME STATUS	2048
7-III.J. STUDENT FINANCIAL ASSISTANCE	2049
7-III.K. parental income of students subject to eligibility restrictions.....	2120
PART IV. Verifying MANDATORY DEDUCTIONS	<u>2120</u>
7-IV.A. DEPENDENT AND ELDERLY/DISABLED HOUSEHOLD DEDUCTIONS	
	<u>2120</u>
7-IV.B. MEDICAL EXPENSE DEDUCTION	2224
7-IV.C. DISABILITY ASSISTANCE EXPENSES	2322
7-IV.D. CHILD CARE EXPENSES	2423

CHAPTER 8 1

HOUSING QUALITY STANDARDS AND 1

RENT REASONABLENESS DETERMINATIONS 1

PART I: PHYSICAL STANDARDS 1

8-I.A. GENERAL HUD REQUIREMENTS	1
8-I.B. ADDITIONAL LOCAL REQUIREMENTS	3
8-I.C. LIFE THREATENING CONDITIONS [24 CFR 982.404(a)].....	4
8-I.D. OWNER AND FAMILY RESPONSIBILITIES [24 CFR 982.404]	45
8-I.E. SPECIAL REQUIREMENTS FOR CHILDREN WITH ENVIRONMENTAL INTERVENTION BLOOD LEAD LEVEL [24 CFR 35.1225]	5
8-I.F. VIOLATION OF HQS SPACE STANDARDS [24 CFR 982.403].....	5

PART II: THE INSPECTION PROCESS 56

8-II.A. OVERVIEW [24 CFR 982.405]	6
8-II.B. INITIAL HQS INSPECTION [24 CFR 982.405(a)]	8
8-II.C. Periodic HQS INSPECTIONS [24 CFR 982.405(a)]	9
8-II.D. SPECIAL INSPECTIONS	10
8-II.E. QUALITY CONTROL INSPECTIONS [24 CFR 982.405(b)]	10

8.II.F. INSPECTION RESULTS AND REINSPECTIONS FOR UNITS UNDER HAP CONTRACT	10
8.II.G. ENFORCING OWNER COMPLIANCE.....	12
8.II.H. ENFORCING FAMILY COMPLIANCE WITH HQS [24 CFR 982.404(b)]	13
PART III: RENT REASONABLENESS [24 CFR 982.507]	13
8-III.A. OVERVIEW	13
8-III.B. WHEN RENT REASONABLENESS DETERMINATIONS ARE REQUIRED	14
8-III.C. HOW COMPARABILITY IS ESTABLISHED.....	14
8-III.D. AHA RENT REASONABLENESS METHODOLOGY.....	15
CHAPTER 9	1
GENERAL LEASING POLICIES	1
9-I.A. TENANT SCREENING	1
9-I.B. REQUESTING TENANCY APPROVAL [Form HUD-52517]	2
9-I.C. OWNER PARTICIPATION	3
9-I.D. ELIGIBLE UNITS	3
9-I.E. LEASE AND TENANCY ADDENDUM.....	6
9-I.F. TENANCY APPROVAL [24 CFR 982.305]	9
9-I.G. HAP CONTRACT EXECUTION [24 CFR 982.305].....	10
9-I.H. CHANGES IN LEASE OR RENT [24 CFR 982.308]	<u>11</u> 10
CHAPTER 10	1
MOVING WITH CONTINUED ASSISTANCE AND PORTABILITY	1
PART I. MOVING WITH CONTINUED ASSISTANCE	1
10-I.A. ALLOWABLE MOVES	1
10-I.B. RESTRICTIONS ON MOVES.....	<u>3</u> 2
10-I.C. MOVING PROCESS	4
PART II: PORTABILITY	5
10-II.A. OVERVIEW	5
10-II.B. INITIAL PHA ROLE	5
10-II.C. RECEIVING PHA ROLE.....	10
CHAPTER 11	1
REEXAMINATIONS	1
PART I: Regular REEXAMINATIONS [24 CFR 982.516, MTW Operations notice]	1
11-I.A. OVERVIEW	1
11-I.B. SCHEDULING regular REEXAMINATIONS	2
11-I.C. CONDUCTING REGULAR REEXAMINATIONS	3
11-I.D. DETERMINING ONGOING ELIGIBILITY OF CERTAIN STUDENTS [24 CFR 982.552(b)(5)]	4
11-I.E. EFFECTIVE DATES	5

PART II: INTERIM REEXAMINATIONS [24 CFR 982.516]	6
11-II.A. OVERVIEW	6
11-II.B. CHANGES IN FAMILY AND HOUSEHOLD COMPOSITION	6
11-II.C. CHANGES AFFECTING INCOME OR EXPENSES.....	8
11-II.D. PROCESSING THE INTERIM REEXAMINATION	10
PART III: RECALCULATING FAMILY SHARE AND SUBSIDY AMOUNT	11
11-III.A. OVERVIEW	11
11-III.B. CHANGES IN PAYMENT STANDARDS AND UTILITY ALLOWANCES ..	11
11-III.C. NOTIFICATION OF NEW FAMILY SHARE AND HAP AMOUNT	14
11-III.D. DISCREPANCIES	14
CHAPTER 12	1
TERMINATION OF ASSISTANCE AND TENANCY	1
PART I: GROUNDS FOR TERMINATION OF ASSISTANCE	1
12-I.A. OVERVIEW	1
12-I.B. FAMILY NO LONGER REQUIRES ASSISTANCE [24 CFR 982.455].....	1
12-I.C. FAMILY CHOOSES TO TERMINATE ASSISTANCE	1
12-I.D. MANDATORY TERMINATION OF ASSISTANCE	2
12-I.E. MANDATORY POLICIES AND OTHER AUTHORIZED TERMINATIONS	3
PART II: APPROACH TO TERMINATION OF ASSISTANCE	8
12-II.A. OVERVIEW	8
12-II.B. METHOD OF TERMINATION [24 CFR 982.552(a)(3)].....	8
12-II.C. ALTERNATIVES TO TERMINATION OF ASSISTANCE	8
12-II.D. CRITERIA FOR DECIDING TO TERMINATE ASSISTANCE.....	8
12-II.E. TERMINATING THE ASSISTANCE OF DOMESTIC VIOLENCE, DATING VIOLENCE, OR STALKING VICTIMS AND PERPETRATORS [Pub.L. 113-114]...	10
12-II.F. TERMINATION NOTICE.....	12
12-II.G. HOW TERMINATION OF ASSISTANCE AFFECTS THE HAP CONTRACT AND LEASE	13
PART III: TERMINATION OF TENANCY BY THE OWNER	13
12-III.A. OVERVIEW	13
12-III.B. GROUNDS FOR OWNER TERMINATION OF TENANCY [24 CFR 982.310 and Form HUD-52641-A, Tenancy Addendum]	13
12-III.C. EVICTION [24 CFR 982.310(e) and (f) and Form HUD-52641-A, Tenancy Addendum]	15
12-III.D. DECIDING WHETHER TO TERMINATE TENANCY [24 CFR 982.310(h)]	15 16
12-III.E. EFFECT OF TERMINATION OF TENANCY ON THE FAMILY'S ASSISTANCE	17
CHAPTER 13	1
OWNERS	1

PART I. OWNERS IN THE HCV PROGRAM	1
13-I.A. OWNER RECRUITMENT AND RETENTION	1
13-I.B. BASIC HCV PROGRAM REQUIREMENTS	2
13-I.C. OWNER RESPONSIBILITIES [24 CFR 982.452]	4
13-I.D. OWNER QUALIFICATIONS	4
13-I.E. NON-DISCRIMINATION [HAP Contract – Form HUD-52641]	7
PART II. HAP CONTRACTS	7
13-II.A. OVERVIEW	7
13-II.B. HAP CONTRACT CONTENTS	8
13-II.C. HAP CONTRACT PAYMENTS	9
13-II.D. BREACH OF HAP CONTRACT [24 CFR 982.453]	11
13-II.E. HAP CONTRACT TERM AND TERMINATIONS	1244
13-II.F. CHANGE IN OWNERSHIP / ASSIGNMENT OF THE HAP CONTRACT [HUD-52641]	1342
PART III. hcv Owners and the MTW Landlord Cohort	1443
CHAPTER 14	1
PROGRAM INTEGRITY	1
PART I: PREVENTING, DETECTING, AND INVESTIGATING ERRORS AND PROGRAM ABUSE	1
14-I.A. PREVENTING ERRORS AND PROGRAM ABUSE	1
14-I.B. DETECTING ERRORS AND PROGRAM ABUSE	2
14-I.C. INVESTIGATING ERRORS AND PROGRAM ABUSE	2
PART II: CORRECTIVE MEASURES AND PENALTIES	4
14-II.A. SUBSIDY UNDER- OR OVERPAYMENTS	4
14-II.B. FAMILY-CAUSED ERRORS AND PROGRAM ABUSE	4
14-II.C. OWNER-CAUSED ERROR OR PROGRAM ABUSE	6
14-II.D. AHA-CAUSED ERRORS OR PROGRAM ABUSE	7
14-II.E. CRIMINAL PROSECUTION	8
14-II.F. FRAUD AND PROGRAM ABUSE RECOVERIES	8
CHAPTER 15	1
PROGRAM ADMINISTRATION	1
PART I: ADMINISTRATIVE FEE and housing assistance payment RESERVEs [mtw operating notice]	1
PART II: SETTING PROGRAM STANDARDS AND SCHEDULES	3
15-II.A. OVERVIEW	3
15-II.B. PAYMENT STANDARDS [24 CFR 982.503; HCV GB Payment Standards; MTW Operations notice]	3
15-II.C. UTILITY ALLOWANCES [24 CFR 982.517]	76
PART III: INFORMAL REVIEWS AND HEARINGS	87

15-III.A. OVERVIEW	8
15-III.B. INFORMAL REVIEWS.....	8
15-III.C. INFORMAL HEARINGS FOR PARTICIPANTS [24 CFR 982.555].....	10
15-III.D. HEARING AND APPEAL PROVISIONS FOR NON-CITIZENS [24 CFR 5.514]	<u>1746</u>
PART IV: OWNER OR FAMILY DEBTS TO THE AHA	<u>2019</u>
15-IV.A. OVERVIEW	<u>2019</u>
15-IV.B. REPAYMENT POLICY.....	<u>2120</u>
PART V: RECORD KEEPING	<u>2322</u>
15-V.A. OVERVIEW	<u>2322</u>
15-V.B. RECORD RETENTION [24 CFR 982.158].....	<u>2322</u>
15-V.C. RECORDS MANAGEMENT.....	<u>2422</u>
PART VI: REPORTING AND RECORD KEEPING FOR CHILDREN WITH ENVIRONMENTAL INTERVENTION BLOOD LEAD LEVEL	<u>2524</u>
15-VI.A. OVERVIEW	<u>2524</u>
15-VI.B. REPORTING REQUIREMENT [24 CFR 35.1225(e)].....	<u>2524</u>
15-VI.C. DATA COLLECTION AND RECORD KEEPING [24 CFR 35.1225(f)] ..	<u>2524</u>
PART VII: REPORTING REQUIREMENTS OF VIOLENCE AGAINST WOMEN REAUTHORIZATION ACT OF 2022 (VAWA)	<u>2625</u>
15-VII.A. NOTIFICATION TO PARTICIPANTS [Pub. L. 113-4].....	<u>2625</u>
15-VII.B. NOTIFICATION TO APPLICANTS.....	<u>2625</u>
15-VII.C. NOTIFICATION TO OWNERS AND MANAGERS [Pub.L. 113-4]	<u>2625</u>
PART VIII: SPECIAL HOUSING TYPES [24 CFR 982 Subpart M]	<u>2625</u>
15-VIII.A. OVERVIEW	<u>2625</u>
CHAPTER 16	1
PROJECT-BASED VOUCHERS	1
PART I: GENERAL REQUIREMENTS	2
16-I.A. OVERVIEW [24 CFR 983.5].....	2
16-I.B. TENANT-BASED VS. PROJECT-BASED VOUCHER ASSISTANCE [24 CFR 983.2]	2
16-I.C. RELOCATION REQUIREMENTS [24 CFR 983.7].....	2
16-I.D. EQUAL OPPORTUNITY REQUIREMENTS [24 CFR 983.8].....	2
PART II: PBV OWNER PROPOSALS	3
16-II.A. OVERVIEW	3
16-II.B. OWNER PROPOSAL SELECTION PROCEDURES [24 CFR 983.51].....	3
16-II.C. HOUSING TYPE [24 CFR 983.52].....	6
16-II.D. PROHIBITION OF ASSISTANCE FOR CERTAIN UNITS.....	7
16-II.E. SUBSIDY LAYERING REQUIREMENTS [24 CFR 983.55].....	7
16-II.F. CAP ON NUMBER OF PBV UNITS IN EACH PROJECT.....	8

16-II.G. SITE SELECTION STANDARDS	9
16-II.H. ENVIRONMENTAL REVIEW [24 CFR 983.58]	11
PART III: DWELLING UNITS	11
16-III.A. OVERVIEW	11
16-III.B. HOUSING QUALITY STANDARDS [24 CFR 983.101]	<u>1244</u>
16-III.C. HOUSING ACCESSIBILITY FOR PERSONS WITH DISABILITIES	12
16-III.D. INSPECTING UNITS	12
PART IV: REHABILITATED AND NEWLY CONSTRUCTED UNITS	14
16-IV.A. OVERVIEW [24 CFR 983.151].....	14
16-IV.B. AGREEMENT TO ENTER INTO HAP CONTRACT	14
16-IV.C. CONDUCT OF DEVELOPMENT WORK	15
16-IV.D. COMPLETION OF HOUSING	15
PART V: HOUSING ASSISTANCE PAYMENTS CONTRACT (HAP)	16
16-V.A. OVERVIEW	16
16-V.B. HAP CONTRACT REQUIREMENTS	16
16-V.C. AMENDMENTS TO THE HAP CONTRACT	18
16-V.D. HAP CONTRACT YEAR, ANNIVERSARY AND EXPIRATION DATES [24 CFR 983.207(c) and 983.302(e)].....	19
16-V.E. OWNER RESPONSIBILITIES UNDER THE HAP [24 CFR 983.209]	19
16-V.F. ADDITIONAL HAP REQUIREMENTS	20
PART VI: SELECTION OF PBV PROGRAM PARTICIPANTS	20
16-VI.A. OVERVIEW	20
16-VI.B. ELIGIBILITY FOR PBV ASSISTANCE [24 CFR 983.251(a) and (b)]	20
16-VI.C. ORGANIZATION OF THE WAITING LIST [24 CFR 983.251(c)].....	22
16-VI.D. SELECTION FROM THE WAITING LIST [24 CFR 983.251(c)]	22
16-VI.E. OFFER OF PBV ASSISTANCE	<u>2523</u>
16-VI.F. OWNER SELECTION OF TENANTS.....	<u>2524</u>
16-VI.G. TENANT SCREENING [24 CFR 983.255]	<u>2725</u>
PART VII: OCCUPANCY	<u>2826</u>
16-VII.A. OVERVIEW	<u>2826</u>
16-VII.B. LEASE [24 CFR 983.256].....	<u>2826</u>
16-VII.C. MOVES	<u>3129</u>
16-VII.D. EXCEPTIONS TO THE OCCUPANCY CAP [24 CFR 983.262 as amended by HERA and HOTMA] for contracts executed prior to mtw designation.....	<u>3431</u>
PART VIII: DETERMINING RENT TO OWNER	<u>3432</u>
16-VIII.A. OVERVIEW	<u>3432</u>
16-VIII.B. RENT LIMITS [24 CFR 983.301].....	<u>3432</u>
16-VIII.C. REASONABLE RENT [24 CFR 983.303].....	<u>3634</u>
16-VIII.D. EFFECT OF OTHER SUBSIDY AND RENT CONTROL	<u>3836</u>
PART IX: PAYMENTS TO OWNER	<u>3836</u>

16-IX.A. HOUSING ASSISTANCE PAYMENTS [24 CFR 983.351]	3836
16-IX.B. VACANCY PAYMENTS [24 CFR 983.352]	3937
16-IX.C. TENANT RENT TO OWNER [24 CFR 983.353]	4038
16-IX.D. OTHER FEES AND CHARGES [24 CFR 983.354]	4038

CHAPTER 17 **1**

FAMILY SELF-SUFFICIENCY PROGRAM **1**

PART I. OVERVIEW OF THE PROGRAM	1
17-i.A. OVERVIEW	1
17-I.B PURPOSE (24 CFR 984.101)	3
17-I.D. PROGRAM COORDINATING COMMITTEE (24 CFR 984.202)	3
PART II. RECRUITMENT AND ELIGIBILITY	4
17-II.A. ESTIMATE OF PARTICIPATING FAMILIES (24 CFR 984.201)	4
17-II.B.RECRUITMENT (24 CFR 984.201)	4
17-II.C. ELIGIBILITY (24 CFR 984.201)	5
17-II.D. Head of FSS Family Leaves Assisted Unit	6
17-II.E. APPLICATION AND SELECTION PROCESS (24 CFR 984.203)	6
Part III: Contract of Participation and Program Participation	7
17-III.A. ASSESSMENT AND INDIVIDUAL TRAINING AND SERVICES PLAN (ITSP) (24 CFR 984.303 (b)(2))	7
17-III.B. CASE MANAGEMENT	7
17-III.C. CONTRACT OF PARTICIPATION (24 CFR 984.303)	8
17-III.d. TERMINATION OF CONTRACT OF PARTICIPATION (24 CFR 984.303 (h))	10
PART Iv. escrow account	11
17-iv.A. ESCROW ACCOUNT IMPLEMENTATION (24 CFR 984.305)	11
17-IV.B. ESCROW DISBURSEMENTS (24 CFR 984.305 (c))	12
17-iv.C Disbursement of Escrow in Cases of Contract Termination	13
PART v. portability	14
17-V.A. PORTABILITY overview (24 CFR 984.306)	14

CHAPTER 18 **1**

HUD-VASH PROGRAM **1**

PART I. OVERVIEW OF THE PROGRAM	1
18-I.A. OVERVIEW	1
18-I.B. RESPONSIBILITIES UNDER PROGRAM.....	2

PART II. ELIGIBILITY AND ADMISSION	2
18-II.A. ELIGIBILITY	2
18-II.B. ACCEPTABLE DOCUMENTATION	3
18-II.C. INCOME TARGETING	3
PART III. CONTINUED OCCUPANCY	3
18-III. A. LEASING	3
18-III. B. UNIT INSPECTIONS	4
18-III. C. PORTABILITY AND TRANSFERS	4
18-III. D. FAMILY BREAK-UP	6
PART IV. TERMINATION	6
PART V. MORE INFORMATION	7
CHAPTER 19	1
EMERGENCY HOUSING VOUCHERS/ STABILITY VOUCHERS	1
PART I. OVERVIEW OF THE PROGRAMS	1
19-I.A. OVERVIEW of emergency housing vouchers (EHV)	1
19-I.B. OVERVIEW of stability vouchers (sv)	2
19-I.C. FUNDING AND USES OF FUNDING	2
19-I.D. RESPONSIBILITIES UNDER PROGRAM	4
PART II. ELIGIBILITY AND ADMISSION	4
19-II.A. ELIGIBILITY	4
19-II.B. DENIAL OF ASSISTANCE	5
19-II.C. REFERRAL TO PROGRAMS	5
19-II.D. PREFERENCES	5
19-II.E. VERIFICATIONS AND CORRECTION OF OMISSIONS AND ERRORS	6
19-II.F. HOUSING SEARCH	6
19-II.G. VOUCHER ISSUANCE	7
19-II.H. PORTABILITY	7
PART III. CONTINUED OCCUPANCY	7
19-III.A. APPLICABILITY OF ALL REQUIREMENTS FOR CONTINUE OCCUPANCY	7
PART IV. TERMINATION AND REISSUANCE	8
19-IV.A. REISSUANCE	8
19-IV.B. TERMINATION	8
19-IV.C. TERMINATION OF ASSISTANCE DUE TO UNDER FUNDING EHV	8
GLOSSARY	1

CHAPTER 1

OVERVIEW OF THE PROGRAM AND PLAN

INTRODUCTION

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

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

There are three parts to this chapter:

Part I: The Housing Authority of the City of Alameda (AHA). This part includes a description of the AHA, its jurisdiction, its programs, and its mission and intent.

Part II: The HCV Program. This part contains information about the Housing Choice Voucher program operation, roles and responsibilities, and partnerships.

Part III: The HCV Administrative Plan. This part discusses the purpose and organization of the plan and its revision requirements.

PART I: THE AHA

1-I.A. OVERVIEW

This part explains the origin of the AHA's creation and authorization, the general structure of the organization, and the relationship between the AHA Board and staff.

On March 23, 2022, the AHA signed an amended ACC with HUD to obtain Moving to Work (MTW) designation. This amendment expires in 20 years.

1-I.B. ORGANIZATION AND STRUCTURE OF THE AHA

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

The governing body for the AHA is the Board of Commissioners. The Board of Commissioners is made up of seven individuals appointed by the City Council, and it includes two tenant representatives. The Board has overall responsibility for the AHA budget; organizational structure and staffing patterns; reviewing annual audits; approving new, rehabilitated and acquired housing developments; approving employee wages,

benefits, working conditions, and recognizing bargaining units and negotiations herewith; approving all contracts over \$250,000; authorizing eminent domain proceedings; filing or settling lawsuits other than unlawful detainers or debt collections; disposition of all real property; development of assisted housing; and maintenance, modernization, and revitalization of existing facilities.

Formal actions of the AHA are taken by the Board of Commissioners and entered into the official records of the AHA.

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

1-I.C. AHA MISSION

The purpose of a mission statement is to communicate the purpose of the agency to people inside and outside of the agency. It provides guiding direction for developing strategy, defining critical success factors, searching out key opportunities, making resource allocation choices, satisfying clients and stakeholders, and making decisions.

The Housing Authority of the City of Alameda, in partnership with the entire community, advocates and provides quality, affordable safe housing, and encourages self-sufficiency and strengthening community inclusiveness and diversity in housing.

1-I.D. THE AHA'S PROGRAMS

The following programs are included under this administrative plan:

The AHA's administrative plan is applicable to the operation of the Housing Choice Voucher program, special programs under the Housing Choice Voucher program along with Shelter Plus Care and Moderate Rehabilitation Single Room Occupancy (SRO) Program. Policies in the administrative plan are applicable to families who participate in the family self-sufficiency (FSS) program; however, there is also an FSS action plan which addresses the operations and guidelines for the FSS program.

Moving to Work (MTW) activities apply to most participants in both the Housing Choice Voucher and Project-Based Voucher program including Mainstream, Near Elderly Disabled, and Family Unification Program. MTW activities currently do not apply to the Veteran Affairs Supportive Housing (VASH) program, the Emergency Housing Voucher (EHV) program, and the Stability Voucher Program. MTW activities do not apply to the Moderate Rehabilitation (SRO) Program and Shelter Plus Care.

1-I.E. THE AHA'S COMMITMENT TO ETHICS AND SERVICE

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

- Administer applicable federal and state laws and regulations to achieve high ratings in compliance measurement indicators while maintaining efficiency in program operation to ensure fair and consistent treatment of clients served.
- Provide decent, safe, sanitary, and in good repair housing – in compliance with program housing quality standards – for very low-income families while ensuring that family rents are fair, reasonable, and affordable.
- Encourage self-sufficiency of participant families and assist in the expansion of family opportunities, which address educational, socio-economic, recreational and other human services needs.
- Promote fair housing and the opportunity for very low-income families of all ethnic backgrounds to experience freedom of housing choice.
- Promote a housing program, which maintains quality service and integrity while providing an incentive to private property owners to rent to very low-income families.
- Promote a market-driven housing program that will help qualified low-income families be successful in obtaining affordable housing and increase the supply of housing choices for such families.
- Create positive public awareness and expand the level of family, owner, and community support in accomplishing the AHA’s mission.
- Attain and maintain a high level of standards and professionalism in day-to-day management of all program components.
- Administer an efficient, high-performing agency through continuous improvement of the AHA’s support systems and commitment to our employees and their development.
- Conduct business in accordance with core values and ethical standards through a code of conduct which:

~~1) 1)~~ Requires compliance with the conflict-of-interest requirements of the HCV program cited in 24 CFR 982.161 which are as follows:

~~1)~~

- a. ~~(a)~~ Neither the AHA nor any of its contractors or subcontractors may enter into any contract or arrangement in connection with the tenant-based programs in which any of the following classes of persons has any interest, direct or indirect, during tenure or for one year thereafter:

~~(1) (1)~~ Any present or former member or officer of the AHA (except a participant commissioner);

~~(1)~~

~~(2) (2)~~

~~(2)~~ Any employee of the AHA, or any contractor, subcontractor, or agent of the AHA, who formulates policy or who influences decisions with respect to the programs;

~~(3)~~

~~(3)~~ ~~(3)~~ Any public official, member of a governing body, or State or local legislator, who exercises functions or responsibilities with respect to the programs; or

~~(4)~~ ~~(4)~~ Any member of the Congress of the United States.

b.

~~(5)~~ ~~(b)~~ Any member of the classes described in paragraph (a) of this section must disclose their interest or prospective interest to the AHA and HUD.

c.

~~(6)~~ ~~(c)~~ The conflict-of-interest prohibition under this section may be waived by the HUD field office for “good cause.”; and

2)

~~(7)~~ ~~2)~~ Requires compliance with the employment policies of the City of Alameda Housing Authority regarding conflicts of interest; and

3)

~~(8)~~ ~~3)~~ Prohibits the solicitation or acceptance of gifts or gratuities in excess of a nominal value by an officer or employee of the AHA or any contractor, subcontractor, or agent of the AHA; and

4)

~~(9)~~ ~~4)~~ Utilizes the existing administrative and disciplinary remedies as found in the Memorandums of Understanding with bargaining units representing the employees and managers of the AHA for violation of the AHA’s code of conduct; and

5)

~~(10)~~ ~~(1)~~ ~~5)~~ Informs all officers, employees, and agents of the AHA of its code of conduct.

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

PART II. THE HOUSING CHOICE VOUCHER (HCV) PROGRAM

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

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

The United States Housing Act of 1937 (the “Act”) is responsible for the birth of federal housing program initiatives. The Act was intended to provide financial assistance to states

and cities for public works projects, slum clearance and the development of affordable housing developments for low-income residents.

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

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

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

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

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

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

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

The HCV program was modeled closely on the pre-merger Voucher program. However, unlike the pre-merger Voucher program, the HCV program requires an assisted family to pay at least 30 percent of adjusted income for rent.

The transition of assistance from the Certificate and Voucher programs to the new HCV program began in October 1999. By October 2001, all families receiving tenant-based assistance were converted to the HCV program.

In 1996, the Moving to Work (MTW) demonstration program for public housing authorities (PHAs) was created to provide PHAs the opportunity to design and test innovative, locally designed strategies that use Federal dollars more efficiently, help residents find employment and become self-sufficient, and increase housing choices for low-income families. MTW allows PHAs exemptions from many existing public housing and voucher rules and provides funding flexibility with how they use their Federal funds. The AHA joined the MTW demonstration program in 2022.

In 2016, Congress approved the Housing Opportunity Through Modernization Act (HOTMA) which required many changes to the HCV program. Various components are still being enacted today. Many changes will go into effect by January 1, 2025. Also in 2016, Congress directed HUD to implement a single inspection protocol for public housing and voucher units which is included with this June 2024 revision as it is currently required to be enacted in October 2024.

1-II.B. HCV PROGRAM BASICS

The purpose of the HCV program is to provide rental assistance to eligible families. The rules and regulations of the HCV program are determined by the U.S. Department of Housing and Urban Development. The AHA is afforded choices in the operation of the program, which are included in the AHA's administrative plan, a document approved by the board of commissioners of the AHA.

Under the AHA's new MTW designation, some programs requirements can be changed by the AHA with HUD approval. The yearly Annual Plan and MTW Supplement contain these waivers to regulation. This plan covers both the programs covered under regulation without modification (families not participating in MTW) along with families participating in the MTW program where regulations may be modified. Families not participating in MTW include families housed under the Moderate Rehabilitation Single Room Occupancy (SRO) program and –families housed under the Shelter Plus Care (SPC) program. Families housed under the Veteran Affairs Supportive Housing (VASH) program; families housed under the Emergency Housing Voucher (EHV) program; and families housed under the Stability Voucher (SV) program are only approved to participate in one activity at this time. This activity is included in activity 2.b., which involves the setting of payment standards and is explained further later in this plan. All other MTW activities do not apply to these three special programs.

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

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

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

1-II.C. THE HCV PARTNERSHIPS

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

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

The HCV Relationships:

Step #1 – Congress appropriates funding

Step #2 – HUD provides funding to AHA along with program regulations and an Annual Contributions Contract (ACC) that specifies AHA obligations and Voucher Funding

Step #3 – AHA administers the program and in doing so establishes the following relationships:

- The AHA and families (program participants) have a relationship in which there is a voucher that specifies the family's obligation.
- The AHA and owners/landlords have a relationship in which the Housing Assistance Payments (HAP) Contract specifies Owner and AHA obligations.
- The families (program participants) and owners/landlords have a relationship in which the lease specifies tenant and landlord obligations.

What does HUD do?

HUD has the following major responsibilities:

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

What does the AHA do?

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

- Establish local policies;
- Review applications from interested applicant families to determine whether applicants are eligible for the program;
- Maintain waiting list and select families for admission;
- Issue voucher to selected family and, if necessary, assist the family in finding a place to live;
- Conduct outreach to owners, with special attention to owners outside areas of poverty or minority concentration;
- Approve the rental unit (including assuring compliance with housing quality standards and rent reasonableness), the owner, and the tenancy;
- Make housing assistance payments to the owner in a timely manner;
- Ensure that families and their rental units continue to qualify under the program;
- Ensure that owners and families comply with program rules;
- Provide families and owners with prompt, professional service; and

- Comply with all fair housing and equal opportunity requirements, HUD regulations and requirements, the Annual Contributions Contract, HUD-approved applications for funding, the AHA's administrative plan, approved MTW activities and other applicable federal, state and local laws.

What does the Owner do?

The owner has the following major responsibilities:

- Screen families who apply for tenancy, to determine if they will be good renters.
- The AHA can provide some information to the owner, but the primary responsibility for tenant screening rests with the owner.
- The owner should consider family background factors such as rent and bill-paying history, history of caring for property, respecting the rights of others to peaceful enjoyment of the property, compliance with essential conditions of tenancy, whether the family is engaging in drug-related criminal activity or other criminal activity that might threaten others.
- Screening factors should not have a disparate impact on any protected individuals or families.
- Comply with the terms of the Housing Assistance Payments contract, executed with the AHA;
- Comply with all applicable fair housing laws and discriminate against no one;
- Maintain the housing unit by making necessary repairs in a timely manner;
- Collect rent due from the assisted family without collect any extra payments and otherwise comply with and enforce provisions of the dwelling lease.

What does the Family do?

The family has the following responsibilities:

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

- Not commit fraud, bribery, or any other corrupt or criminal act in connection with any housing programs.

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

1-II.D. APPLICABLE REGULATIONS

Applicable regulations include:

- 24 CFR Part 5: General Program Requirements
- 24 CFR Part 8: Nondiscrimination
- 24 CFR Part 982: Section 8 Tenant-Based Assistance: Housing Choice Voucher Program
- 24 CFR Part 983: Project-Based Voucher (PBV) Program
- MTW Operations Notice (Federal Register / Vol. 85, No. 168 / Friday, August 28, 2020)

PART III. THE HCV ADMINISTRATIVE PLAN

1-III.A. OVERVIEW AND PURPOSE OF THE PLAN

HUD requires the administrative plan. The purpose of the administrative plan is to establish policies for carrying out the programs in a manner consistent with HUD requirements and local goals and objectives contained in the AHA's agency plan. This administrative plan is a supporting document to the AHA agency plan and is available for public review as required by CFR 24 Part 903.

This administrative plan is set forth to define the AHA's local policies for operation of the housing programs in the context of federal laws and regulations. Such federal regulations, HUD handbooks and guidebooks, notices and other applicable law govern all issues related to Section 8 not addressed in this document. The policies in this administrative plan have been designed to ensure compliance with the consolidated ACC and all HUD-approved applications for program funding and approved MTW activities.

The AHA is responsible for complying with all changes in HUD regulations pertaining to the HCV program. If such changes conflict with this plan, HUD regulations will have precedence.

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

1-III.B. CONTENTS OF THE PLAN (24CFR 982.54)

HUD regulations contain a list of what must be included in the administrative plan. The AHA administrative plan must cover AHA policies on these subjects:

- Selection and admission of applicants from the AHA waiting list, including any AHA admission preferences, procedures for removing applicant names from the waiting list, and procedures for closing and reopening the AHA waiting list (Chapter 4);

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

1-III.C. ORGANIZATION OF THE PLAN

The Plan is organized to provide information to users in particular areas of operation.

1-III.D. UPDATING AND REVISING THE PLAN

The AHA will revise this administrative plan as needed to comply with changes in HUD regulations. The Board of Commissioners must approve any changes.

CHAPTER 2

FAIR HOUSING AND EQUAL OPPORTUNITY

INTRODUCTION

This chapter explains the laws and HUD regulations requiring housing agencies to affirmatively further civil rights and fair housing in all federally-assisted housing programs. The letter and spirit of these laws are implemented through consistent policy and processes. The responsibility to further nondiscrimination pertains to all areas of the AHA's housing choice voucher (HCV) operations. It also applied to the AHA's Moderate Rehabilitation and Shelter Plus Care programs.

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

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

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

Part III: Prohibition Against National Origin Discrimination Affecting Limited English Proficiency Persons. This part details the obligations of the AHA to ensure meaningful access to the HCV program and its activities by persons with limited English proficiency (LEP). This part incorporates HUD's final Guidance, published January 22, 2007, in the *Federal Register*.

Part IV: Affirmatively Furthering Fair Housing. AHA will comply with the affirmatively furthering fair housing requirements of 24 CFR Section 903.7(o), and will work with persons with disabilities, public and private service and resource providers, and property owners to address accessibility problems for persons with disabilities.

PART I: NONDISCRIMINATION

2-I.A. OVERVIEW

Federal and state laws require PHAs to treat all applicants and participants equally, providing the same quality of service, regardless of family characteristics and background. Federal law prohibits discrimination in housing on the basis of race, color, religion, sex, national origin, age, familial status, and disability. The California Fair Employment and Housing Act prohibits discrimination in housing on these same bases, as well as gender, gender identity, gender expression, sexual orientation, marital status, ancestry, source of income, and genetic information. The AHA will comply fully with all

federal, state, and local nondiscrimination laws, and with rules and regulations governing fair housing and equal opportunity in housing and employment, including:

- Title VI of the Civil Rights Act of 1964
- Title VIII of the Civil Rights Act of 1968 (as amended by the Community Development Act of 1974 and the Fair Housing Amendments Act of 1988)
- Executive Order 11063
- Section 504 of the Rehabilitation Act of 1973
- The Age Discrimination Act of 1975
- Title II of the Americans with Disabilities Act (to the extent that it applies, otherwise Section 504 and the Fair Housing Amendments govern)
- California's Fair Employment and Housing Act, Gov't Code Sec. 12900 *et seq.*
- California Unruh Civil Rights Act, Civil Code Sec. 51
- California Disabled Persons Act, Civil Code Sec. 54
- Violence Against Women Reauthorization Act of 2022 (VAWA)
- When more than one civil rights law applies to a situation, the laws will be read and applied together.
- Any applicable state laws or local ordinances and any legislation protecting individual rights of tenants, applicants, or staff that may subsequently be enacted

2-I.B. NONDISCRIMINATION

Federal regulations prohibit discrimination against certain protected classes. State and local requirements, as well as AHA policies, can prohibit discrimination against additional classes of people.

The AHA shall not discriminate because of race, color, sex (includes, but is not limited to, pregnancy, childbirth, or medical conditions related to pregnancy or childbirth, as well as gender identity and gender expression), religion, marital or familial status, age, disability, medical condition, national origin, ancestry, source of income, and sexual orientation, (called "protected classes"). Familial status includes children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18.

The AHA will not use any of these factors to:

- Deny to any family the opportunity to apply for housing, nor deny to any qualified applicant the opportunity to participate in the housing choice voucher program.
- Provide housing that is different from that provided to others.
- Subject anyone to segregation or disparate treatment.
- Restrict anyone's access to any benefit enjoyed by others in connection with the housing program.
- Treat a person differently in determining eligibility or other requirements for admission.
- Steer an applicant or participant toward or away from a particular area based on any of these factors.
- Deny anyone access to the same level of services.
- Deny anyone the opportunity to participate in a planning or advisory group that is an integral part of the housing program.

- Discriminate in the provision of residential real estate transactions.
- Discriminate against someone because they are related to or associated with a member of a protected class.
- Publish or cause to be published an advertisement or notice indicating the availability of housing that prefers or excludes persons who are members of a protected class.

Providing Information to Families and Owners

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

Discrimination Complaints

If an applicant or participant believes that any family member has been discriminated against by the AHA or an owner, the family should advise the AHA. HUD requires the AHA to make every reasonable attempt to determine whether the applicant's or participant's assertions have merit and take any warranted corrective action. Any action, decision, or inaction by the AHA that is believed to be in violation of any of the federal or state laws enumerated above may be appealed through the AHA's established grievance procedure, which, depending on the circumstances, may afford the family rights to an informal review, informal hearing, or other reconsideration.

Applicants or participants who believe that they have been subject to unlawful discrimination may notify the AHA either orally or in writing. Such notification should be addressed to the AHA's "Section 504 Coordinator." A form is also available on the AHA's website at www.alamedahsg.org.

In addition, the AHA is required to provide the applicant or participant with information about how to file a discrimination complaint [24 CFR 982.304]. Discrimination complaints may be filed with California Civil Rights Department (CRD) at <https://calcivilrights.ca.gov/>, or HUD's Office of Fair Housing and Equal Opportunity at www.hud.gov.

The AHA will attempt to remedy discrimination complaints made against the AHA.

The Housing Authority refers Fair Housing complaints to the local fair housing agency as well as to HUD and the California Civil Rights Department on behalf of a family that claims that illegal discrimination has prevented the family from leasing a suitable unit.

PART II: POLICIES RELATED TO PERSONS WITH DISABILITIES

2-II.A. OVERVIEW

One type of disability discrimination prohibited by the Fair Housing Act is the refusal to make reasonable accommodation in rules, policies, practices, or services when such

accommodation may be necessary to afford a person with a disability the equal opportunity to use and enjoy a program or dwelling under the program.

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

The AHA will ask all applicants and participants if they require any type of accommodations, in writing, on the intake application, reexamination documents, and notices of adverse action by the AHA, by including the following language:

"If you or anyone in your family is a person with disabilities, and you require a specific accommodation in order to fully utilize our programs and services, please contact the housing authority."

A specific name and phone number will be indicated as the contact for requests for accommodation for persons with disabilities.

2-II.B. DEFINITION OF REASONABLE ACCOMMODATION

A person with a disability may require special accommodations in order to have equal access to the HCV program. The types of reasonable accommodations the AHA can provide include changes, exceptions, or adjustments to a rule, policy, practice, or service.

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

Types of Reasonable Accommodations

When needed, the AHA must modify normal procedures to accommodate the needs of a person with disabilities. Examples include, but are not limited to, the following:

- Permitting applications and reexaminations to be completed by mail.
- Conducting home visits.
- Using higher payment standards (either within the acceptable range or with HUD approval of a payment standard outside the AHA range) if the AHA determines this is necessary to enable a person with disabilities to obtain a suitable housing unit.
- Increasing the utility allowance by the amount of additional cost for operating necessary medical equipment.
- Providing time extensions for locating a unit when necessary, because of lack of availability of accessible units or special challenges of the family in seeking a unit.
- Permitting an authorized designee or advocate to participate in the application or certification process and any other meetings with AHA staff.
- Displaying posters and other housing information in locations throughout the AHA's office in such a manner as to be easily readable from a wheelchair.
- Documents in accessible or alternate formats.

2-II.C. REQUEST FOR AN ACCOMMODATION

If an applicant or participant indicates that an exception, change, or adjustment to a rule, policy, practice, or service is needed because of a disability, HUD requires that the AHA treat the information as a request for a reasonable accommodation, even if no formal request is made [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act].

The family must explain what type of accommodation is needed to provide the person with the disability full access to the AHA's programs and services.

If the need for the accommodation is not readily apparent or known to the AHA, the family must explain the relationship between the requested accommodation and the disability. There must be an identifiable relationship, or nexus, between the requested accommodation and the individual's disability.

The AHA will encourage the family to make its request in writing using a reasonable accommodation request form. However, the AHA will consider the accommodation any time the family indicates that an accommodation is needed whether or not a formal written request is submitted.

Request forms and information for submitting reasonable accommodation requests may be found on the AHA's website at www.alamedahsg.org or by contacting caseworker.

2-II.D. VERIFICATION OF DISABILITY

The regulatory civil rights definition for persons with disabilities is provided in Exhibit 2-1 at the end of this chapter. The definition of a person with a disability for the purpose of obtaining reasonable accommodation is much broader than the HUD definition of disability which is used for waiting list preferences and income allowances.

Before providing an accommodation, the AHA must determine that the person meets the definition of a person with a disability, and that the accommodation will enhance the family's access to the AHA's programs and services.

If a person's disability is obvious, or otherwise known to the AHA, and if the need for the requested accommodation is also readily apparent or known, no further verification will be required [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act].

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

When verifying a disability, the AHA will follow the verification policies provided in Chapter 7. All information related to a person's disability will be treated in accordance with the confidentiality policies provided in Chapter 15. In addition to the general requirements that govern all verification efforts, the following requirements apply when verifying a disability:

- Third-party verification must be obtained from an individual identified by the family who is competent to make the determination. A doctor or other medical professional, a peer support group, a non-medical service agency, or a reliable third party who is in a

position to know about the individual's disability may provide verification of a disability [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act].

- The AHA must request only information that is necessary to evaluate the disability-related need for the accommodation. The AHA will not inquire about the nature or extent of any disability.
- Medical records will not be accepted or retained in the participant file.

2-II.E. APPROVAL/DENIAL OF A REQUESTED ACCOMMODATION [Joint Statement of the Departments of HUD and Justice: Reasonable Accommodations under the Fair Housing Act].

The AHA must approve a request for an accommodation if the following three conditions are met:

- The request was made by or on behalf of a person with a disability.
- There is a disability-related need for the accommodation.
- The requested accommodation is reasonable, meaning it would not impose an undue financial and administrative burden on the AHA, or fundamentally alter the nature of the AHA's HCV operations (including the obligation to comply with HUD requirements and regulations).

Requests for accommodations must be assessed on a case-by-case basis, taking into account factors such as the cost of the requested accommodation, the financial resources of the AHA at the time of the request, the benefits that the accommodation would provide to the family, and the availability of alternative accommodations that would effectively meet the family's disability-related needs.

Before making a determination whether to approve the request, the AHA may enter into discussion and negotiation with the family, request more information from the family, or may require the family to sign a consent form so that the AHA may verify the need for the requested accommodation.

After a request for an accommodation is presented, the AHA will respond, in writing, within 1430 calendar days. ~~The response may be delayed if a knowledgeable professional has been contacted but has not responded to a request for verification of the request from AHA.~~

If the AHA denies a request for an accommodation because it is not reasonable (it would impose an undue financial and administrative burden or fundamentally alter the nature of the AHA's operations), the AHA will discuss with the family whether an alternative accommodation could effectively address the family's disability-related needs without a fundamental alteration to the HCV program and without imposing an undue financial and administrative burden.

2-II.F. PROGRAM ACCESSIBILITY FOR PERSONS WITH HEARING OR VISION IMPAIRMENTS

HUD regulations require the AHA to ensure that persons with disabilities related to hearing and vision have reasonable access to the AHA's programs and services [24 CFR 8.6].

At the initial point of contact with each applicant, the AHA shall inform all applicants of alternative forms of communication that can be used other than plain language paperwork.

To meet the needs of persons with hearing impairments, TTD/TTY (text telephone display/teletype) communication will be available.

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

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

2-II.G. PHYSICAL ACCESSIBILITY

The AHA must comply with a variety of regulations pertaining to physical accessibility, including the following:

- PIH 2011-31 (HA), Accessibility Notice or most current notice
- Section 504 of the Rehabilitation Act of 1973
- The Americans with Disabilities Act of 1990
- The Architectural Barriers Act of 1968
- The Fair Housing Act of 1988

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

- This plan describes the key policies that govern the AHA's responsibilities with regard to physical accessibility.
- Notice PIH 2011-31(HA) Accessibility Notice or most current notice issued by HUD summarizes information about pertinent laws and implementing regulations related to non-discrimination and accessibility in federally-funded housing programs.
- The AHA Plan provides information about self-evaluation, needs assessment, and transition plans.

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

When issuing a voucher to a family that includes an individual with disabilities, the AHA will include a current list of available accessible units known to the AHA and will assist the family in locating an available accessible unit, if necessary.

In general, owners must permit the family to make reasonable modifications to the unit. However, the owner is not required to pay for the modification and may require that the unit be restored to its original state at the family's expense when the family moves.

2-II.H. DENIAL OR TERMINATION OF ASSISTANCE

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

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

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

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

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

2-III.A. OVERVIEW

Language for Limited English Proficiency Persons (LEP) 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. 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. This part incorporates the Final Guidance to Federal Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons, published January 22, 2007, in the *Federal Register*.

The AHA 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).

LEP is defined as persons who, as a result of national origin, do not speak English as their primary language and who have a limited ability to read, write, speak or understand English. For the purposes of this administrative plan, LEP persons are HCV applicants and participants, and parents and family members of applicants and participants.

In order to determine the level of access needed by LEP persons, the AHA has completed the "Four Factor" analysis pursuant to HUD's guidance. These four factors include: (1) the number or proportion of LEP persons eligible to be served or likely to be encountered by the Housing Choice Voucher program; (2) the frequency with which LEP persons come into contact with the program; (3) the nature and importance of the program, activity, or service provided by the program to people's lives; and (4) the resources available to the AHA and costs. Balancing these four factors will ensure meaningful access by LEP

persons to critical services while not imposing undue burdens on the AHA. This analysis can be found in the Language Access Plan (LAP) found on AHA's website at www.alamedahsg.org.

2-III.B. ORAL INTERPRETATION

Oral interpretation can be provided by formal or informal interpreters. The AHA is committed to accuracy in interpretation services provided to LEP persons.

Formal Interpreters: When necessary, the AHA will provide qualified interpreters, including bilingual staff and contract vendors.

At important states that require one-on-one contact, written translations and verbal interpretation services will be provided consistent with the four-factor analysis. The AHA may require a formal interpreter to certify to the following:

- The interpreter understood the matter communicated and rendered a competent interpretation.
- The interpreter will not disclose non-public data without written authorization from the client.

Informal Interpreters: Informal interpreters may include family members, friends, legal guardians, service representatives or advocates of the LEP client. Staff will determine whether it is appropriate to rely on informal interpreters, depending upon the circumstances and subject matter of the communication. In some circumstances, however, informal interpreters, especially minors, are not competent to provide quality and accurate interpretations. There may be issues of confidentiality, competency, or conflict of interest.

An LEP person may use an informal interpreter of their own choosing and at his/her expense, either in place of or as a supplement to the free language assistance offered by the AHA. If possible, the AHA will accommodate an LEP client's request to use an informal interpreter in place of a formal interpreter. If an LEP client prefers an informal interpreter, after the AHA has offered free interpreter services, the informal interpreter may interpret. In these cases, the client and interpreter could sign a waiver of free interpreter services or other documentation of the offer of formal interpreter services, the refusal, and accommodation of the client's wishes. If an LEP client wants to use his/her own informal interpreter, the AHA reserves the right also to have a formal interpreter present.

2-III.C. WRITTEN TRANSLATION

Translation is the replacement of a written text from one language into an equivalent written text in another language.

To comply with written-translation obligations, the AHA has taken the following steps:

- The AHA will provide written translations of vital documents (i.e., forms or documents that are critical for ensuring meaningful access, or awareness of rights or services, of federally-funded services or benefits) for each eligible LEP language

group that constitutes 5 percent or 1,000 persons, whichever is less, of the population of persons eligible to be served or likely to be affected or encountered.

Translation of other documents, if needed, can be provided orally; or

- If there are fewer than 50 persons in a language group that reaches the 5 percent trigger, the AHA will not translate vital written materials, but will provide written notice in the primary language of the LEP language group of the right to receive competent oral interpretation of those written materials, free of cost.
- Use HUD-provided translations when available.

In addition to staff oral translation capabilities in some languages, the AHA has contracted with a competent vendor to provide oral translations in more than 150 languages.

2-III.D. IMPLEMENTATION PLAN

The AHA has developed a written LEP plan. The AHA's Language Access Plan (LAP):

1. Provides an introduction and the federal requirements;
2. Describes the "Four Factor" Analysis;
3. Outlines the LAP (e.g., access measures, oral and written interpretations, outreach, noticing, etc.);
4. Describes how the LAP will be distributed and staff trained; and
5. How the LAP will be monitored and updated.

PART IV: AFFIRMATIVELY FURTHERING FAIR HOUSING IN THE FAMILY UNIFICATION PROGRAM AND OTHER PROGRAMS COVERED BY THIS ADMINISTRATIVE PLAN

AHA will administer its programs in accordance with all applicable Fair Housing and Equal Opportunity laws, HUD's Limited English Proficiency (LEP) guidelines, and in such a manner as to affirmatively further fair housing.

AHA will comply with the affirmatively furthering fair housing requirements of 24 CFR Section 903.7(o), and will work with persons with disabilities, public and private service and resource providers, and property owners to address accessibility problems for persons with disabilities.

The AHA will recruit applicants using a strategy designed to ensure equal access to the waiting list for all persons in any categories protected by federal, state, and local laws governing discrimination.

The AHA will work with persons with disabilities, public and private service and resource providers, and property owners to address accessibility problems for persons with disabilities.

The AHA will inform applicants and voucher participants on how to file a fair housing complaint and provide the toll-free number for the Housing Discrimination Hotline (1-800-669-9777) as well as information on the appropriate local, state, and federal organizations and agencies charged with investigating fair housing complaints. The AHA will provide HUD's "Are You a Victim of Discrimination?" brochure which includes a Housing Discrimination Complaint form and contact information for the Department of Housing and Urban Development's California Civil Rights Department upon request and will provide fair housing material in alternative formats for participants with disabilities, if requested. This information is also available on the AHA's website www.alamedahsg.org.

The AHA will operate in physical spaces which are accessible and comply with Americans with Disabilities Act (ADA) requirements.

All AHA staff are informed about the importance of furthering fair housing and providing an equal opportunity to all eligible families without regard to any category protected by federal, state, or local laws governing discrimination. Fair Housing Posters are posted throughout the AHA office, including the lobby and interview rooms. Periodic training is provided to AHA staff in fair housing.

The AHA will facilitate effective communication with applicants, beneficiaries and members of the public through practices which ensure that interested persons (including

those with impaired vision or hearing) can obtain information concerning the Programs, including but not limited to utilization of TDD/TTY equipment, providing key materials in languages appropriate to the client base, and taking reasonable steps to provide or allow for interpreters as needed.

The AHA will offer and/or respond to requests for reasonable accommodations in order to allow persons with disabilities to apply for and participate in the Programs offered by the AHA.

AHA and its child welfare agency program partner, the Alameda County Social Services Agency Department of Children and Families (ACSS), will take the following steps as they relate to personnel, participants, and the overall operation of its FUP Program and associated activities:

- (1) Identify and ensure certification of FUP eligible families and youth that may be on the AHA's waiting list and ensure that the family or youth maintains their original position on the waiting list after certification.
- (2) Appropriately place all FUP eligible families and youth referred from the ACSS on the Housing Choice Voucher waiting list in order of first come, first served.
- (3) Inform applicants and FUP voucher participants on how to file a fair housing complaint and provide the toll-free number for the Housing Discrimination Hotline (1-800-669-9777) as well as information on the appropriate local, state, and federal organizations and agencies charged with investigating fair housing complaints.
- (4) Operate in physical spaces (main office, partner offices or other off-sites locations used for FUP purposes) which are accessible and comply with Americans with Disabilities Act (ADA) requirements.
- (5) Facilitate effective communication with applicants, beneficiaries and members of the public through practices which ensure that interested persons (including those with impaired vision or hearing) can obtain information concerning the FUP Program, including but not limited to utilization of TDD/TTY equipment, providing key FUP materials in languages appropriate to the client base, and taking reasonable steps to provide or allow for interpreters as needed.
- (6) Offer and/or respond to requests for reasonable accommodations in order to allow persons with disabilities to participate in the FUP Program.
- (7) Comply with data reporting requirements through PIC or its successor data systems and the HUD-50058 as a form suitable to meet OMB's Standards for the Collection of Racial and Ethnic Data.
- (8) Promote, review, and revise (as necessary) these policies and procedures to affirmatively further fair housing in the Family Unification Program during regular collaboration meetings and/or at a special meeting held for this purpose at least annually.

AHA will maintain records that these steps have been taken, and gauge their impact from, the following:

- a. Accessible Facilities: Addresses of facilities used for FUP purposes together with notation that they meet accessibility requirements.

- b. Effective Communications: Telephone numbers and names of trained operators of TDD/TTY equipment at the AHA and partner agency offices, copies of key FUP documents in appropriate languages, and copies of AHA policies and notices regarding provision and/or allowance of interpreters together with records of any such services requested by FUP applicants or participants and the response of the AHA or its partner agencies to such requests
- c. FUP Outreach: Copies of materials, notices, or other FUP outreach materials together with distribution lists of the same.
- d. Reasonable Accommodations: Copies of standard language used to offer formal or informal accommodations to FUP applicants and participants; copies of all written requests for reasonable accommodations as they relate to the FUP program together with written records of the AHA or partner agency's responses.
- e. Fair Housing Information: Copies of information, materials, and referrals relevant to fair housing laws and protections, agencies, and discrimination complaint procedures (state and federal) which have been provided to FUP participants.
- f. Minutes of all discussions held as part of regular or special FUP collaboration meetings as they pertain to these policies and procedures to affirmatively further fair housing in the Family Unification Program.

EXHIBIT 2-1: DEFINITION OF A PERSON WITH A DISABILITY UNDER FEDERAL CIVIL RIGHTS LAWS [24 CFR Parts 8.3 and 100.201]

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

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

The phrase “physical or mental impairment” includes:

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

“Major life activities” means functions such as caring for oneself, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning and working. “Has a record of such impairment” means has a history of, or has been misclassified as having, a mental or physical impairment that substantially limits one or more major life activities.

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

The definition of a person with disabilities does not include:

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

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

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

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

CHAPTER 3

ELIGIBILITY

INTRODUCTION

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

To be eligible for the HCV program:

- The applicant family must:
 - Qualify as a family as defined by HUD and the AHA.
 - Have income at or below HUD-specified income limits.
 - Qualify on the basis of citizenship or the eligible immigrant status of family members.
 - Provide social security number information for family members as required.
 - Consent to the AHA's collection and use of family information as provided for in AHA-provided consent forms.
- The AHA must determine that the current or past behavior of household members does not include activities that are prohibited by HUD or the AHA.

This chapter contains three parts:

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

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

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

PART I: DEFINITIONS OF FAMILY AND HOUSEHOLD MEMBERS

3-I.A. OVERVIEW

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

3-I.B. FAMILY AND HOUSEHOLD [24 CFR 982.201(C), HUD-50058 IB, P. 13]

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

Family

To be eligible for assistance, an applicant must qualify as a family. *Family* is defined by HUD as the following, regardless of actual or perceived sexual orientation, gender identity, or marital status:

- 1) a single person, who may be:
 - i) an elderly person, displaced person, disabled person, near-elderly person, or any other single person; or
 - ii) An otherwise eligible youth between 18 and 24 years of age who has left foster care or who will leave foster care within 90 days, and is homeless or at risk of becoming homeless at age 16 or older;
- 2) or a group of persons residing together, and such group includes, but is not limited to:
 - i) a family with or without children (including a child who is temporarily away from the home because of placement in foster care);
 - ii) an elderly family;
 - iii) a near-elderly family;
 - iv) a disabled family;
 - v) a displaced family; and
 - vi) the remaining member of a tenant family.

The AHA has the discretion to determine if any other group of persons qualifies as a family.

Each family must identify the individuals to be included in the family at the time of application and must update this information if the family's composition changes.

To qualify as a family when proposed family members are not related by blood, marriage, adoption, or other operation of law, the AHA will require applicants to demonstrate that the individuals have lived together previously and certify that each individual's income and other resources will be available to meet the needs of the family.

The addition of a new family member on an application or into an assisted household will be limited to birth, adoption, court-awarded custody, legal guardianship, marriage, civil union, registered domestic partnership or other operation of law, or reasonable accommodation.

Household

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

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

Family Break-up [24 CFR 982.315]

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

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

When a family currently receiving housing assistance breaks up, the assistance generally remains with the family members who remain in the assisted unit. If family members are forced to leave the unit because of actual or threatened physical violence against family members by a spouse or other members of the household, the AHA may terminate the HAP contract for the original assisted unit and transfer the assistance to the family members forced to leave. The actual or threatened physical violence must be documented by a qualified third party, such as a representative of the law enforcement, the judicial system, or a victim service provider; or a HUD-approved certification form. (Notice policies related to terminating assistance for participants who may be victims of domestic violence, dating violence, or stalking are contained in Section 12-II.E.).

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

In the absence of a judicial decision, or an agreement among the original family members, the AHA will determine which family retains their placement on the waiting list, or will continue to receive assistance taking into consideration the following factors: (1) the interest of any minor children, including custody arrangements, (2) the interest of any ill, elderly, or disabled family members, (3) any possible risks to family members as a result of domestic violence or criminal activity, and (4) the recommendations of social service professionals. In some cases, the Authority may assign the Housing Choice Voucher to the head of household with the lesser adjusted income (i.e., gross family contributions) if the above factors are equal.

Remaining Member of a Tenant Family [24 CFR 5.403]

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

If dependents are the only “remaining members of a tenant family” and there is no adult family member able to assume the responsibilities of the head of household, the AHA will terminate the housing assistance. Minor children are not bound by contract law and are unable to enter into a binding contract (i.e., Voucher) with the AHA, nor into a Lease with the property owner. The AHA will recognize the rights of emancipated minors with respect to contracts. In the case where the family breaks up and there is an emancipated minor

in the household, the emancipated minor is eligible to assume the rights and responsibilities as head of household for voucher purposes.

For a remaining member of a voucher household to be eligible to become head of household and to keep the voucher, the individual must have been listed on the lease for at least two (2) years; since admission; or since the beginning of the head of household's tenancy (if less than two (2) years since admission or relocation into the AHA's jurisdiction under Portability).

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

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

The family may designate any qualified family member as the head of household. See above for limitations on eligibility for a remaining family member to be designated as head of household.

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

3-I.E. SPOUSE, COHEAD, AND OTHER ADULT

A family may have a spouse or cohead, but not both [HUD-50058 IB, p. 13].

Spouse means the marriage or domestic partner of the head of household. The term "spouse" does not apply to friends, roommates, or significant others who are not marriage or domestic partners. A minor who is emancipated under state law may be designated as a spouse.

A *cohead* is an individual in the household who is equally responsible with the head of household for ensuring that the family fulfills all of its responsibilities under the program, but who is not a spouse. A family can have only one cohead. Minors who are emancipated under state law may be designated as a cohead.

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

3-I.F. DEPENDENT [24 CFR 5.603]

A *dependent* is a family member who is under 18 years of age or a person of any age who is a person with a disability or a full-time student, except that the following persons can never be dependents: the head of household, spouse, cohead, foster children/adults and live-in aides. Identifying each dependent in the family is important because each dependent qualifies the family for a deduction from annual income as described in Chapter 6.

Joint Custody of Dependents

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

When more than one applicant or participant family is claiming the same dependents as family members, the family with primary custody at the time of the initial examination or regular reexamination will be able to claim the dependents. If there is a dispute about which family should claim them, the AHA will make the determination based on available documents such as court orders, or an IRS return showing which family has claimed the child for income tax purposes. Dependents cannot receive duplicative assistance in multiple households.

3-I.G. FULL-TIME STUDENT [24 CFR 5.603, HCV GB ELIGIBILITY DETERMINATION AND DENIAL OF ASSISTANCE PG. 7]

A full-time student (FTS) is a person who is attending school or vocational training on a full-time basis. The time commitment or subject load that is needed to be full-time is defined by the educational institution.

Identifying each FTS is important because (1) each family member that is an FTS, other than the head, spouse, or cohead, qualifies the family for a dependent deduction and (2) the income of such an FTS is treated differently from the income of other family members.

3-I.H. ELDERLY AND NEAR-ELDERLY PERSONS, AND ELDERLY FAMILY [24 CFR 5.100 AND 5.403]

Elderly Persons

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

Near-Elderly Persons

A *near-elderly person* is a person who is at least 50 years of age but below the age of 62.

Elderly Family

An *elderly family* is one in which the head, spouse, cohead, or sole member is an elderly person. Identifying elderly families is important because these families qualify for special deductions from income as described in Chapter 6.

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

Persons with Disabilities

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

As discussed in Chapter 2, the AHA must make all aspects of the HCV program accessible to persons with disabilities and consider reasonable accommodations requested based upon a person's disability. An individual may qualify for a reasonable

accommodation but not meet HUD's definition of disabled for purposes of determining a *Disabled Family*.

Disabled Family

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

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

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

A *guest* is a person temporarily staying in the unit with the consent of a member of the household who has express or implied authority to so consent.

A guest can remain in the assisted unit no longer than 14 consecutive days or a total of 30 cumulative calendar days during any 12-month period. The lease with the owner may further restrict guest stays and should be reviewed for compliance.

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

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

3.I.K. FOSTER CHILDREN AND FOSTER ADULTS

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

The term *foster child* is not specifically defined by the regulations.

Foster children and foster adults that are living with an applicant or assisted family are considered household members but not family members. The income of foster children/adults is not counted in family annual income and foster children/adults do not qualify for a dependent deduction [24 CFR 5.603 and HUD-50058 IB, p. 13].

A *foster child* is a child that is in the legal guardianship or custody of a state, county, or private adoption or foster care agency, yet is cared for by foster parents in their own homes, under some kind of short-term or long-term foster care arrangement with the custodial agency.

A foster child or foster adult may be allowed to reside in the unit if their presence would not result in a violation of HQS space standards according to 24 CFR 982.401.

Children that are temporarily absent from the home as a result of placement in foster care are discussed in Section 3-I.L.

3-I.L. ABSENT FAMILY MEMBERS

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

Income of temporarily absent household members will continue to be counted towards the family's portion of rent and reporting requirements are the same as if the temporarily absent family member was residing in the unit.

Definitions of Temporarily and Permanently Absent

Generally, an individual who is or is expected to be absent from the assisted unit for 180 consecutive days or less is considered temporarily absent and continues to be considered a family member. Generally, an individual who is or is expected to be absent from the assisted unit for more than 180 consecutive days is considered permanently absent and no longer a family member. Exceptions to this general policy are discussed below.

In the case where the household member is the spouse, legal separation, filing for dissolution of marriage, annulment, or other verification acceptable to the Housing Authority will be sufficient proof that the family member is no longer a member of the household. In the case of a minor child, proof that legal custody has been granted to another will be proof that the child is no longer in the home.

Absent Students

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

Students attending school away for applicant families are not considered family members.

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

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

If a child has been placed in foster care, the AHA 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 household will report if the temporary absence becomes permanent.

Absent Head, Spouse, or Cohead

An employed head, spouse, or cohead absent from the unit more than 180 consecutive days due to employment will continue to be considered a family member.

Family Members Permanently Confined for Medical Reasons

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

The AHA will request verification from a responsible knowledgeable professional and will use this determination. If the responsible knowledgeable professional cannot provide a determination, the person generally will be considered temporarily absent. If verification cannot be obtained and the family member is absent for more than 180 days, the situation will be evaluated and the AHA may determine that the family member is permanently absent. The family may present evidence that the family member is confined on a permanent basis and request that the person not be considered a family member.

See Section 12-I.E. for single person families.

Return of Permanently Absent Family Members

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

3-I.M. LIVE-IN AIDE

Live-in aide means a person who resides with one or more elderly persons, or near-elderly persons, or persons with disabilities, and who: (1) is determined to be essential to the care and well-being of the persons, (2) is not obligated for the support of the persons, and (3) would not be living in the unit except to provide the necessary supportive services [24 CFR 5.403].

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

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

The Housing Authority encourages families to care for their elderly and disabled members. The Housing Authority will allow family caretakers to be included as part of the assisted household, granting the family a unit with an additional bedroom, when appropriate. The family caretaker's income is included in the household's income determination and subsidy standard. For example, a family member's income from an In-Home Supportive Service program is included as household income, as that income is not paid by the disabled person as a medical expense.

The Housing Authority presumes that a relative is a household member, not a live-in aide. For a relative to qualify as a live-in aide, the tenant must show that the care provided is an arms-length transaction. To do this, the family must certify that:

1. The person is capable of providing the required care for the tenant;
2. The person has never been a member of the household while the family was receiving housing assistance, nor has the person made regular financial contributions to the household while the family was receiving housing assistance;
3. There is no other reason for the person to live in the unit other than to provide care for the disabled tenant; and

4. The person intends to maintain his or her finances separately and live independently from the disabled tenant's household, providing care purely is an arms-length transaction.

The Housing Authority shall apply a preponderance of the evidence standard in determining whether the family has met its burden of proof. If the Housing Authority denies the family member live-in aide status, the Authority will notify the family in writing. The family may request an informal hearing within 14 calendar days of the date of the letter.

Upon the Housing Authority's determination that a relative is a family member and, therefore, does not qualify as a live-in aide, the family may request to add the person as a household member.

The requirement regarding relatives as live-in aides is continuously in effect. The Housing Authority may determine that a relative, who has taken the place of a live-in aide, does not meet the definition of a live-in aide and will be counted as a household member. If the Housing Authority makes such a determination, it will notify the tenant in writing and of the process by which the decision may be appealed.

A relative who serves as a live-in aide is not considered a family member and would not be considered a remaining member of a tenant family.

A family's request for a live-in aide must be made in writing. Written verification will be required from a reliable, knowledgeable professional, such as a doctor, social worker, or case worker, that the live-in aide is essential for the care and well-being of the elderly, near-elderly, or disabled family member.

In addition, the family and live-in aide will be required to submit a certification stating that the live-in aide is (1) not obligated for the support of the person(s) needing the care, and (2) would not be living in the unit except to provide the necessary supportive services.

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

The person commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;

- The person commits drug-related criminal activity or violent criminal activity;
- The person currently owes rent or other amounts to the AHA or to another PHA in connection with Section 8 or public housing assistance under the 1937 Act;
- The person has been convicted of manufacturing or producing methamphetamines. If, during the time the live-in aide is residing with the family and she or he is convicted of manufacturing or producing methamphetamines on the premises of an assisted housing unit, the approval of the live-in aide will be withdrawn. "Premises" is defined as the building or complex in which the dwelling unit is located, including common areas and grounds; or
- The person is a convicted sex offender.

Within 1430 calendar days of receiving a request for a live-in aide, including all required documentation related to the request, the AHA will notify the family of its decision in writing.

PART II: BASIC ELIGIBILITY CRITERIA

3-II.A. INCOME ELIGIBILITY AND TARGETING

Income Limits

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

Types of Low-Income Families

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

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

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

HUD may establish income ceilings higher or lower than 30, 50, or 80 percent of the median income for an area if HUD finds that such variations are necessary because of unusually high or low family incomes.

Using Income Limits for Eligibility [24 CFR 982.201]

Income limits are used for eligibility only at admission. Eligibility is established by comparing a family's annual income with HUD's published income limits. To be income-eligible, a family must be one of the following:

- A very low-income family
- A *low-income* family that has been "continuously assisted" under the 1937 Housing Act. A family is considered to be continuously assisted if the family is already receiving assistance under any 1937 Housing Act program at the time the family is admitted to the HCV program [24 CFR 982.4]

—The AHA will consider a family to be continuously assisted if the family was leasing a unit under any 1937 Housing Act program at the time they were issued a voucher by the AHA. A brief interruption in assistance does not constitute a break in the "continuously assisted" definition for Special Admission. A brief interruption is defined only as an interruption that is not under the control of the applicant and does not exceed 30 days in length. For example, continued assistance to residents of a Section 8 project after the HAP contract expires or is terminated for owner breach may cause a short delay in arranging for continued assistance for project residents.

- A low-income family that qualifies for voucher assistance as a non-purchasing household living in HOPE 1 (public housing homeownership), HOPE 2 (multifamily housing homeownership) developments, or other HUD-assisted multifamily homeownership programs covered by 24 CFR 248.173
- A low-income or moderate-income family that is displaced as a result of the prepayment of a mortgage or voluntary termination of a mortgage insurance contract on eligible low-income housing as defined in 24 CFR 248.101

HUD permits the AHA to establish additional categories of low-income families that may be determined eligible. The additional categories must be consistent with the AHA plan and the consolidated plans for local governments within the AHA's jurisdiction.

The AHA's policy is to allow low-income families eligible for the Veteran Affairs Supportive Housing (VASH) program to be income-eligible under the VASH program.

Using Income Limits for Targeting [24 CFR 982.201]

At least 75 percent of the families admitted to the AHA's program during a AHA fiscal year must be extremely low-income families. HUD may approve exceptions to this requirement if the AHA demonstrates that it has made all required efforts but has been unable to attract an adequate number of qualified extremely low-income families.

Families continuously assisted under the 1937 Housing Act and families living in eligible low-income housing that are displaced as a result of prepayment of a mortgage or voluntary termination of a mortgage insurance contract are not subject to the 75 percent restriction. Also, families housed under the VASH program are not subject to the 75 percent restriction.

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

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

All applicant families must be notified of the requirement to submit evidence of their citizenship status when they apply. Where feasible, and in accordance with the AHA's Limited English Proficiency Plan, the notice must be in a language that is understood by the individual if the individual is not proficient in English.

Declaration [24 CFR 5.508]

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

U.S. Citizens and Nationals

In general, citizens and nationals are required to submit only a signed declaration that claims their status. However, HUD regulations permit the AHA to request additional documentation of their status, such as a passport.

Family members who declare citizenship or national status will be required to provide documentation for verification purposes.

Eligible Noncitizens

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

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

Ineligible Noncitizens

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

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

Mixed Families

A family is eligible for assistance as long as at least one member is a citizen, national, or eligible noncitizen. Families that include eligible and ineligible individuals are considered *mixed families*. Such families will be given notice that their assistance will be prorated, and that they may request a hearing if they contest this determination. See Chapter 6 for a discussion of how rents are prorated, and Chapter 15 for a discussion of informal hearing procedures.

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

The AHA will not provide assistance to a family before the verification of at least one family member. Verification of eligibility for this purpose occurs when the individual or family members have submitted documentation to the AHA in accordance with program requirements (24 CFR 5.512(a)).

When the AHA determines that an applicant family does not include any citizens, nationals, or eligible noncitizens, following the verification process, the family will be sent a written notice within 14 calendar days of the determination.

The notice will explain the reasons for the denial of assistance, that the family may be eligible for proration of assistance and will advise the family of its right to request an appeal to the United States Citizenship and Immigration Services (USCIS), or to request an informal hearing with the AHA. The informal hearing with the AHA may be requested in lieu of the USCIS appeal, or at the conclusion of the USCIS appeal process. The notice must also inform the applicant family that assistance may not be delayed until the conclusion of the USCIS appeal process, but that it may be delayed pending the completion of the informal hearing process.

Informal hearing procedures are contained in Chapter 15.

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

For new occupants joining the assisted family the AHA must verify status at the first interim or regular reexamination following the person's occupancy, whichever comes first.

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

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

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

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

For every family member contending eligible immigration status the family must provide documentation of a valid Social Security Number (SSN). Assistance cannot be provided to a family until all SSN documentation requirements are met. If a family member under the age of six years is added to the household within the six months prior to voucher issuance, the family will have 90 days from the date of admission to the program to obtain an SSN for the newly added child. A detailed discussion of acceptable documentation is provided in Chapter 7. A family may remain on the waiting list without providing the SSN documentation until a request for verification is made by the AHA staff. Once the request is made, the family will be given a deadline by which all verification must be received. Failure of the family to provide any requested verification, including the SSN verification, will result in the withdrawal of the family from the waiting list. The AHA must deny assistance to an applicant family if they do not meet the SSN disclosure, documentation and verification, and certification requirements contained in 24 CFR 5.216.

For a new member who is at least six years of age or under the age of six years and has an assigned SSN to be added to the assisted family, the new member's SSN documentation must be submitted at the time of request or at the time of processing the interim recertification or recertification of family composition that includes the new family member. For the addition of a family member who is under six years of age with no assigned SSN, the family must provide the assigned SSN and supporting verification documents within 90 calendar days of the child being added to the household. If any member of the family obtains a previously undisclosed SSN, or has been assigned a new SSN, the documentation must be submitted at the family's next interim or regularly scheduled reexamination.

3-II.D. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 5.230, HCV GB ELIGIBILITY DETERMINATION AND DENIAL OF ASSISTANCE PG. 14]

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

The AHA must deny admission to the program if any member of the applicant family fails to sign and submit the consent forms for obtaining information in accordance with 24 CFR 5, Subparts B and F [24 CFR 982.552(b)(3)].

3-II.E. STUDENTS ENROLLED IN INSTITUTIONS OF HIGHER EDUCATION [24 CFR 5.612 AND FR NOTICE 4/10/06]

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

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

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

Definitions

In determining whether and how the eligibility restrictions apply to a student, the AHA will rely on the following definitions [FR 4/10/06, p. 18148 and 9/21/16, p. 64932].

Dependent Child

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

Independent Student

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

1. The individual is of legal contract age under state law.
2. The individual has established a household separate from the individual’s parents for at least one year prior to application for occupancy or the individual meets the U.S. Department of Education’s definition of independent student.

—To be considered an *independent student* according to the Department of Education, a student must meet one or more of the following criteria:

- The individual is 24 years of age or older by December 31 of the award year;
- The individual is an orphan, in foster care, or a ward of the court or was an orphan, in foster care, or a ward of the court at any time when the individual was 13 years of age or older;
- The individual is, or was immediately prior to attaining the age of majority, an emancipated minor or in legal guardianship as determined by a court of competent jurisdiction in the individual’s State of legal residence;
- The individual is a veteran of the Armed Forces of the United States (as defined in subsection (c)(1) of HEA) or is currently serving on active duty in the Armed Forces for other than training purposes;
- The individual is a graduate or professional student;
- The individual is a married individual;
- The individual has legal dependents other than a spouse;
- The individual has been verified during the school year in which the application is submitted as either an unaccompanied youth who is a homeless child or youth (as such terms are defined in section 725 of the McKinney-Vento Homeless Assistance Act) (42 U.S.C. 11431 *et seq.*), or as unaccompanied, at risk of homelessness, and self-supporting, by—
 - a local educational agency homeless liaison, designated pursuant to section 722(g)(1)(J)(ii) of the McKinney-Vento Homeless Assistance Act;
 - the director of a program funded under the Runaway and Homeless Youth Act or a designee of the director;
 - the director of a program funded under subtitle B of title IV of the McKinney-Vento Homeless Assistance Act (relating to emergency shelter grants) or a designee of the director; or
 - a financial aid administrator; or

- The individual is a student for whom a financial aid administrator makes a documented determination of independence by reason of other unusual circumstances.
3. The individual was not claimed as a dependent by the individual's –parents pursuant to IRS regulations, as demonstrated on the parents' most recent tax forms.
 4. The individual provides a certification of the amount of financial assistance that will be provided by the individual's –parents. This certification must be signed by the individual providing the support and must be submitted even if no assistance is being provided.

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

Institution of Higher Education

The AHA will use the statutory definition under section 102 of the Higher Education Act of 1965 to determine whether a student is attending an *institution of higher education* (see Exhibit 3-2).

Parents

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

Veteran

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

Determining Student Eligibility

If a student is applying for assistance on his/her own, apart from the individual's parents, the housing agency must determine whether the student is subject to the eligibility restrictions contained in 24 CFR 5.612. If the student is subject to those restrictions, the AHA must ensure that: (1) the student is individually eligible for the program, (2) either the student is independent from the individual's parents or the student's parents are income eligible for the program, and (3) the "family" with which the student is applying is collectively eligible for the program.

For any student who is subject to the 5.612 restrictions, the AHA will:

- Follow its usual policies in determining whether the student individually and the student's "family" collectively are eligible for the program
- Determine whether the student is independent from the individual's parents in accordance with the definition of *independent student* in this section
- Follow the policies below, if applicable, in determining whether the student's parents are income eligible for the program

If the AHA determines that the student, the student's parents (if applicable), or the student's "family" is not eligible, the AHA will send a notice of denial in accordance with

the policies in Section 3-III.F, and the applicant family will have the right to request an informal review in accordance with the policies in Section 16-III.B.

Determining Parental Income Eligibility

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

- If the student's parents are married and living together, the AHA will obtain a joint income declaration and certification of joint income from the parents.
- If the student's parent is widowed or single, the AHA will obtain an income declaration and certification of income from that parent.
- If the student's parents are divorced or separated, the AHA will obtain an income declaration and certification of income from each parent.
- If the student has been living with one of the individual's parents and has not had contact with or does not know where to contact his/her other parent, the AHA will require the student to submit a certification under penalty of perjury describing the circumstances and stating that the student does not receive financial assistance from the other parent. The AHA will then obtain an income declaration and certification of income from the parent with whom the student has been living or had contact.

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

PART III: DENIAL OF ASSISTANCE

3-III.A. OVERVIEW

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

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

Forms of Denial [24 CFR 982.552(a)(2); HCV GB ELIGIBILITY DETERMINATION AND DENIAL OF ASSISTANCE PG. 21]

Denial of assistance includes any of the following:

- Not placing the family's name on the waiting list,
- Denying or withdrawing a voucher,
- Not approving a request for tenancy or refusing to enter into a HAP contract, or
- Refusing to process a request for or to provide assistance under portability procedures.

Prohibited Reasons for Denial of Assistance [24 CFR 982.202(b), 24 CFR 982.202(d)]

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

- Age, disability, race, color, religion, sex, or national origin. (See Chapter 2 for additional information about fair housing and equal opportunity requirements.)
- Where a family lives prior to admission to the program
- Where the family will live with assistance under the program. Although eligibility is not affected by where the family will live, there may be restrictions on the family's ability to move outside the AHA's jurisdiction (See Chapter 10, Portability.)
- Whether members of the family are unwed parents, recipients of public assistance, or children born out of wedlock
- Whether the family includes children
- Whether a family decides to participate in a family self-sufficiency program
- Where a member of the family has been a victim of domestic violence, dating violence or stalking, if the applicant otherwise qualifies for assistance or admission. (Notice policies related to denying admission to applicants who may be victims of domestic violence, dating violence, or stalking are contained in Section 3-III.G)
- Any other category protected under state law or HUD guidance including PIH notices.

3-III.B. MANDATORY DENIAL OF ASSISTANCE [24 CFR 982.553(A)]

HUD requires the AHA to deny assistance in the following cases:

- Any member of the household has been evicted from federally assisted housing in the last 3 years for drug-related criminal activity. HUD permits but does not require the AHA to admit an otherwise-eligible family if the household member has completed a AHA-approved drug rehabilitation program or the circumstances which led to eviction no longer exist (e.g. the person involved in the criminal activity no longer lives in the household).
- The AHA will admit an otherwise-eligible family who was evicted from federally-assisted housing within the past 3 years for drug-related criminal activity, if the AHA is able to verify that the household member who engaged in the criminal activity has completed a supervised drug rehabilitation program approved by the AHA, or the person who committed the crime, is no longer living in the household.
- The AHA determines that any household member is currently engaged in the use of illegal drugs. *Currently engaged in* is defined as any use of illegal drugs during the previous six months.
- The AHA has reasonable cause to believe that any household member's current use or pattern of use of illegal drugs, or current abuse or pattern of abuse of alcohol, may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents. In determining reasonable cause, the AHA will consider all credible evidence, including but not limited to, any record of convictions or evictions of household members related to the use of illegal drugs or the abuse of alcohol.

- Any household member has ever been convicted of drug-related criminal activity for the production or manufacture of methamphetamine on the premises of federally assisted housing
- Any household member is subject to a lifetime registration requirement under a state sex offender registration program

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

Criminal Activity [24 CFR 982.553]

HUD permits, but does not require, the AHA to deny assistance if the AHA determines that any household member is currently engaged in or has engaged in during a reasonable time before the family would receive assistance, certain types of criminal activity.

If any household member is currently engaged in or has engaged in any of the following criminal activities, within the past five years, the family will be denied assistance.

Drug-related criminal activity, defined by HUD as the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute or use the drug [24 CFR 5.100].

Violent criminal activity, defined by HUD as any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage [24 CFR 5.100].

Criminal activity that may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents or persons residing in the immediate vicinity; or

Criminal activity that may threaten the health or safety of property owners and management staff, and persons performing contract administration functions or other responsibilities on behalf of the AHA (including a AHA employee or a AHA contractor, subcontractor, or agent).

Immediate vicinity means within a three-block radius of the premises.

- Evidence of such criminal activity includes, but is not limited to:
 - Conviction for drug-related or violent criminal activity within the past 5 years.
 - Any record of eviction from public or privately-owned housing as a result of criminal activity within the past 5 years.
- The fact that an applicant or tenant was arrested for a disqualifying offense shall not be treated or regarded as proof that the applicant or tenant engaged in disqualifying criminal activity. The arrest may, however, trigger an investigation to determine whether the applicant or tenant actually engaged in disqualifying criminal activity. As part of its investigation, the AHA may obtain the police report associated with the arrest and consider the reported circumstances of the arrest. The AHA may also consider any statements made by witnesses or the applicant or tenant not included in the police report; whether criminal charges were filed; whether, if filed, criminal charges were abandoned, dismissed, not prosecuted, or

ultimately result in an acquittal; and any other evidence relevant to determining whether or not the applicant or tenant engaged in disqualifying activity.

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

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

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

The AHA **will not** deny assistance to an otherwise eligible family because the family previously failed to meet its obligations under the Family Self-Sufficiency (FSS) program or the Welfare to Work voucher program.

The AHA **will** deny assistance to an applicant family if:

The family does not provide information that the AHA or HUD determines is necessary in the administration of the program.

The family does not provide complete and true information to the AHA.

Any public housing agency has ever terminated assistance under the program for any member of the family within the last five years.

Any family member has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program.

The family owes rent or other amounts to any public housing agency in connection with the HCV, Certificate, Moderate Rehabilitation or public housing programs, unless the family repays the full amount of the debt prior to being selected from the waiting list.

If the family has not reimbursed any public housing agency for amounts the agency paid to an owner under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease, unless the family repays the full amount of the debt prior to being selected from the waiting list.

The family has breached the terms of a repayment agreement entered into with the AHA, unless the family repays the full amount of the debt covered in the repayment agreement prior to being selected from the waiting list.

A family member has engaged in or threatened violent or abusive behavior toward AHA personnel.

Abusive or violent behavior towards AHA personnel includes verbal as well as physical abuse or violence. Use of racial epithets, or other language, written or oral, that is customarily used to intimidate may be considered abusive or violent behavior.

Threatening refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.

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

3-III.D. SCREENING

Screening for Eligibility

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

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

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

Screening for the Veterans Affairs Supportive Housing (VASH) program will be carried out per HUD regulation.

Screening for Suitability as a Tenant [24 CFR 982.307]

The AHA has no liability or responsibility to the owner for the family's behavior or suitability for tenancy. By regulation, the AHA may opt to conduct additional screening to determine whether an applicant is likely to be a suitable tenant. The AHA will not conduct additional screening to determine an applicant family's suitability for tenancy.

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

HUD requires the AHA to provide prospective owners with the family's current and prior address (as shown in AHA records) and the name and address (if known) of the owner at the family's current and prior addresses. HUD permits the AHA to provide owners with additional information, as long as families are notified that the information will be provided, and the same type of information is provided to all owners.

Upon receipt of a Request for Tenancy Approval by the Housing Authority, owners may request and the Authority will provide specific information about the family being considered for tenancy. The Authority will provide the following information:

- The family's current address as provided by the Applicant; and

- The name and address, if known, of the owner/landlord of the family's current and prior places of residence.

The Housing Authority will only respond to specific questions asked by owners and only when the Authority has documentation to confirm the accuracy of the information being provided. Information may be released if contained in the following types of documents;

- Notices of lease violation or termination
- Unit inspections
- Owner claims for unpaid tenant rent and damages
- Records of illegal drug activities as reported in newspapers or other public records

Examples of questions that an owner might ask and to which the Authority will respond include:

Q: Has a lease ever been terminated because the prospective tenant failed to pay the rent?

A: Yes. The Housing Authority has a Notice of Termination on file for unpaid rent.

Q: Does the tenant unit fail for tenant-caused issues every year?

A: No. The last HQS inspection passed the first inspection.

Questions to which the answers may not be found in the above-mentioned documentation, will be reviewed by the Housing Authority attorney prior to responding.

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

Evidence [24 CFR 982.553(c)]

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

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

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

HUD authorizes the AHA to consider all relevant circumstances when deciding whether to deny assistance based on a family's past history except in the situations for which denial of assistance is mandated (see Section 3-III.B).

The AHA will consider the following factors when making its decision:

- The seriousness of the case, especially with respect to how it would affect other residents;
- The effects that denial of assistance may have on other members of the family who were not involved in the action or failure;

- The extent of participation or culpability of individual family members, including whether the culpable family member is a minor or a person with disabilities or (as discussed further in section 3-III.G) a victim of domestic violence, dating violence, or stalking;
- The length of time since the violation occurred, the family's recent history and the likelihood of favorable conduct in the future;
- In the case of drug or alcohol abuse, whether the culpable household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program or has otherwise been rehabilitated successfully; and
- The AHA will require the applicant to submit evidence of the household member's current participation in or successful completion of a supervised drug or alcohol rehabilitation program, or evidence of otherwise having been rehabilitated successfully.

Removal of a Family Member's Name from the Application [24 CFR 982.552(c)(2)(ii)]

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

As a condition of receiving assistance, a family may agree to remove the culpable family member from the application. In such instances, the head of household must certify that the family member will not be permitted to visit or to stay as a guest in the assisted unit and provide any documentation required by the AHA to verify departure of the family member upon AHA request.

After admission to the program, the family must present evidence of the former family member's current address and any other documentation required by the AHA to verify departure of the family member upon AHA request.

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

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

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

3-III.F. NOTICE OF ELIGIBILITY OR DENIAL

Eligible for Assistance

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

If the AHA determines that a family is not eligible for the program for any reason, the family must be notified promptly. The notice must describe (1) the reasons for which assistance has been denied (2) the family's right to an informal review, and (3) the process for obtaining the informal review [24 CFR 982.554 (a)]. See Chapter 15, for informal review policies and procedures.

If a criminal record is the basis of the denial, a copy of the record must accompany the notice. In addition, a copy of the criminal record must be provided to the subject of the record [24 CFR 982.553(d)].

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

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

The family will be notified of a decision to deny assistance in writing within 14 calendar days of the determination.

3-III.G. PROHIBITION AGAINST DENIAL OF ASSISTANCE TO VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, AND STALKING [PUB. L. 113-4]

The Violence Against Women Reauthorization Act of 2022 (VAWA) prohibits denial of admission to an otherwise qualified applicant on the basis that the applicant is or has been a victim of domestic violence, dating violence, or stalking. Specifically, Section 606(1) of VAWA adds the following provision to Section 8 of the U.S. Housing Act of 1937, which lists contract provisions and requirements for the housing choice voucher program:

- That an applicant or participant is or has been a victim of domestic violence, dating violence, sexual assault
- or stalking is not an appropriate reason for denial of program assistance or admission.

Notification and Victim Documentation

The AHA acknowledges that a victim of domestic violence, dating violence, sexual assault or stalking may have an unfavorable history that would warrant denial under the AHA's policies. If the AHA makes a determination to deny admission to an applicant family, the AHA will include in its notice of denial a statement of the protection against denial provided by VAWA and will offer the applicant the opportunity to provide documentation affirming that the cause of the unfavorable history is that a member of the applicant family is or has been a victim of domestic violence, dating violence, or stalking.

Under most circumstances, a survivor need only to self-certify in order to exercise their rights under VAWA, ensuring third-party documentation does not cause a barrier in a survivor expressing their rights and receiving the protections needed to keep themselves

safe. In cases where both parties are claiming protection under VAWA, AHA can require one of the following elements:

- Form HUD-5382, or a statement signed by an employee, agent, or volunteer of a victim service provider; an attorney; a medical professional; or another knowledgeable professional from whom the victim has sought assistance in addressing the actual or threatened abuse. The professional must attest under penalty of perjury that the incidents in question are bona fide incidents of abuse, and the victim must sign or attest to the statement, or
- A signed statement by the victim that provides the name of the perpetrator and certifies that the incidents in question are bona fide incidents of actual or threatened domestic violence, dating violence, sexual assault or stalking, or
- A record from a Federal, State, local law enforcement agency or court documenting the actual or threatened abuse, or
- At the discretion of a covered housing provider, a statement or other evidence provided by the victim.

The required certification and supporting documentation must be submitted to the AHA within 14 business days after the AHA issues its written request. If the applicant is unable to submit the required documentation, he or she may request an informal review and request an extension, which must be in writing, before the 14 business days' time period expires. If the applicant so requests, the AHA will grant an extension of 14 calendar days, and will postpone scheduling the applicant's informal review until after it has received the documentation or the extension period has elapsed. AHA may extend this time period at its discretion based on circumstances. During the 14-business day period and any granted extensions of that time, no adverse actions, such as an eviction or termination, can be taken against the individual requesting VAWA protection.

If after reviewing the documentation provided by the applicant, the AHA determines the family is eligible for assistance, no informal review will be scheduled and the AHA will proceed with admission of the applicant family.

Perpetrator Removal or Documentation of Rehabilitation

In cases where an applicant family includes the perpetrator as well as the victim of domestic violence, dating violence, or stalking, the AHA will proceed as above but will require, in addition, either (a) that the perpetrator be removed from the applicant household and not reside in the assisted housing unit or (b) that the family provide documentation that the perpetrator has successfully completed, or is successfully undergoing, rehabilitation treatment.

If the family elects the second option, the documentation must be signed by an employee or agent of a domestic violence service provider or by a medical or other knowledgeable professional from whom the perpetrator has sought or is receiving assistance in

addressing the abuse. The signer must attest under penalty of perjury to his or her belief that the rehabilitation was successfully completed or is progressing successfully. The victim and perpetrator must also sign or attest to the documentation. This additional documentation must be submitted within the same time frame as the documentation required above from the victim.

AHA Confidentiality Requirements

All information provided to the AHA regarding domestic violence, dating violence, or stalking, including the fact that an individual is a victim of such violence or stalking, must be retained in confidence and may neither be entered into any shared database nor provided to any related entity, except to the extent that the disclosure (a) is requested or consented to by the individual in writing, (b) is required for use in an eviction proceeding, or (c) is otherwise required by applicable law.

EXHIBIT 3-1: DETAILED DEFINITIONS RELATED TO DISABILITIES

Person with Disabilities [24 CFR 5.403]

The term *person with disabilities* means a person who has any of the following types of conditions:

- Has a disability, as defined in 42 U.S.C. Section 423(d)(1)(A), which reads:

Inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months; *or*

In the case of an individual who has attained the age of 55 and is blind (within the meaning of “blindness” as defined in section 416(i)(1) of this title), inability by reason of such blindness to engage in substantial gainful activity, requiring skills or ability comparable to those of any gainful activity in which he has previously engaged with some regularity and over a substantial period of time.

- Has a developmental disability as defined in the Developmental Disabilities Assistance and Bill of Rights Act [42 U.S.C.6001(8)], which defines developmental disability in functional terms as:

A severe, chronic disability of a person 5 years of age or older which:

- Is attributable to a mental or physical impairment or combination of mental and physical impairments;
 - Is manifested before the person attains age twenty-two;
 - Is likely to continue indefinitely;
 - Results in substantial functional limitations in three or more of the following areas of major life activity: (i) self-care, (ii) receptive and responsive language, (iii) learning, (iv) mobility, (v) self-direction, (vi) capacity for independent living, and (vii) economic self-sufficiency; *and*
 - Reflects the person’s need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services which are of lifelong or extended duration and are individually planned and coordinated; except that such term, when applied to infants and young children, means individuals from birth to age 5, inclusive, who have substantial developmental delay or specific congenital or acquired conditions with a high probability of resulting in developmental disabilities if services are not provided.”
- Has a physical, mental, or emotional impairment that is expected to be of long-continued and indefinite duration; substantially impedes his or her ability to live independently, and is of such a nature that the ability to live independently could be improved by more suitable housing conditions.

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

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

For purposes of reasonable accommodation and program accessibility for persons with disabilities, the term person with disabilities refers to an individual with handicaps.

Individual with Handicaps [24 CFR 8.3]

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

- (1) Physical or mental impairment includes:
 - a. Any physiological disorder or condition, cosmetic disfigurement, or anatomical loss affecting one or more of the following body systems: neurological; musculoskeletal; special sense organs; respiratory, including speech organs; cardiovascular; reproductive; digestive; genito-urinary; hemic and lymphatic; skin; and endocrine; or
 - b. Any mental or psychological disorder, such as mental retardation, organic brain syndrome, emotional or mental illness, and specific learning disabilities. The term physical or mental impairment includes, but is not limited to, such diseases and conditions as orthopedic, visual, speech and hearing impairments, cerebral palsy, autism, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, mental retardation, emotional illness, drug addiction and alcoholism.
- (2) *Major life activities* means functions such as caring for one's self, performing manual tasks, walking, seeing, hearing, speaking, breathing, learning and working.
- (3) Has a record of such an impairment means has a history of, or has been misclassified as having, a mental or physical impairment that substantially limits one or more major life activities.
- (4) Is regarded as having an impairment means:
 - a. Has a physical or mental impairment that does not substantially limit one or more major life activities but that is treated by a recipient as constituting such a limitation;
 - b. Has a physical or mental impairment that substantially limits one or more major life activities only as a result of the attitudes of others toward such impairment; or
 - c. Has none of the impairments defined in paragraph (1) of this section but is treated by a recipient as having such an impairment.

EXHIBIT 3-2: DEFINITION OF INSTITUTION OF HIGHER EDUCATION

[20 U.S.C. 1001 and 1002]

Eligibility of Students for Assisted Housing Under Section 8 of the U.S. Housing Act of 1937; Supplementary Guidance; Notice [Federal Register, April 10, 2006]

Institution of Higher Education shall have the meaning given this term in the Higher Education Act of 1965 in 20 U.S.C. 1001 and 1002.

Definition of “Institution of Higher Education” From 20 U.S.C. 1001

(a) Institution of higher education. For purposes of this chapter, other than subchapter IV and part C of subchapter I of chapter 34 of Title 42, the term “institution of higher education” means an educational institution in any State that

(1) Admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such a certificate or persons who meet the requirements of section 1091(d) of this title;

(2) Is legally authorized within such State to provide a program of education beyond secondary education;

(3) Provides an educational program for which the institution awards a bachelor’s degree or provides not less than a 2-year program that is acceptable for full credit toward such a degree or awards a degree that is acceptable for admission to a graduate or professional degree program, subject to review and approval by the Secretary;

(4) Is a public or other nonprofit institution; and

(5) Is accredited by a nationally recognized accrediting agency or association, or if not so accredited, is an institution that has been granted preaccreditation status by such an agency or association that has been recognized by the Secretary for the granting of preaccreditation status, and the Secretary has determined that there is satisfactory assurance that the institution will meet the accreditation standards of such an agency or association within a reasonable time.

(b) Additional institutions included. For purposes of this chapter, other than subchapter IV and part C of subchapter I of chapter 34 of Title 42, the term “institution of higher education” also includes—

(1) Any school that provides not less than a 1-year program of training to prepare students for gainful employment in a recognized occupation and that meets the provision of paragraphs (1), (2), (4), and (5) of subsection (a) of this section; and

(2) A public or nonprofit private educational institution in any State that, in lieu of the requirement in subsection (a)(1) of this section, admits as regular students individuals who are beyond the age of compulsory school attendance in the State in which the institution is located or who will be dually or concurrently enrolled in the institution and a secondary school.

(c) List of accrediting agencies. For purposes of this section and section 1002 of this title, the Secretary shall publish a list of nationally recognized accrediting agencies or

associations that the Secretary determines, pursuant to subpart 2 of part G of subchapter IV of this chapter, to be reliable authority as to the quality of the education or training offered.

Definition of “Institution of Higher Education” From 20 U.S.C. 1002

(a) Definition of institution of higher education for purposes of student assistance programs

(1) Inclusion of additional institutions. Subject to paragraphs (2) through (4) of this subsection, the term “institution of higher education” for purposes of subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42 includes, in addition to the institutions covered by the definition in section 1001 of this title—

(A) A proprietary institution of higher education (as defined in subsection (b) of this section);

(B) A postsecondary vocational institution (as defined in subsection (c) of this section); and

(C) Only for the purposes of part C of subchapter IV of this chapter, an institution outside the United States that is comparable to an institution of higher education as defined in section 1001 of this title and that has been approved by the Secretary for the purpose of part C of subchapter IV of this chapter —consistent with the requirements of section 1087b(d) of this title.—

(2) Institutions outside the United States

(A) In general. For the purpose of qualifying as an institution under paragraph (1)(C), the Secretary shall establish criteria by regulation for the approval of institutions outside the United States and for the determination that such institutions are comparable to an institution of higher education as defined in section 1001 of this title (except that a graduate medical school, nursing school or a veterinary school, located outside the United States shall not be required to meet the requirements of section 1001 (a)(4) of this title). Such criteria shall include a requirement that a student attending such school outside the United States is ineligible for loans made under part C of subchapter IV of this chapter unless—

(i) except as provided in subparagraph (B)(iii)(IV), in the case of a graduate medical school located outside the United States—

(l) (aa) At least 60 percent of those enrolled in, and at least 60 percent of the graduates of, the graduate medical school outside the United States were not persons described in section 1091(a)(5) of this title in the year preceding the year for which a student is seeking a loan under part C of subchapter IV of this chapter; and

(bb) At least 75 percent of the individuals who were students or graduates of the graduate medical school outside the United States or Canada (both nationals of the United States and others) taking the examinations administered by the Educational Commission for Foreign Medical Graduates received a passing score in the year preceding the year for which a student is seeking a loan under part C of subchapter IV of this chapter; or

(II) The institution has a clinical training program that was approved by a State as of January 1, 1992 and continues to operate a clinical training program in at least one State that is approved by that State; or

(ii) In the case of a veterinary school located outside the United States that does not meet the requirements of section 1001(a)(4) of this title, the institution's students complete their clinical training at an approved veterinary school located in the United States.

(iii) in the case of a nursing school located outside of the United States—

(I) the nursing school has an agreement with a hospital, or accredited school of nursing (as such terms are defined in section 296 of title 42), located in the United States that requires the students of the nursing school to complete the students' clinical training at such hospital or accredited school of nursing;

(II) the nursing school has an agreement with an accredited school of nursing located in the United States providing that the students graduating from the nursing school located outside of the United States also receive a degree from the accredited school of nursing located in the United States;

(III) the nursing school certifies only Federal Direct Stafford Loans under section 1087e(a)(2)(A) of this title, Federal Direct Unsubsidized Stafford Loans under section 1087e(a)(2)(D) of this title, or Federal Direct PLUS Loans under section 1087e(a)(2)(B) of this title for students attending the institution;

(IV) the nursing school reimburses the Secretary for the cost of any loan defaults for current and former students included in the calculation of the institution's cohort default rate during the previous fiscal year; and

(V) not less than 75 percent of the individuals who were students or graduates of the nursing school, and who took the National Council Licensure Examination for Registered Nurses in the year preceding the year for which the institution is certifying a Federal Direct Stafford Loan under section 1087e(a)(2)(A) of this title, a Federal Direct Unsubsidized Stafford Loan under section 1087e(a)(2)(D) of this title, or a Federal Direct PLUS Loan under section 1087e(a)(2)(B) of this title, received a passing score on such examination.

(B) Advisory panel

(i) In general

For the purpose of qualifying as an institution under paragraph (1)(C) of this subsection, the Secretary shall establish an advisory panel of medical experts that shall—

(I) evaluate the standards of accreditation applied to applicant foreign medical schools; and

(II) determine the comparability of those standards to standards for accreditation applied to United States medical schools.

(ii) Special rule

If the accreditation standards described in clause (i) are determined not to be comparable, the foreign medical school shall be required to meet the requirements of section 1001 of this title.

(iii) Report

(I) In general

Not later than 1 year after August 14, 2008, the advisory panel described in clause (i) shall submit a report to the Secretary and to the authorizing committees recommending eligibility criteria for participation in the loan programs under part C of subchapter IV of this chapter for graduate medical schools that—

(aa) are located outside of the United States;

(bb) do not meet the requirements of subparagraph (A)(i); and

(cc) have a clinical training program approved by a State prior to January 1, 2008.

(II) Recommendations

In the report described in subclause (I), the advisory panel's eligibility criteria shall include recommendations regarding the appropriate levels of performance for graduate medical schools described in such subclause in the following areas:

(aa) Entrance requirements.

(bb) Retention and graduation rates.

(cc) Successful placement of students in United States medical residency programs.

(dd) Passage rate of students on the United States Medical Licensing Examination.

(ee) The extent to which State medical boards have assessed the quality of such school's program of instruction, including through on-site reviews.

(ff) The extent to which graduates of such schools would be unable to practice medicine in 1 or more States, based on the judgment of a State medical board.

(gg) Any areas recommended by the Comptroller General of the United States under section 1101 of the Higher Education Opportunity Act.

(hh) Any additional areas the Secretary may require.

(III) Minimum eligibility requirement

In the recommendations described in subclause (II), the criteria described in subparagraph (A)(i)(I)(bb) shall be a minimum eligibility requirement for a graduate medical school described in subclause (I) to participate in the loan programs under part C of subchapter IV of this chapter.

(IV) Authority

The Secretary may—

(aa) not earlier than 180 days after the submission of the report described in subclause (I), issue proposed regulations establishing criteria for the eligibility of graduate medical schools described in such subclause to participate in the loan programs under part C of subchapter IV of this chapter based on the recommendations of such report; and

(bb) not earlier than one year after the issuance of proposed regulations under item (aa), issue final regulations establishing such criteria for eligibility.

(C) Failure to release information

The failure of an institution outside the United States to provide, release, or authorize release to the Secretary of such information as may be required by subparagraph (A) shall render such institution ineligible for the purpose of part C of subchapter IV of this chapter.

(D) Special rule

If, pursuant to this paragraph, an institution loses eligibility to participate in the programs under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42, then a student enrolled at such institution may, notwithstanding such loss of eligibility, continue to be eligible to receive a loan under part C of subchapter IV while attending such institution for the academic year succeeding the academic year in which such loss of eligibility occurred.

(3) Limitations based on course of study or enrollment

An institution shall not be considered to meet the definition of an institution of higher education in paragraph (1) if such institution—

(A) offers more than 50 percent of such institution's courses by correspondence (excluding courses offered by telecommunications as defined in section 1091(l)(4) 1 of this title), unless the institution is an institution that meets the definition in section 2302(3)(C) of this title;

(B) enrolls 50 percent or more of the institution's students in correspondence courses (excluding courses offered by telecommunications as defined in section 1091(l)(4) 1 of this title), unless the institution is an institution that meets the definition in such section, except that the Secretary, at the request of such institution, may waive the applicability of this subparagraph to such institution for good cause, as determined by the Secretary in the case of an institution of higher education that provides a 2- or 4-year program of instruction (or both) for which the institution awards an associate or baccalaureate degree, respectively;

(C) has a student enrollment in which more than 25 percent of the students are incarcerated, except that the Secretary may waive the limitation contained in this subparagraph for a nonprofit institution that provides a 2- or 4-year program of instruction (or both) for which the institution awards a bachelor's degree, or an associate's degree or a postsecondary diploma, respectively; or

(D) has a student enrollment in which more than 50 percent of the students do not have a secondary school diploma or its recognized equivalent, and does not provide a 2- or 4-year program of instruction (or both) for which the institution awards a bachelor's degree or an associate's degree, respectively, except that the Secretary may waive the limitation contained in this subparagraph if a nonprofit institution demonstrates to the satisfaction of the Secretary that the institution exceeds such limitation because the institution serves, through contracts with Federal, State, or local government agencies, significant numbers of students who do not have a secondary school diploma or its recognized equivalent.

(4) Limitations based on management

An institution shall not be considered to meet the definition of an institution of higher education in paragraph (1) if—

(A) the institution, or an affiliate of the institution that has the power, by contract or ownership interest, to direct or cause the direction of the management or policies of the institution, has filed for bankruptcy, except that this paragraph shall not apply to a nonprofit institution, the primary function of which is to provide health care educational services (or an affiliate of such an institution that has the power, by contract or ownership interest, to direct or cause the direction of the institution's management or policies) that files for bankruptcy under chapter 11 of title 11 between July 1, 1998, and December 1, 1998; or

(B) the institution, the institution's owner, or the institution's chief executive officer has been convicted of, or has pled nolo contendere or guilty to, a crime involving the acquisition, use, or expenditure of funds under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42, or has been judicially determined to have committed fraud involving funds under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42.

(5) Certification

The Secretary shall certify an institution's qualification as an institution of higher education in accordance with the requirements of subpart 3 of part G of subchapter IV of this chapter.

(6) Loss of eligibility

An institution of higher education shall not be considered to meet the definition of an institution of higher education in paragraph (1) if such institution is removed from eligibility for funds under subchapter IV of this chapter and part C of subchapter I of chapter 34 of title 42 as a result of an action pursuant to part G of subchapter IV of this chapter.

(b) Proprietary institution of higher education

(1) Principal criteria

For the purpose of this section, the term “proprietary institution of higher education” means a school that—

(A)(i) provides an eligible program of training to prepare students for gainful employment in a recognized occupation; or

(ii)(I) provides a program leading to a baccalaureate degree in liberal arts, and has provided such a program since January 1, 2009; and

(II) is accredited by a recognized regional accrediting agency or association, and has continuously held such accreditation since October 1, 2007, or earlier;

(B) meets the requirements of paragraphs (1) and (2) of section 1001(a) of this title;

(C) does not meet the requirement of paragraph (4) of section 1001(a) of this title;

(D) is accredited by a nationally recognized accrediting agency or association recognized by the Secretary pursuant to part G of subchapter IV of this chapter; and

(E) has been in existence for at least 2 years.

(2) Additional institutions

The term “proprietary institution of higher education” also includes a proprietary educational institution in any State that, in lieu of the requirement in section 1001(a)(1) of this title, admits as regular students individuals—

(A) who are beyond the age of compulsory school attendance in the State in which the institution is located; or

(B) who will be dually or concurrently enrolled in the institution and a secondary school.

(c) Postsecondary vocational institution

(1) Principal criteria

For the purpose of this section, the term “postsecondary vocational institution” means a school that—

(A) provides an eligible program of training to prepare students for gainful employment in a recognized occupation;

(B) meets the requirements of paragraphs (1), (2), (4), and (5) of section 1001(a) of this title; and

(C) has been in existence for at least 2 years.

(2) Additional institutions

The term “postsecondary vocational institution” also includes an educational institution in any State that, in lieu of the requirement in section 1001(a)(1) of this title, admits as regular students individuals—

(A) who are beyond the age of compulsory school attendance in the State in which the institution is located; or

(B) who will be dually or concurrently enrolled in the institution and a secondary school.

Exhibit 3-3 DEFINITIONS

VIOLENCE AGAINST WOMEN REAUTHORIZATION ACT OF 2022 (VAWA)

- The term domestic violence includes felony or misdemeanor crimes of violence committed by:
 - A current or former spouse or intimate partner of the victim;
 - A person with whom the victim shares a child in common;
 - A person who is cohabitating with or has cohabitated with the victim as a spouse or intimate partner;
 - A person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies, or
 - 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.

[Note: The term dating violence is no longer a separate term, but is included in the overall "domestic violence" definition given above.]

- The term *stalking* means engaging in a course of conduct directed at a specific person that would cause a reasonable person to:

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- 1) Fear for the person's individual safety or the safety of others; or
- 2) Suffer substantial emotional distress.

- The term *immediate family member* means, with respect to a person:
 - A spouse, parent, brother or sister, or child of that person, or an individual to whom that person stands in the position or place of a parent; or
 - Any other person living in the household of that person and related to that person by blood and marriage.

CHAPTER 4

APPLICATIONS, WAITING LIST AND TENANT SELECTION

INTRODUCTION

When a family wishes to receive Section 8 HCV assistance including Project-Based Voucher assistance (see Chapter 16 for more information), the family must submit an application that provides the AHA with the information needed to determine the family's eligibility. HUD requires the AHA to place all families that apply for assistance on a waiting list. When HCV assistance becomes available, the AHA must select families from the waiting list in accordance with HUD requirements and AHA policies as stated in the administrative plan and the annual plan.

The AHA is required to adopt a clear approach to accepting applications, placing families on the waiting list, selecting families from the waiting list and must follow this approach consistently. The actual order in which families are selected from the waiting list can be affected if a family has certain characteristics designated by HUD or the AHA to receive preferential treatment. Funding earmarked exclusively for families with particular characteristics may also alter the order in which families are served.

HUD regulations require that all families have an equal opportunity to apply for and receive housing assistance, and that the AHA affirmatively furthers fair housing goals in the administration of the program [24 CFR 982.53]. Adherence to the selection policies described in this chapter ensures that the AHA will be in compliance with all relevant fair housing requirements, as described in Chapter 2.

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

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

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

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

PART I: THE APPLICATION PROCESS

4-I.A. OVERVIEW

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

4-I.B. APPLYING FOR ASSISTANCE

Notification of Actions

Any family that wishes to receive HCV assistance or to occupy a PBV unit must apply for admission to the program. HUD permits the AHA to determine the format and content of HCV applications, as well as how such applications will be made available to interested families and how the AHA will accept applications.

Applications or pre-applications (collectively called applications) are taken to compile a waiting list. Due to the demand for housing in the Housing Authority's jurisdiction, the Housing Authority may take applications on an open enrollment basis, depending on the length of the waiting list. The Housing Authority also may choose to use a lottery system for adding only a specific number of Applicants to the waiting list. In all waiting list outreach efforts, the AHA will specify the application selection method in the outreach material and on the AHA web site.

The application constitutes the basic record of each Applicant for admission. Each Applicant is required to supply the information requested on the application form and to sign the application certifying the accuracy of the information provided. Applications missing one or more of required fields will not be considered complete and will not be placed on a waiting list.

Applicants may be advised that they can be placed on more than one of the AHA's waiting lists, which serve the AHA's tenant-based Housing Choice Voucher programs and Project-Based Voucher units.

For targeted outreach efforts, if it has been determined that there is a specific need for Applicants for a specific program, or unit size/type, the waiting list may be opened only for Applicants to that program or unit size/type. Applications for any special program will only be accepted from those applicants that meet the criteria for the specific targeted population.

The Housing Authority will inform Applicants about available preferences when the Applicants receive applications and will give Applicants an opportunity to show that they qualify for available preferences. If an applicant submits an otherwise complete application but does not answer a question related to claiming a preference with an affirmative answer, that preference will not be applied. If the applicant later supplies a response or claims a preference, the applicant's record will be updated accordingly. The Housing Authority will not add preferences proactively, in other words, the Housing Authority will not add a preference that a family has not claimed.

Applicants will be notified of the requirement to submit evidence of citizenship or eligible immigration status.

Completed applications will be accepted for all applicants and the Housing Authority will verify the information. The completed application will be date and time stamped upon its return to the Housing Authority to document when the AHA actually received the application. Applications mailed to designated external locations will be retrieved by the AHA and date/time stamped daily. Online applications will be electronically logged as to date and time received. However, this date and time received will not be applicable to the randomization of the waiting list. A lottery will randomize all pre-applications received and only a specified number of applications will be selected at random for addition to the waiting list.

Persons with disabilities who require reasonable accommodation in completing an application may contact the Housing Authority to make special arrangements. An accommodation cannot bypass the random selection but is appropriate for assistance with the submission of an application into the random lottery. The Housing Authority uses the California relay system for individuals who are hearing impaired.

The application process involves two phases. The first phase involves placement of the family on the waiting list. This process requires the family to declare any preferences to which they may be entitled and the family's income, household size and any applicable special needs.

In the event two or more Applicants with identical preferences are eligible for placement on the waiting list, their order of placement will be determined by the order in which the family was randomly selected in the lottery process or the date and time of application if a lottery was not conducted.

The second phase is the final determination of eligibility, which takes place when the family nears the top of the waiting list. The Housing Authority will ensure that verification of all preferences, eligibility, suitability and selection factors are current in order to determine the family's final eligibility for admission into the assistance program.

4-I.C. ACCESSIBILITY OF THE APPLICATION PROCESS

Elderly and Disabled Populations [24 CFR 8 and HCVGB ELIGIBILITY DETERMINATION AND DENIAL OF ASSISTANCE PG. 21]

The AHA must take a variety of steps to ensure that the application process is accessible to those people who might have difficulty complying with the normal, standard AHA application process. This could include people with disabilities, certain elderly individuals, as well as persons with limited English proficiency (LEP). The AHA must provide reasonable accommodation to allow equal access of individuals with disabilities. The application-taking facility and the application process must be fully accessible, or the AHA must provide an alternate approach that provides full access to the application process. Chapter 2 provides a full discussion of the AHA's policies related to providing reasonable accommodations for people with disabilities.

Limited English Proficiency

PHAs are required to take reasonable steps to ensure meaningful access to their programs and activities by persons with limited English proficiency [24 CFR 1]. Chapter 2 provides a full discussion on the AHA's policies related to ensuring access to people with limited English proficiency (LEP). The AHA will take steps to ensure its process is accessible to individuals with LEP.

4-I.D. PLACEMENT ON THE WAITING LIST

The AHA must review each complete application received and make a preliminary assessment of the family's eligibility. The AHA must accept applications from families for whom the list is open [24 CFR 982.206(b)(2)] unless there is good cause for not accepting the application (such as denial of assistance because of action or inaction by members of the family) for the grounds stated in the regulations [24 CFR 982.552 and 982.553]. Where the family is determined to be ineligible, the AHA must notify the family in writing [24 CFR 982.201(f)]. E-mail notification can fulfill this requirement. Where the family is not determined to be ineligible, the family will be placed on a waiting list of applicants.

No applicant has a right or entitlement to be listed on the waiting list, or to any particular position on the waiting list [24 CFR 982.202(c)].

Ineligible for Placement on the Waiting List

If the AHA can determine from the information provided that a family is ineligible, the family will not be placed on the waiting list. Where a family is determined to be ineligible, the AHA will send written notification of the ineligibility determination within 14 calendar days of the determination. The notice will specify the reasons for ineligibility, and will inform the family of its right to request an informal review and explain the process for doing so (see Chapter 15). E-mail notification can fulfill this requirement.

Eligible for Placement on the Waiting List

When the family is selected for placement on the waiting list, either by acceptance of an application in a general opening of the list or by lottery selection, the Housing Authority will notify the family in writing of placement on the waiting list. E-mail notification can fulfill this requirement.

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

The order of placement within each preference point category will be determined by the order in which the family was randomly selected in the lottery process or the date and time of application if a lottery was not conducted.

PART II: MANAGING THE WAITING LIST

4-II.A. OVERVIEW

The AHA must have policies regarding various aspects of organizing and managing the waiting list of applicant families. This includes opening the list to new applicants, closing

the list to new applicants, notifying the public of waiting list openings and closings, updating waiting list information, purging the list of families that are no longer interested in or eligible for assistance, as well as conducting outreach to ensure a sufficient number of applicants.

In addition, HUD imposes requirements on how a PHA may structure its waiting list and how families must be treated if they apply for assistance from a PHA that administers more than one assisted housing program.

4-II.B. ORGANIZATION OF THE WAITING LIST [24 CFR 982.204 AND 205]

The AHA's HCV and PBV waiting lists must be organized in such a manner to allow the AHA to accurately identify and select families for assistance in the proper order, according to the admissions policies described in this plan.

A waiting list must contain the following information for each applicant listed as a minimum:

- Applicant name;
- Date and time of application;
- Qualification for any local preference;
- Racial or ethnic designation of the head of household.

In addition to the HCV tenant-based waiting list, the AHA maintains project-based waiting lists grouped by common unit types and similar bedroom size. All PBV waiting lists will be referred to as "grouped" even if the list only covers one site. The AHA maintains the following waiting lists:

- HCV Program (Section 8 tenant-based programs)
- PBV Program - Elderly Properties (Anne B. Diament Plaza, Lincoln/Willow, and Littlejohn Commons)
- PBV Program - Supportive Services for Disabled (Jack Capon Villa)
- PBV Program - Supportive Services (Park Alameda Apartments)
- PBV Program - Supportive Services for Homeless (Alameda Point Collaborative Property)
- PBV Program - Single/Family units sized 0 to 2 bedrooms (Shinsei Gardens, Breakers at Bayport, China Clipper, Esperanza, Parrot Village, Stanford House, The Starling, and Rosefield Village)
- PBV Program - Family units sized 3 and above (Shinsei Gardens, Breakers at Bayport, China Clipper, Esperanza, Parrot Village, Stanford House, The Starling, and Rosefield Village)

If a family applies for assistance under the HCV program, the family will be offered the opportunity to be placed on the waiting list for any project-based voucher or moderate rehabilitation program the AHA operates if:

- 1) The other program's waiting lists are open, and
- 2) The family is qualified for the other programs.

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

The AHA will not merge the HCV waiting list with the waiting list for any other program the AHA operates. The AHA will offer applicants on the HCV waiting list the opportunity to be added to newly created site- or program-specific waiting lists. HCV applicants will be notified of the opportunity. E-mail notification can fulfill this requirement.

4-II.C. OPENING AND CLOSING THE WAITING LIST [24 CFR 982.206]

Closing the Waiting List

The AHA will close a waiting list if it has an adequate pool of families for the applicable program. Generally, this will be when the wait for applicants reaches 12 months for the most current applicants. Alternatively, the AHA will continue to accept applications only from certain categories of families that meet particular preferences or funding criteria.

The tenant-based waiting list is always open to an otherwise eligible applicant that:

- is eligible as set forth by a HUD award of funding to the AHA for a targeted category of Section 8 eligible families (see Section 4-III.B. Targeted Funding); or
- is an emancipated youth currently receiving housing assistance from AHA pursuant to HUD's Family Unification Program (FUP) regulations effective 2009 or later who, as determined by the Alameda County Social Services Agency, has successfully graduated from FUP and has been referred to the AHA by Alameda County Social Services;
 1. Eligible FUP graduates must be in good standing with the AHA. Good standing is defined as not in violation of Program regulations, not delinquent in paying rent to owner and does not owe a PHA money.
 2. Eligible FUP graduates must be in good standing with the Alameda County Social Services Agency and have met all case management obligations.
 3. Qualifies for the Terminated Preference (see 4-III.C). Subject to the approval of the Executive Director, FUP eligible graduates will be certified for HCV participation 60 days prior to the end date of the 36-month FUP participation deadline. The Housing Choice Voucher will be effective on the first day following the 36-month FUP participation deadline.

FUP graduates must request HCV participation within thirty (30) days from the end of the 36-month FUP participation deadline. Failure to request HCV participation within this time period may result in denial of assistance.

The project-based voucher grouped site-based waiting lists are always open to an otherwise eligible applicant that:

- is Displaced as defined in Section 4.III.C of this chapter, or
- is a *PBV In-Place Family* living in a Project-Based Voucher contract unit approved by the AHA:

Reopening the Waiting List

If the waiting list has been closed, it cannot be reopened until the AHA publishes a notice in local newspapers of general circulation, minority media, and other suitable media outlets. The notice must comply with HUD fair housing requirements and must specify who may apply, and where and when applications will be received.

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

The AHA will give public notice by publishing the relevant information in suitable media outlets including, but not limited to:

- Alameda Journal,
- Local minority media,
- Local government cable access TV channel; and
- AHA web site and office.

Fair Housing and Equal Opportunity

Refer to Chapter 2 of the Administrative Plan for additional information on non-discrimination, policies related to persons with disabilities, improving access to services for persons with limited English proficiency, and the definition of a person with a disability under federal civil rights laws.

4-II.D. FAMILY OUTREACH

The AHA will conduct outreach as necessary to ensure that the AHA has a sufficient number of applicants on the waiting list to use the resources available.

Because HUD requires the AHA to serve a specified percentage of extremely low-income families (see Chapter 4, Part III), the AHA may need to conduct special outreach to ensure that an adequate number of such families apply for assistance

The AHA will make a special outreach effort to those groups identified in the Consolidated Plan as most in need of affordable housing.

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

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

AHA outreach efforts will be designed to inform qualified families about the availability of assistance under its programs. These efforts may include, as needed, any of the following activities:

- Submitting press releases to local newspapers, including minority newspapers
- Developing informational materials and flyers to distribute to other agencies

- Providing application forms to other public and private agencies that serve the low income population
- Developing partnerships with other organizations that serve similar populations, including agencies that provide services for persons with disabilities

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

4-II.E. REPORTING CHANGES IN FAMILY CIRCUMSTANCES

While the family is on the waiting list, the family must inform the AHA of changes in contact information, including current residence, mailing address, e-mail address and phone number as soon as possible. Failure to notify the AHA of changes in contact information may result in the AHA being unable to contact the family during a waiting list update or to offer assistance. The family may update contact information through the AHA's online applicant portal which can be accessed through the AHA's website www.alamedahsg.org. The family must also report changes in household composition or circumstances and any significant changes in income, which could affect the applicant's eligibility, the size or type of unit needed, or the applicant's priority for admission. All changes must be submitted in writing and the AHA may require this to be done on-line unless waived as a reasonable accommodation.

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

The AHA has established policies to use when removing applicant names from a waiting list.

Purging the Waiting List

The waiting list will be updated periodically to ensure that all applicants and applicant information are current and timely.

HUD rules do not describe specific procedures to purge a waiting list. However a purge begins with a standardized mailing or e-mailing to waiting list applicants, requiring a verification of continued interest. Applicants must comply with the instructions in the notice and provide all requested information needed for continued placement on the waiting list, such as address and phone number, household composition, income, and type of preference claimed. The update request will provide a deadline by which the requested form or information must be returned, and clearly explain what will happen if the response is not received by the deadline date. The collection of this form may be in an electronic format at the AHA's prerogative. If no response is received by the deadline, the applicant is removed from the waiting list. If a notice is returned by the post office, the applicant will be removed from the waiting list without further notice.

If a family is removed from the waiting list for failure to respond, the family may be reinstated if they submit a written request within 90 days of the date of the update request letter. If more than 90 days have passed, the Executive Director or his/her designee may

reinstate the family if s/he determines the lack of response was due to AHA error, or to circumstances beyond the family's control.

The decision to withdraw an applicant family that includes a person with disabilities from the waiting list maybe subject to reasonable accommodation. If the applicant did not respond to an AHA request for information or updates because of the family member's disability, the AHA must reinstate the applicant family to their former position on the waiting list [24 CFR 982.204(c)(2)].

Remove from the Waiting List

If at any time an applicant family is on a waiting list, the AHA determines that the family is not eligible for assistance for one or more specific programs (see Chapter 3), the family will be removed from the applicable waiting list or lists. Families will be removed from the HCV tenant-based assistance waiting list in direct response to a family's failure to comply with AHA requirements for participation in the HCV Program and because the family fails to meet the eligibility requirements of the HCV program. The AHA must provide reasonable accommodation to allow equal access of individuals with disabilities.

If a family is removed from the waiting list because the AHA has determined the family is not eligible for assistance, a notice will be sent to either the e-mail provided by the family or the family's address of record. The notice will state the reasons the family was removed from the waiting and will inform the family how to request an informal review of the AHA's decision (see Chapter 15) [24 CFR 982.201(f)].

PART III: SELECTION FOR ASSISTANCE

4-III.A. OVERVIEW

As vouchers or PBV units become available, families on a waiting list will be selected for assistance in accordance with the policies described in this part.

The order in which families receive assistance from the waiting list depends on the selection method chosen by the AHA and is impacted in part by any selection preferences for which the family qualifies. The source of funding also may affect the order in which families are selected from the waiting list.

The AHA will maintain a clear record of all information required to verify that the family is selected from the waiting list according to the AHA's selection policies [24 CFR 982.204(b) and 982.207(e)].

4-III.B. SELECTION AND FUNDING SOURCES

Special Admissions [24 CFR 982.203]

HUD may award funding for specifically-named families living in specified types of units (e.g., a family that is displaced by demolition of public housing). In these cases, the AHA may admit families that are not on the waiting list, or without considering the family's position on the waiting list. The AHA must maintain records showing that such families were admitted with special program funding.

Targeted Funding [24 CFR 982.204(e)]

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

The AHA administers the following types of targeted funding:

- Mainstream Program
- Shelter Plus Care Program
- Bessie Coleman Mod Rehab Program
- Family Unification Program
- Veterans Affairs Supportive Housing (VASH)
- Emergency Housing Vouchers (EHV)
- Stability Vouchers

Regular HCV Funding

Regular HCV funding may be used to assist any eligible family on the HCV or any of the PBV waiting lists. In the case of a funding shortage, however, PBV assistance will be provided before HCV assistance. Families are selected from the waiting list according to the policies provided in Section 4-III.C.

4-III.C. SELECTION METHOD

The AHA will describe below the method for selecting applicant families from the waiting list, including the system of admission preferences that will be used [982.202(d)] in the following sections.

When a vacancy exists at a PBV site, the AHA will notify the next families on the applicable waiting list. The AHA's letter to the applicants also will state that if the applicant is interested in residing in the vacant PBV unit, that the applicant will not lose her or his place on the AHA's HCV waiting list.

All applicants indicating interest in the PBV unit will be prescreened by the AHA for Section 8 eligibility and referred to the owner in the order in which the screening has been completed. However, if the tenant selection criteria of the owner include screening for credit and criminal background, these procedures may be performed prior to completion of the full eligibility process. If, on the basis of property owners screening for suitability, including, the credit and criminal background screening process, the owner will not offer tenancy to the applicant, the AHA will not complete the voucher eligibility process and the applicant will be removed from the selected grouped site-based project-based waiting list and sent a notice to this effect.

Waiting list referrals to the PBV owner will remain active for consideration for a PBV vacancy for a period of 120 days from the date of selection from the waiting list. Referred tenants will be screened by the owner and readied for occupancy. If the owner provides documentation of outreach to all applicants at the same time, first ready, is first referred back to the AHA for eligibility determination and leasing. Any abnormalities in outreach

will result in owners being required to process in waiting list order. Readiness is defined to mean having met all of the owner's screening criteria and accepted for tenancy.

In the event that multiple families are made ready for a PBV unit, as a tie breaker for who is assigned the unit, the family who has the highest rank from the referral list of all "ready" families will be processed by the AHA for eligibility determination and offered the available unit.

An owner may continue to work on suitability screening for up to three families from the latest referral list in anticipation of any additional vacancies that may arise during the 120-day referral period. The AHA will also continue the eligibility process for any family made ready by the owner.

If no unit is scheduled to be vacated by an existing tenant or there are no impending vacancies prior to the expiration of the 120-day period, all unassigned referrals will be returned to the project's PBV waiting list. If there are vacancies at other PBV units on the same waiting list, the family may be referred to the second owner or returned to the waiting list earlier than the 120-day period.

If the AHA referrals do not provide the PBV owner with a suitable tenant for the unit and the waiting list is exhausted, the owner may refer a Section 8 eligible individual or family to the AHA's grouped site-based PBV waiting list if it is open. The referred family must meet the AHA's Section 8 eligibility criteria. See chapter 16 for other options when the waiting list is exhausted.

If any PBV waiting list has been exhausted, and prior to opening the waiting list for targeted outreach, the AHA may query HCV tenants to see if any tenant-based assisted household is interested in a PBV unit. Admission to the PBV program for HCV Tenants will be on a first ready, first served basis. Any additional HCV tenant families interested in PBV units will be informed that the unit(s) has been leased and no further action will be taken on their behalf.

PBV Waiting list applicants shall have priority over all HCV assisted tenants for PBV units.

PBV units approved under the Request for Proposals to build units for VASH-eligible households can only be filled with families referred by the VA as allowed under the VASH program. As these families are referred by the VA, the VA maintains all waiting lists for this program.

Local Preferences and Point Values [24 CFR 982.207; HCV p. 4-16]

HUD allows housing authorities to establish local preferences, and the AHA has established local preferences, that give priority to serving families that meet those criteria. All local preferences are consistent with the AHA plan and the consolidated plan, and are based on local housing needs and priorities that are documented by generally accepted data sources.

The AHA has established local preferences for the HCV Program, the PBV Program at the Alameda Point Collaborative (APC) Property, the PBV Program at Jack Capon Villa (JCV), the PBV Program at Park Alameda (PA), and the PBV Program at all other sites.

These preferences and their point values are:

HCV Program

FUP Graduates (25 Points)

Displaced (9 points)

Special Provisions (8 points)

Terminated (7 points)

Residency (6 points)

Family (3 points)

Veteran (2 points)

PBV Program at APC & JCV

In Place (37 points)

Supportive Services (10 pts.)

Displaced (9 points)

Terminated (7 points)

Residency (6 points)

Family (3 points)

Veteran (2 points)

PBV Program at PA

In Place (37 points)

Disability-specific Supportive Services (10 points)

Displaced (9 points)

Terminated (7 points)

Residency (6 points)

Family (3 points)

Veteran (2 points)

~~————~~ PBV Program at Other

In Place (37 points)

Displaced (9 points)

Terminated (7 points)

Residency (6 points)

Family (3 points)

Veteran (2 points)

Preference points are aggregated to produce the total preference points for each applicant. Applicants with the same total preference points will then be sorted by the method in which they were selected to be placed on the waiting list (i.e., date and time of application or order of random selection). Applicants that have been randomly selected for placement on a waiting list must contact the AHA to notify staff of any change in status. If an applicant submits a change in status that results in a change in preference, the preference must be verified prior to any change in placement on a waiting list. Changes to preference points will be applied to the next available waiting list pull.

FUP Graduates. Emancipated Youth assisted with Family Unification Program (FUP) funding pursuant to FUP regulations dated 2009 or later who were given rental assistance for a fixed term of thirty-six months who are now aging out of that thirty-six-month period and referred by Alameda County Social Service for assistance under the HCV Program. Admissions are limited to five per calendar month for this preference subject to availability of vouchers.

Displaced. Special Admissions are explained in 4-III.B and qualification for the displaced preference is not qualification for a Special Admission. Applicants eligible for the displaced preference must meet one of the following criteria in order to receive the preference points.

—A person or persons whose dwelling in AHA’s jurisdiction (the City of Alameda), as determined by AHA:

- Has been destroyed, rendered uninhabitable or projected to be uninhabitable for at least 180 days from the date of displacement as a result of action or inaction by a landlord in response to a disaster declared by the Federal Government or the State of California—provided that the family was meeting all conditions of occupancy at the time of its occurrence; or
- Has been, or will be, rendered legally or functionally uninhabitable for, at least, 180 days from the date of displacement as a result of redevelopment activity or actions invoking the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Uniform Relocation Act) or Section 104(d) of the Housing and Community Development Act (HCD).

At the time of application, an applicant must be displaced within 120 days of application to qualify for this preference. Applicants on a waiting list are eligible for this preference if they experience displacement after the time of application and prior to being housed upon verification as outlined above.

As of the date that AHA selects the applicant for housing assistance from its waiting list, contingent on AHA’s verification of the family’s application information, is not living in standard, permanent replacement housing.

- (1) Standard, permanent replacement housing is defined as housing that is decent, safe, and sanitary according to Housing Quality Standards and State and local housing code that is adequate for the family size according to Housing Quality Standard and State and local code, and that the family is occupying pursuant to a written or oral lease or occupancy agreement.
- (2) Standard, permanent replacement housing does not include transient facilities, hotels, motels, temporary shelters and, in case of Victims of Domestic Violence, housing occupied by the individual who engages in such violence. It does not include any individual imprisoned or detained pursuant to State Law or an Act of Congress. Shared housing with family or friends is not considered temporary and is considered standard, permanent replacement housing.

Applicants on any waiting list who claim a preference for being displaced pursuant to the definition above must present third-party evidence of displacement at the time when selected for certification. Failure to present documentation to validate displacement will result in the loss of preference and return to the waiting list.

In Place. Eligible residents who reside in units at the time of the PBV property owner’s proposal selection date for Project-based assistance.

Special Provisions. There are two categories of Special Provisions Applicants:

- Applicants who are residents residing in units owned and/or managed by the AHA and who are over-housed or underhoused and for whom there is no appropriate unit in the complex where they live and only with the approval of the Executive Director.

- Family Unification Program (FUP)-eligible families and FUP-eligible youths to which the AHA intends to issue FUP vouchers with available funding provided by HUD for this purpose. [Note: This previously was a separate preference.]

Supportive Services at APC is defined as: Families with a person or more than one person with disabilities offered at Alameda Point Collaborative (APC) in need of supportive services for the homeless or persons/families at risk of homelessness.

Supportive Services at JCV is defined as: Families with a person or more than one person with disabilities in need of the supportive services offered at Jack Capon Villa.

Voluntary, Disability-Specific Supportive Services at Park Alameda is defined as: Persons with disabilities eligible for the disability-specific supportive services offered by Park Alameda under a Ryan White grant from Alameda County. Participation in these services **are is** voluntary, but the family will receive the preference points for being eligible for the services. This preference is allowable under HOTMA regulations. This preference will be limited to the 9 units at Park Alameda specified under the HAP contract as excepted units because the units are specified for families with members with disabilities.

Terminated. Section 8 participants who have been terminated by AHA due to over-leasing or lack of federal funding. At the time a participant is terminated due to over-leasing or lack of federal funding, that person's name will automatically be placed on the waiting list and given the appropriate preference. If more than one family is terminated under the same action, the families will be placed on the AHA's waiting list in a randomly selected order.

Residency. This residency preference is limited to the jurisdictional boundaries of the city of Alameda. Use of the residency preference will not have the purpose or effect of delaying admission to the program based on the race, color, ethnic origin, gender, religion, disability, or age of any member of an applicant family. Applicants who live or work in Alameda, or applicant families including at least one adult member who lives or works in Alameda, at the time of application or during the time on a waiting list qualify for this preference. For homeless applicants, this preference will apply if the applicant had been living in Alameda prior to becoming homeless.

Family. A family including a member 62 years of age or older or a person with disabilities. This revised definition is effective for families whose application was received after November 20, 2014.

Veteran. A member of the military, a veteran who was discharged or released under conditions other than dishonorable, or a surviving spouse (as defined by the Department of Veteran Affairs.)_Providing these preference points for a veteran, preference is given to veterans within each preference category for which the veteran is eligible.

At the time of initial application, the applicant certifies as to whether or not it is eligible for a preference, and the AHA will place the applicant on the waiting list according to the preference claimed. Preferences which are critical for proper placement on a particular waiting list may be verified prior to placement on the waiting list and again at time of selection. All other preferences will be verified at the time of selection, and when a

change in status is submitted, based on the family's current circumstances. Before the family receives assistance the AHA must verify the family's eligibility for the preference based on current circumstances. If upon verification the AHA determines that the family does not qualify for the preference claimed, the family does not receive the preference. In this situation, the AHA will notify the applicant in writing that they do not qualify for the preference and will be returned to the waiting list with an update to the applicant record.

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

HUD requires that extremely low-income (ELI) families make up at least 75% of the families admitted to the HCV and PBV program during the AHA's fiscal year. ELI families are those with annual incomes at or below 30% of the area median income. To ensure this requirement is met, AHA may skip non-ELI families on the waiting list in order to select an ELI family.

Low-income families admitted to the program that are "continuously assisted" under the 1937 Housing Act [24 CFR 982.4(b)], as well as low-income or moderate-income families admitted to the program that are displaced as a result of the prepayment of the mortgage or voluntary termination of an insurance contract on eligible low-income housing, are not counted for income targeting purposes [24 CFR 982.201(b)(2)(v)].

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

The admission of applicants who qualify for the absolute In Place preference is not subject to income-targeting [24 CFR 983.251(b)(2)].

Order of Selection

For families placed on a waiting list, under the AHA system of preferences, the AHA will select families with the highest number of preference points and then by the random selection process [24 CFR 982.207(c)] or date/time of application as specified in the notice of waiting list opening. The AHA will select families from the targeted funding or selection preferences for which they qualify, and in accordance with the AHA's hierarchy of preferences [24 CFR 982.204(b) and (e)]. Based on the pre-determined methodology at the time of application, within each targeted funding or aggregate preference total, families will either be selected from the waiting list on a first-come, first-served basis according to the date and time their complete application is received by the AHA or by their randomly selected order at the time of application. When there is a funding shortage, PBV units will be filled prior to issuance of new vouchers under the HCV program.

The AHA will maintain documentation as to whether families on the list qualify for and are interested in targeted funding. If a higher placed family on the waiting list is not qualified or not interested in targeted funding, there will be a notation maintained so that the AHA does not have to ask higher placed families each time targeted selections are made.

For grouped site-based waiting lists (i.e., PBV), applicants will be removed from the waiting list if they are non-responsive to or refuse an offer of a unit for sites housed under the waiting list. Exceptions will be considered on a case by case basis by the Executive Director or designee for various reasons to include: lease commitment issues,

sequestered jurors, medical emergencies that prevent moving at that time, or death of a family member. All requests for exceptions must be made in writing.

4-III.D. NOTIFICATION OF SELECTION

When a family/applicant has been selected from the waiting list, the AHA must notify the family/applicant.

The AHA will notify the family/applicant by first class mail or e-mail when it is selected from the waiting list. The family/applicant will be sent a packet of forms or a link to the packet on Rent Café to be completed and returned by a specified date.

If a notification letter is returned to the AHA, the family/applicant will be removed from the waiting list. A notice of denial (see Chapter 3) will be sent to the family's address of record.

If the family/applicant does not respond to the selection notification letter, the family/applicant will be removed from the waiting list from which they were selected. A notice of denial (see Chapter 3) will be sent to the family's address of record.

4-III.E. THE APPLICATION INTERVIEW

HUD recommends that the AHA obtain the information and documentation needed to make an eligibility determination through a private interview. Being invited to attend an interview does not constitute admission to the program.

Reasonable accommodation will be made for persons with disabilities who are unable to attend an interview due to their disability.

Families selected from the waiting list, who have returned the required documentation, will be scheduled for an eligibility interview. The AHA will notify the family by first class mail or e-mail with the following information:

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

All adults in the household must attend the initial certification interview unless there is an extenuating circumstance and approval has been received from AHA. Verification of information pertaining to adult members of the household not present at the interview will not begin until signed release forms are returned to the AHA.

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

The family must provide the information necessary to establish the family's eligibility and determine the appropriate level of assistance, as well as completing required forms,

providing required signatures, and submitting required documentation. If any materials are missing, the AHA will provide the family with a written list of items that must be submitted.

Any required documents or information that the family is unable to provide at the interview must be provided as soon as possible. (Chapter 7 provides details about longer submission deadlines for particular items, including documentation of Social Security numbers and eligible noncitizen status.) If the family is unable to obtain the information or materials timely (normally within 14 calendar days), the family may request an extension. If the required documents and information are not provided within the required time frame (plus any extensions), the family will be sent a notice of denial (See Chapter 3). Families will be processed in the order that the AHA receives all documents from the family and the file is complete at this stage. For families whose documents are received at the same time, the original position number will break ties. The AHA will not delay processing other complete files if the family has not provided all required documents or information.

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

Interviews will be conducted in English. For limited English proficient (LEP) applicants, the AHA will provide translation services in accordance with the AHA's LEP plan.

If the family is unable to attend a scheduled interview, the family should contact the AHA in advance of the interview to schedule a new appointment. If a family does not attend a scheduled interview, the AHA will send another notification letter with a new interview appointment time. Applicants who fail to attend two scheduled interviews without AHA approval will be denied assistance based on the family's failure to supply information needed to determine eligibility. A notice of denial will be issued in accordance with policies contained in Chapter 3.

4-III.F. COMPLETING THE APPLICATION PROCESS

The AHA must verify all information provided by the family (see Chapter 7). Based on verified information, the AHA must make a final determination of eligibility (see Chapter 3) and must confirm that the family qualified for any special admission, targeted admission, or selection preference that affected the order in which the family was selected from the waiting list.

If the AHA determines that the family is ineligible, the AHA will send written notification of the ineligibility determination within 14 calendar days of the determination. The notice will specify the reasons for ineligibility and will inform the family of its right to request an informal review (Chapter 15).

If a family fails to qualify for any criteria that affected the order in which it was selected from the waiting list (e.g. targeted funding, extremely low-income), the family will be returned to the waiting list with original time/date or randomized position and revised preferences, if appropriate. The AHA will notify the family in writing that it has been returned to the waiting list and will specify the reasons for it.

CHAPTER 5

BRIEFINGS AND VOUCHER ISSUANCE

INTRODUCTION

This chapter explains the briefing and voucher issuance process. When a family is determined to be eligible for the Housing Choice Voucher (HCV) program, the AHA must ensure that the family fully understands the way the program operates and the family's obligations under the program. This is accomplished through both an oral briefing and provision of a briefing packet containing written documentation of information the family needs to know. Once the family is fully informed of the program's requirements, the AHA issues the family a voucher. The voucher includes the unit size the family qualifies for based on the AHA's subsidy standards, as well as the dates of issuance and expiration of the voucher. The voucher is the document that permits the family to begin its search for a unit, and limits the amount of time the family has to successfully locate an acceptable unit.

This chapter describes HUD regulations and AHA policies related to these topics in two parts:

Part I: Briefings and Family Obligations. This part details the program's requirements for briefing families orally, and for providing written materials describing the program and its requirements. It includes a particular focus on the family's obligations under the program.

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

PART I: BRIEFINGS AND FAMILY OBLIGATIONS

5-I.A. OVERVIEW

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

5-I.B. BRIEFINGS [24 CFR 982.301]

The AHA must give the family a briefing, in a platform of the AHA's choosing, and provide the family with a briefing packet containing written information about the program. Briefings may be conducted in-person, on a virtual platform, or by another method as determined necessary by the AHA. Families may be briefed individually or in groups. At the briefing, the AHA must ensure effective communication in accordance with Section 504 requirements (Section 504 of the Rehabilitation Act of 1973) and ensure that the

briefing site or virtual platform is accessible to individuals with disabilities. For a more thorough discussion of accessibility requirements, refer to Chapter 2.

REMOTE BRIEFINGSRemote Briefings-

The AHA will ensure briefings conducted remotely provide equal opportunity and nondiscrimination for individuals with disabilities and limited English proficient (LEP) persons under Section 504 of the Rehabilitation Act of 1973 (Section 504), the Americans with Disabilities Act of 1990 (ADA), Title VI of the Civil Rights Act of 1964, and the Fair Housing Act. AHA will make reasonable accommodations in policies, practices, and procedures to ensure persons with disabilities have a full and equal opportunity to participate in and benefit from all aspects of the remote briefing process.

Briefings will be conducted in a format of the AHA's discretion, including but not limited to, in-person meetings, virtual meetings, or phone meetings.

All adult household members are required to attend the briefing.

Families that attend group briefings and still need individual assistance will be referred to an appropriate AHA staff person.

Briefings will be conducted in English. For limited English proficient (LEP) applicants, the AHA will provide translation services in accordance with the AHA's LEP plan (See Chapter 2).

Notification and Attendance

Families will be notified of their eligibility for assistance at the time they are invited to attend a briefing. The notice will identify who is required to attend the briefing, as well as the date and time of the scheduled briefing.

If the notice is returned by the post office with no forwarding address, a notice of denial (see Chapter 3) will be sent to the family's address of record.

Applicants who fail to attend a scheduled briefing will be removed from the waiting list unless the applicant can show good cause. Good cause is defined as a disability or emergency family circumstances where the applicant requests the AHA maintain the applicant's place on the waiting until the next briefing, not to exceed six months, as a reasonable accommodation and only if requested prior to the briefing. Not attending a briefing because of incarceration is not an acceptable reason to hold an applicant's place on the waiting list and will result in removal from the waiting list. (See Chapter 3).

Oral and Remote Briefing [24 CFR 982.301(a), PIH Notice 2020-32]

Each briefing must provide information on the following subjects:

- How the Housing Choice Voucher program works;
- Family and owner responsibilities;
- Where the family can lease a unit, including renting a unit inside or outside the AHA's jurisdiction;
- For families eligible under portability, an explanation of portability. The AHA cannot discourage eligible families from moving under portability;

- For families living in high-poverty census tracts, an explanation of the advantages of moving to areas outside of high-poverty concentrations;
- When AHA-owned units are available for lease, the AHA will inform the family during the oral briefing that the family has the right to select any eligible unit available for lease, and is not obligated to choose a AHA-owned unit; and
- VAWA Notice of Occupancy Rights. Provides protections for Housing Choice Voucher and PBV applicants, tenants, and participants from being denied assistance on the basis or as a direct result of being a victim of domestic violence, dating violence, sexual assault and stalking.

Briefing Packet [24 CFR 982.301(b)]

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

- The term of the voucher, and the AHA's policies on any extensions or suspensions of the term. If the AHA allows extensions, the packet must explain how the family can request an extension.
- A description of the method used to calculate the housing assistance payment for a family, including how the AHA determines the payment standard for a family, how the AHA determines total tenant payment for a family, and information on the payment standard and utility allowance schedule.
- An explanation of how the AHA determines the maximum allowable rent for an assisted unit.
- Where the family may lease a unit. For a family that qualifies to lease a unit outside the AHA jurisdiction under portability procedures, the information must include an explanation of how portability works.
- The HUD-required tenancy addendum, which must be included in the lease.
- The form the family must use to request approval of tenancy, and a description of the procedure for requesting approval for a tenancy.
- A statement of the AHA policy on providing information about families to prospective owners.
- The AHA subsidy standards including when and how exceptions are made.
- The HUD brochure on how to select a unit.
- The HUD pamphlet on lead-based paint entitled *Protect Your Family from Lead in Your Home*.
- Information on federal, state and local equal opportunity laws and a copy of the housing discrimination complaint form.
- A list of landlords or other parties willing to lease to assisted families or help families find units, especially outside areas of poverty or minority concentration.
- Notice that if the family includes a person with disabilities, the family may request a list of available accessible units known to the AHA.
- The family obligations under the program.
- VAWA (Violence Against Women Act) Notice of Occupancy Rights.
- The grounds on which the AHA may terminate assistance for a participant family because of family action or failure to act.

- AHA informal hearing procedures including when the AHA is required to offer a participant family the opportunity for an informal hearing, and how to request the hearing.

If the AHA is located in a metropolitan FMR area, the following additional information must be included in the briefing packet in order to receive full points under SEMAP Indicator 7, Expanding Housing Opportunities [24 CFR 985.3(g)].

- Maps showing areas with housing opportunities outside areas of poverty or minority concentration, both within its jurisdiction and its neighboring jurisdiction.
- Information about the characteristics of these areas including job opportunities, schools, transportation and other services.
- An explanation of how portability works, including a list of portability contact persons for neighboring PHAs including names, addresses, and telephone numbers.

Additional Items to be Included in the Briefing Packet

In addition to items required by the regulations, PHAs may wish to include supplemental materials to help explain the program to both participants and owners [HCV GB Housing Search and Leasing Pg. 8].

The AHA will provide the following additional materials in the briefing packet:

- When AHA-owned units are available for lease, a written statement that the family has the right to select any eligible unit available for lease and is not obligated to choose an AHA-owned unit.
- Information on how to fill out and file a housing discrimination complaint form.
- The publication *Things You Should Know (HUD-1140-OIG)* that explains the types of actions a family must avoid and the penalties for program abuse.

5-I.C. FAMILY OBLIGATIONS

Obligations of the family are described in the housing choice voucher (HCV) regulations and on the voucher itself. These obligations include responsibilities the family is required to fulfill, as well as prohibited actions. The AHA must inform families of these obligations during the oral briefing, and the same information must be included in the briefing packet. When the family's unit is approved and the HAP contract is executed, the family must meet those obligations in order to continue participating in the program. Violation of any family obligation may result in termination of assistance, as described in Chapter 12.

Time Frames for Reporting Changes Required By Family Obligations

Unless otherwise noted below, when family obligations require the family to respond to a request or notify the AHA of a change, notifying the AHA of the request or change within 14 calendar days is considered prompt notice.

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

Family Obligations [24 CFR 982.551]

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

- The family must supply any information that the AHA or HUD determines to be necessary, including submission of required evidence of citizenship or eligible immigration status.
- The family must supply any information requested by the AHA or HUD for use in a regularly scheduled reexamination or interim reexamination of family income and composition.
- The family must disclose and verify social security numbers and sign and submit consent forms for obtaining information.
- Any information supplied by the family must be true and complete.
- The family is responsible for any Housing Quality Standards (HQS) breach by the family caused by failure to pay tenant-provided utilities or appliances, or damages to the dwelling unit or premises beyond normal wear and tear caused by any member of the household or guest.
- The family must allow the AHA to inspect the unit at reasonable times and after reasonable notice, as described in Chapter 8 of this plan.
- The family must not commit any serious or repeated violation of the lease. The AHA will consider the following: written notice from owner to the AHA and family of the serious/repeated lease violation, police reports, arrest logs, neighbor complaints or other third-party information. Violations can include: non-payment of rent, failure to allow owner to make necessary repairs, or disturbing the quiet and peaceful enjoyment of the premises by others.
- The family must notify the AHA and the owner before moving out of the unit or terminating the lease. The family must live in the unit for the term of the lease and then, the family can move after giving proper notice to the owner with a copy to AHA. Alternatively, the family and owner can sign a mutual rescission of the lease.
- The family must promptly give the AHA a copy of any owner eviction notice.
- The family must use the assisted unit for residence by the family. The unit must be the family's only residence.
- The composition of the assisted family residing in the unit must be approved by the AHA. The family must promptly* notify the AHA in writing of the birth, adoption, or court-awarded custody of a child. The family must request AHA approval to add any other family member as an occupant of the unit. The request to add a family member must be submitted in writing and approved prior to the person moving into the unit. The AHA will determine eligibility of the new member in accordance with the policies in Chapter 3.

- The family must promptly notify the AHA in writing if any household member no longer lives in the unit.
- If the AHA has given approval, a foster child or a live-in aide may reside in the unit. The AHA has the discretion to adopt reasonable policies concerning residency by a foster child or a live-in aide, and to define when AHA consent may be given or denied. For policies related to the request and approval/disapproval of foster children, foster adults, and live-in aides, see Chapter 3 (Sections I.K and I.M), and Chapter 11 (Section II.B).
- The family must not sublease the unit, assign the lease, or transfer the unit. Subleasing includes receiving payment to cover rent and utility costs by a person living in the unit who is not listed as a family member.
- The family must supply any information requested by the AHA to verify that the family is living in the unit or information related to family absence from the unit.
- The family must promptly notify the AHA when the family is absent from the unit. Notice is required under this provision only when all family members will be absent from the unit for an extended period. An extended period is defined as any period greater than 30 calendar days. Written notice must be provided to the AHA at the start of the extended absence.
- The family must pay utility bills and provide and maintain any appliances that the owner is not required to provide under the lease [Form HUD-52646, Voucher].
- The family must not own or have any interest in the unit, (other than in a cooperative and owners of a manufactured home leasing a manufactured home space).
- Family members must not commit fraud, bribery, or any other corrupt or criminal act in connection with the program. (See Chapter 14, Program Integrity for additional information).
- Household members must not engage in drug-related criminal activity or violent criminal activity or other criminal activity that threatens the health, safety or right to peaceful enjoyment of other residents and persons residing in the immediate vicinity of the premises. See Chapter 12 for HUD and AHA policies related to drug-related and violent criminal activity.
- Members of the household must not engage in abuse of alcohol in a way that threatens the health, safety or right to peaceful enjoyment of the other residents and persons residing in the immediate vicinity of the premises. See Chapter 12 for a discussion of HUD and AHA policies related to alcohol abuse.
- An assisted family or member of the family must not receive HCV program assistance while receiving another housing subsidy, for the same unit or a different unit under any other federal, state or local housing assistance program.
- A family must not receive HCV program assistance while residing in a unit owned by a parent, child, grandparent, grandchild, sister or brother of any member of the family, unless the AHA has determined (and has notified the owner and the family of such determination) that approving rental of the unit, notwithstanding such relationship, would provide reasonable accommodation for a family member who is a person with disabilities. [Form HUD-52646, Voucher]

* Promptly here is defined differently for families participating in the MTW program than families not participating in the MTW program. See Chapter 11 for reporting requirements.

PART II: SUBSIDY STANDARDS AND VOUCHER ISSUANCE

5-II.A. OVERVIEW

The AHA must establish subsidy standards that determine the number of bedrooms needed for families of different sizes and compositions. This part presents the policies that will be used to determine the family unit size (also known as the voucher size) a particular family should receive, and the policies that govern making exceptions to those standards. The AHA also must establish policies related to the issuance of the voucher, to the voucher term, and to any extensions or suspensions of that term.

5-II.B. DETERMINING FAMILY UNIT (VOUCHER) SIZE [24 CFR 982.402]

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

The following requirements apply when the AHA determines family unit size:

- The subsidy standards must provide for the smallest number of bedrooms needed to house a family without overcrowding.
- The subsidy standards must be consistent with space requirements under the housing quality standards.
- The subsidy standards must be applied consistently for all families of like size and composition.
- A child who is temporarily away from the home because of placement in foster care is considered a member of the family in determining the family unit size.
- A family that consists of a pregnant woman (with no other persons) must be treated as a two-person family.
- Any live-in aide (approved by the AHA to reside in the unit to care for a family member who is disabled or is at least 50 years of age) must be counted in determining the family unit size;
- Unless a live-in aide resides with a family, the family unit size for any family consisting of a single person must be either a zero- or one-bedroom unit, as determined under the AHA subsidy standards.
- The AHA will assign one bedroom for each two persons within the household, except that a head of household with no spouse/co-head will be allocated one bedroom. Examples of this are:
 - A household of just a head and co-head/spouse would receive either zero- or one-bedroom subsidy standard.
 - A household of a head of household and other adult would receive a 2-bedroom subsidy.

- A household with a head, co-head/spouse, and two minor children would receive a 2-bedroom subsidy.
- A household with a head, other adult, and two minor children would receive a 3-bedroom subsidy.
- A newly admitted household with a head of household and a live-in aide in a Project-Based Voucher unit would be eligible for a studio or one-bedroom unit.
- For verified reasons of reasonable accommodation, an additional bedroom subsidy may be provided for: -a live-in aide, medical equipment which requires a separate room because of size or function, or a family member who must have a separate bedroom due to other serious medical condition.
- —An unborn child of the Applicant or a child expected to be adopted or for whom legal custody is to be granted, will be included when determining the proper subsidy size.
- —Single person households will receive one-bedroom vouchers.

Overcrowded Units

If the Housing Authority determines that an occupied unit no longer meets Housing Quality Standards (i.e., no more than two persons per living/sleeping room) because of a change in family size or composition, the Housing Authority will issue the Participant a new Housing Choice Voucher.

5-II.C. EXCEPTIONS TO SUBSIDY STANDARDS

Under MTW Activity 2022-14, under-housed families in Project-Based Voucher units can choose to stay as long as there is no overcrowding (refer to Chapter 16 for more information).

MTW Activity 2022-14 also allows families being housed in the Project-Based Voucher program will be notified of the bedroom size for which the family is eligible under the subsidy standards above, but the family may choose to be under-housed (housed in a unit with less bedrooms) if the unit is not overcrowded. For example, a family comprised of a head of household and minor are eligible for a 2-bedroom, but the family may be housed in a studio or 1-bedroom at the family's request.

Under MTW activity 2023-05, the Housing Choice Voucher subsidy standards will apply to the Project-Based Voucher program except in the following situations: 1) when other funding is tied to the unit, 2) for housing with four (4) or more bedrooms and 3) when the exception would lead to overcrowding under HQS. If there is no right-sized family on the waiting list for a unit, the AHA may allow the family size to be one less than the minimum number of persons for larger unit sizes and will pull these families from the next smaller bedroom size waiting list. If the AHA does not have enough families on its waiting lists for larger units, the AHA must show that all families of the proper number of family members that applied during the last waiting list opening were placed on the waiting list for that unit size. If there were larger families that applied during the last waiting list opening that were not placed on the waiting list, the AHA may decide to reopen the waiting list or go back to the applicants who were not placed on the waiting list and place them on the waiting list as long as the last waiting list opening was within the last 3 years.

In determining family unit size for a particular family, the AHA may grant an exception to its established subsidy standards if the AHA determines that the exception is justified by the age, sex, health, disability, or relationship of family members or other personal circumstance [24 CFR 982.402(b)(8)]. Reasons may include, but are not limited to:

- A need for an additional bedroom for medical equipment
- A need for a separate bedroom for reasons related to a family member's disability, medical or health condition

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

The AHA will consider granting an exception for any of the reasons specified in the regulation: the age, sex, health, disability, or relationship of family members or other personal circumstances upon verified need from a knowledgeable professional. See Chapter 16 for a PBV exception to the payment standard for under-housed families.

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

The AHA will notify the family of its determination within 1430 calendar days of receiving the family's request. ~~This notification may be delayed if the knowledgeable professional does not timely respond.~~ If a participant family's request is denied, the notice will inform the family of their right to request an informal hearing.

5-II.D. VOUCHER ISSUANCE AND RESCISSION [24 CFR 982.302] FOR HOUSING CHOICE VOUCHER PROGRAM

Voucher Issuance

When a family is selected from the waiting list (or as a special admission as described in Chapter 4), or when a participant family wants to move to another unit, the AHA issues a Housing Choice Voucher, form HUD-52646. This chapter deals only with voucher issuance for applicants. For voucher issuance associated with moves of program participants, please refer to Chapter 10. Some programs like the Moderate Rehabilitation Program do not receive vouchers.

The voucher is the family's authorization to search for housing. It specifies the unit size for which the family qualifies and includes both the date of voucher issuance and date of expiration. It contains a brief description of how the program works and explains the family obligations under the program. The voucher is evidence that the AHA has determined the family to be eligible for the program, and that the AHA expects to have money available to subsidize the family if the family finds an approvable unit. However, the AHA does not have any liability to any party by the issuance of the voucher, and the voucher does not

give the family any right to participate in the AHA's housing choice voucher program [Voucher, form HUD-52646]

A voucher can be issued to an applicant family only after the AHA has determined that the family is eligible for the program based on information received within the 60 days prior to issuance [24 CFR 982.201(e)] and after the family has attended an oral briefing [HCV 8-1].

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

The AHA should have sufficient funds to house an applicant before issuing a voucher. If funds are insufficient to house the family at the top of the waiting list, the AHA must wait until it has adequate funds before it calls another family from the list [HCV GB Housing Search and Leasing pg. 15]. If the AHA determines that there is insufficient funding after a voucher has been issued, the AHA may rescind the voucher and place the affected family back on the waiting list.

Voucher Rescission

If, due to budgetary constraints, the AHA must rescind vouchers that have already been issued to families, the AHA will do so according to the instructions under each of the categories below. The AHA will first rescind vouchers that fall under Category 1. Vouchers in Category 2 will only be rescinded after all vouchers under Category 1 have been rescinded.

Category 1: Vouchers issued to new admissions to the HCV program for which a Request for Tenancy Approval (RFTA) and proposed lease have not been submitted to the AHA. Vouchers will be rescinded in order of the date and time they were issued, starting with the most recently issued vouchers.

Category 2: Vouchers issued to new admissions to the HCV program for which a RFTA and proposed lease have been submitted to the AHA. Vouchers will be rescinded in order of the date and time the RFTA was submitted to the AHA, starting with the most recently submitted requests.

Families who have their voucher rescinded will be notified in writing and will be reinstated to their former position on the waiting list. When funding is again available, families will be selected from the waiting list in accordance with AHA policies described in Chapter 4.

Families who are continuing participants in the HCV program who have vouchers because they are moving will not have their vouchers rescinded unless the family is terminated due to the date of admission to the program (see chapter 12).

5-II.E. VOUCHER TERM, EXTENSIONS, AND SUSPENSIONS

Voucher Term [24 CFR 982.303]

The initial term of a voucher will be 180 calendar days. The initial term must be stated on the voucher [24 CFR 982.303(a)].

The family must submit a Request for Tenancy Approval and proposed lease within the time period unless the AHA grants an extension.

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

The AHA has the authority to grant extensions of search time, to specify the length of an extension, and to determine the circumstances under which extensions will be granted. In some cases, voucher extensions may require the family to submit new verifications for income, assets, or deductions.

The AHA will approve additional search time if needed as a reasonable accommodation to make the program accessible to and usable by a person with disabilities. The extension period must be reasonable for the purpose. The family will be notified in writing of the AHA's decision to approve or deny an extension. The AHA's decision to deny a request for an extension of the voucher term is not subject to informal review [24 CFR 982.554(c)(4)].

The decision to allow additional extensions beyond 180 days must be approved by the Executive Director in cases of new applicants. The family must demonstrate that its due diligence in trying to locate a unit was met by providing the AHA a listing of all units looked at and all contacts with landlords made before any extensions will be considered. The AHA must also be able to document that the market has higher rents than voucher holders can afford or there is a shortage of rental units available.

For participants transferring units, 24 CFR 982.312 only allows for a family to be absent from a unit for 180 consecutive days; therefore, the AHA will only allow extensions to this time unless in case of a reasonable accommodation due to a disability.

The AHA will allow for voucher extensions for the occurrence of domestic violence, dating violence, sexual assault or stalking which leads to the break-up of the assisted family, as per HUD Notice PIH-2017-08.

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

The AHA must provide for suspension of the initial or any extended term of the voucher from the date that the family submits a RFTA until the date the AHA notifies the family in writing whether the request has been approved or denied. "Suspension" means stopping the clock on a family's voucher term from the time a family submits the RFTA until the time the AHA approves or denies the request [24 CFR 982.4]. The AHA's determination not to extend a voucher term is not subject to informal review [24 CFR 982.554(c)(4)].

When the AHA denies a request for tenancy, the family will be notified immediately that the clock on the voucher term has restarted. The notice will include the new expiration date of the voucher.

Expiration of Voucher Term

Once a family's housing choice voucher term (including any extensions) expires, the family is no longer eligible to search for housing under the program. If the family still wishes to receive assistance, the AHA will require that the family reapply when the waiting list is open subject to the notice of the selection of applicants. In most cases the AHA does a random selection, so submitting an application does not guarantee placement on a waiting list.

Within 14 calendar days after the expiration of the voucher term or any extension, the AHA will notify the family in writing that the voucher term has expired and that the family must reapply in order to be placed on the waiting list.

CHAPTER 6

INCOME AND SUBSIDY DETERMINATIONS

[24 CFR Part 5, Subparts E and F; 24 CFR 982]

INTRODUCTION

A family's income determines eligibility for assistance and is also used to calculate the family's payment and the AHA's subsidy. The AHA will use the policies and methods described in this chapter to ensure that only eligible families receive assistance and that no family pays more or less than its obligation under the regulations or an approved MTW activity. Chapter 1 contains information on which families are included in MTW activities and which families are excluded from MTW activities. This chapter describes HUD regulations and AHA policies related to these topics in three parts as follows:

Part I: Annual Income. HUD regulations specify the sources of income to include and exclude to arrive at a family's annual income. These requirements and AHA policies for calculating annual income are found in Part I. This part also includes some information on approved MTW activities that affect annual income.

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

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

PART I: ANNUAL INCOME

6-I.A. OVERVIEW

The general regulatory definition of *annual income* shown below is from 24 CFR 5.609.

5.609 Annual income.

(a) Annual income means all amounts, monetary or not, which:

(1) Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or

(2) Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and

(3) Which are not specifically excluded in paragraph [5.609(c)].

(4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

Sections 6-I.B and 6-I.C discuss general requirements and methods for calculating annual income. The rest of this section describes how each source of income is treated for the

purposes of determining annual income. HUD regulations present income inclusions and exclusions separately [24 CFR 5.609(b) and 24 CFR 5.609(c)]. In this plan, however, the discussions of income inclusions and exclusions are integrated by topic (e.g., all policies affecting earned income are discussed together in section 6-I.D). Verification requirements for annual income are discussed in Chapter 7.

6-I.B. HOUSEHOLD COMPOSITION AND INCOME

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

Summary of Income Included and Excluded by Person:

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

Temporarily Absent Family Members

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

Generally an individual who is or is expected to be absent from the assisted unit for 180 consecutive days or less is considered temporarily absent and continues to be considered a family member. Generally an individual who is or is expected to be absent from the assisted unit for more than 180 consecutive days is considered permanently absent and no longer a family member. Exceptions to this general policy are discussed below.

Absent Students

When someone who has been considered a family member attends school away from home, the person will continue to be considered a family member unless information becomes available to the AHA indicating that the student has established a separate household or the family declares that the student has established a separate household. The student's status will be re-evaluated each year at the time of the family's regular re-examination.

Absences Due to Placement in Foster Care

Children temporarily absent from the home as a result of placement in foster care are considered members of the family [24 CFR 5.403].

If a child has been placed in foster care, the AHA 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. Families must report when temporary absences become permanent.

Absent Head, Spouse, or Cohead

An employed head, spouse, or cohead absent from the unit more than 180 consecutive days due to employment will continue to be considered a family member.

In the case where the household member is the spouse, legal separation, filing for dissolution of marriage, annulment, or other verification acceptable to the AHA will be sufficient proof that the family member is no longer a member of the household.

Family Members Permanently Confined for Medical Reasons

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

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

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

All family members, including single member families cannot be out of the unit for more than 180 days [24 CFR 982.312]. Reasonable accommodation can be requested to waive this regulation; however, the AHA does not have the authority to waive it, so the request and all documentation must be submitted by the AHA to HUD for review. The family must cooperate in providing all requested information and documents for AHA to submit.

Joint Custody of Dependents

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

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

6-I.C. ANTICIPATING ANNUAL INCOME

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

Basis of Annual Income Projection

The AHA generally will use current circumstances to determine anticipated income for the coming 12-month period. HUD authorizes the AHA to use other than current circumstances to anticipate income when:

- An imminent change in circumstances is expected
- It is not feasible to anticipate a level of income over a 12-month period (e.g., seasonal or cyclic income) [24 CFR 5.609(d)]
- The AHA believes that past income is the best available indicator of expected future income [24 CFR 5.609(d)]

When the AHA cannot readily anticipate income based upon current circumstances (e.g., in the case of seasonal employment, unstable working hours, or suspected fraud), the AHA will review and analyze historical data for patterns of employment, paid benefits, and receipt of other income and use the results of this analysis to establish annual income. Anytime current circumstances are not used to project annual income, a clear rationale for the decision will be documented in the file. In all such cases the family may present information and documentation to the AHA to show why the historic pattern does not represent the family’s anticipated income.

Using Up-Front Income Verification (UIV) to Project Income

HUD strongly recommends the use of up-front income verification (UIV). UIV is “the verification of income, before or during a family reexamination, through an independent source that systematically and uniformly maintains income information in computerized form for a large number of individuals” [PIH Notice 2018-18].

HUD allows PHAs to use UIV information in conjunction with family-provided documents to anticipate income. The AHA may not use quarterly EIV wage (or unemployment benefit) information to calculate annual income since this information is at least six

months old and more current information (from pay stubs) is available. The AHA requires three current and consecutive pay stubs from a client to calculate anticipated annual income. For new income sources or when three pay stubs are not available, the AHA will project income based on the information from a traditional written third party verification form or the best available information.

AHA procedures for anticipating annual income will include the use of UIV methods approved by HUD in conjunction with family-provided documents dated either within the 60-day period preceding the reexamination or AHA request date. Documents older than 60 days (from the AHA interview/determination or request date) is acceptable for confirming effective dates of income.

The AHA will follow “HUD Guidelines for Projecting Annual Income When Up-Front Income Verification (UIV) Data Is Available” in handling differences between UIV and family-provided income data. The guidelines depend on whether a difference is substantial or not. HUD defines *substantial difference* as a difference of \$200 or more per month.

No Substantial Difference. If UIV information for a particular income source differs from the information provided by a family by less than \$200 per month, the AHA will follow these guidelines:

The AHA will use the UIV data unless the family provides documentation of a change in circumstances to explain the discrepancy (e.g., a reduction in work hours). Upon receipt of acceptable family-provided documentation of a change in circumstances, the AHA will use the family-provided information.

If the UIV method used was EIV, the AHA will use the pay stubs supplied by the family to calculate the anticipated annual income.

Substantial Difference. If UIV/EIV information for a particular income source differs from the information provided by a family by \$200 or more per month, the AHA will take the following actions:

- Discuss the income discrepancy with the tenant; and
- Request the tenant to provide any documentation to confirm or dispute the unreported or underreported income and/or income sources; and
- In the event the tenant is unable to provide acceptable documentation to resolve the income discrepancy, the AHA is required to request from the third-party source, any information necessary to resolve the income discrepancy; and
- If applicable, determine the tenant’s underpayment of rent as a result of unreported or underreported income, retroactively; and
- Take any other appropriate action as directed by HUD.

When the AHA cannot readily anticipate income (e.g., in cases of seasonal employment, unstable working hours, or suspected fraud), the AHA will review historical income data for patterns of employment, paid benefits, and receipt of other income.

The AHA will analyze all UIV/EIV data, third party verifications, and family certifications and attempt to resolve the income discrepancy.

The AHA will use the most current verified income data and, if appropriate, historical income data to calculate anticipated annual income.

6-I.D. EARNED INCOME

Types of Earned Income Included in Annual Income

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

Some Types of Military Pay. All regular pay, special pay and allowances of a member of the Armed Forces are counted [24 CFR 5.609(b)(8)] except for the special pay to a family member serving in the Armed Forces who is exposed to hostile fire [24 CFR 5.609(c)(7)].

Types of Earned Income Not Counted in Annual Income

Temporary, Nonrecurring, or Sporadic Income [24 CFR 5.609(c)(9)]. Sporadic income is income that is not received periodically and cannot be reliably predicted. For example, the income of an individual who works occasionally as a handyman would be considered sporadic if future work could not be anticipated and no historic, stable pattern of income existed. Such income is not counted.

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

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

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

Income Earned under Certain Federal Programs. Income from some federal programs is specifically excluded from consideration as income [24 CFR 5.609(c)(17)], including:

- Payments to volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058)
- Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f))
- Allowances, earnings, and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d))
- Allowances, earnings, and payments to participants in programs funded under the Workforce Investment Act of 1998 (29 U.S.C. 2931)

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

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

The AHA defines *training program* as “a learning process with goals and objectives, generally having a variety of components, and taking place in a series of sessions over a period to time. It is designed to lead to a higher level of proficiency, and it enhances the individual's ability to obtain employment. It may have performance standards to measure proficiency. Training may include, but is not limited to: (1) classroom training in a specific occupational skill, (2) on-the-job training with wages subsidized by the program, or (3) basic education” [expired Notice PIH 98-2, p. 3].

The AHA defines *incremental earnings and benefits* as the difference between (1) the total amount of welfare assistance and earnings of a family member prior to enrollment in a training program and (2) the total amount of welfare assistance and earnings of the family member after enrollment in the program [expired Notice PIH 98-2, pp. 3–4].

In calculating the incremental difference, the AHA will use as the pre-enrollment income the total annualized amount of the family member's welfare assistance and earnings reported on the family's most recently completed HUD-50058.

End of participation in a training program must be reported in accordance with the AHA's interim reporting requirements.

HUD-Funded Training Programs. Amounts received under training programs funded in whole or in part by HUD [24 CFR 5.609(c)(8)(i)] are excluded from annual income. Eligible sources of funding for the training include operating subsidy, Section 8 administrative fees, and modernization, Community Development Block Grant (CDBG), HOME program, and other grant funds received from HUD.

To qualify as a training program, the program must meet the definition of *training program* provided above for state and local employment training programs.

Earned Income Tax Credit. Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j)), are excluded from annual income [24 CFR 5.609(c)(17)]. Although many families receive the EITC annually when they file taxes, an

EITC can also be received throughout the year. The prorated share of the annual EITC is included in the employee's payroll check.

Earned Income Disallowance. The earned income disallowance for persons with disabilities is discussed in section 6-I.E below.

6-I.E. EARNED INCOME DISALLOWANCE FOR PERSONS WITH DISABILITIES [24 CFR 5.617]

Under HOTMA, the Earned Income Disregard (EID) will not apply to any family who is not eligible for and already participating in the disallowance as of December 31, 2023. Although HOTMA eliminates the EID from HUD regulations, families who were receiving the EID benefit as of December 31, 2023, may continue to receive the full benefit until the remaining timeframe for an individual family's EID expires. Because the EID lasts up to 24 consecutive months, no family will still be receiving the EID benefit after December 31, 2025.

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

~~Eligibility~~

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

- ~~• Employment of a family member who is a person with disabilities and who was previously unemployed for one or more years prior to employment. *Previously unemployed* includes a person who annually has earned not more than the minimum wage applicable to the community multiplied by 500 hours. The applicable minimum wage is the federal minimum wage unless there is a higher state or local minimum wage.~~
- ~~• Increased earnings by a family member who is a person with disabilities and whose earnings increase during participation in an economic self-sufficiency or job-training program. A self-sufficiency program includes a program designed to encourage, assist, train, or facilitate the economic independence of HUD-assisted families or to provide work to such families [24 CFR 5.603(b)].~~
- ~~• New employment or increased earnings by a family member who is a person with disabilities and who has received benefits or services under Temporary Assistance for Needy Families (TANF) or any other state program funded under Part A of Title IV of the Social Security Act within the past six months. If the benefits are received in the form of monthly maintenance, there is no minimum amount. If the benefits or services are received in a form other than monthly maintenance, such as one-time payments, wage subsidies, or transportation assistance, the total amount received over the six-month period must be at least \$500.~~

Calculation of the Disallowance

Calculation of the earned income disallowance for an eligible member of a qualified family begins with a comparison of the member's current income with his or her "prior income."

The AHA defines *prior income*, or *prequalifying income*, as the family member's last certified income prior to qualifying for the EID.

The family member's prior, or prequalifying, income remains constant throughout the period that he or she is receiving the EID.

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

The initial EID exclusion period will begin on the first of the month following the date an eligible member of a qualified family is first employed or first experiences an increase in earnings.

Second 12-Month Exclusion and Phase-In. During the second 12-month exclusion period, the exclusion is reduced to half (50 percent) of any increase in income attributable to employment or increased earnings. The 12 months are consecutive.

Lifetime Limitation. The EID has a two-year (24-month) lifetime maximum. The two-year eligibility period begins at the same time that the initial exclusion period begins and ends 24 months later. The one-time eligibility for the EID applies even if the eligible individual begins to receive assistance from another housing agency, if the individual moves between public housing and Section 8 assistance, or if there are breaks in assistance.

During the 24-month eligibility period, the AHA will schedule and conduct an interim reexamination each time there is a change in the family member's annual income that affects or is affected by the EID (e.g., when the family member's income falls to a level at or below his/her prequalifying income, when one of the exclusion periods ends, and at the end of the lifetime maximum eligibility period).

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

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

Business Expenses

Net income is "gross income less business expense" .

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

Business Expansion

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

Business expansion is defined as any capital expenditures made to add new business activities, to expand current facilities, or to operate the business in additional locations. For example, purchase of a street sweeper by a construction business for the purpose of adding street cleaning to the services offered by the business would be considered a business expansion. Similarly, the purchase of a property by a hair care business to open at a second location would be considered a business expansion.

Capital Indebtedness

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

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

Negative Business Income

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

Withdrawal of Cash or Assets from a Business

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

Acceptable investments in a business include cash loans and contributions of assets or equipment. For example, if a member of an assisted family provided an up-front loan of \$2,000 to help a business get started, the AHA will not count as income any withdrawals from the business up to the amount of this loan until the loan has been repaid. Investments do not include the value of labor contributed to the business without compensation.

Co-owned Businesses

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

6-I.G. ASSETS [24 CFR 5.609(B)(3) AND 24 CFR 5.603(B)]

Overview

There is no asset limitation for participation in the HCV program until the AHA implements the provisions of HOTMA sometime in 2024. However, HUD requires that the AHA include in annual income the "interest, dividends, and other net income of any kind from real or personal property" [24 CFR 5.609(b)(3)]. This section discusses how the income from various types of assets is determined. For most types of assets, the AHA must determine

the value of the asset in order to compute income from the asset. Therefore, for each asset type, this section discusses:

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

This section begins with a discussion of general policies related to assets and then provides HUD rules and AHA policies related to each type of asset.

General Policies

Income from Assets

The AHA generally will use current circumstances to determine both the value of an asset and the anticipated income from the asset. As is true for all sources of income, HUD authorizes the AHA to use other than current circumstances to anticipate income when (1) an imminent change in circumstances is expected (2) it is not feasible to anticipate a level of income over 12 months or (3) the AHA believes that past income is the best indicator of anticipated income. For example, if a family member owns real property that typically receives rental income but the property is currently vacant, the AHA can take into consideration past rental income along with the prospects of obtaining a new tenant.

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

For families and participants included in MTW:

The AHA allows self-certification of combined assets of \$50,000 for participants on the program. For assets less than \$50,000, the family must provide a statement with any income earned on the assets under penalty of perjury. No other verification is required. Assets that the family does not have access to such as irrevocable trusts and 401K accounts would not count towards the \$50,000 threshold. New assets under \$50,000 do not need to be reported between triennials. This paragraph applied to families participating in the MTW program.

For families and participants not included in MTW:

The family must provide verification of all assets and the higher of the actual or imputed income will be used as discussed in the next section.

Valuing Assets

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

- The market value of an asset is its worth (e.g., the amount a buyer would pay for real estate or the balance in an investment account).
- The cash value of an asset is its market value less all reasonable amounts that would be incurred when converting the asset to cash. Examples of acceptable costs include penalties for premature withdrawal, broker and legal fees, and settlement costs incurred in real estate transactions .

Lump Sum Receipts

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

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

For families and participants not included in MTW:

When net family assets are \$5,000 or less, the AHA will include in annual income the actual income anticipated to be derived from the assets. When the family has net family assets in excess of \$5,000, the AHA will include in annual income the greater of (1) the actual income derived from the assets or (2) the imputed income. Imputed income from assets is calculated by multiplying the total cash value of all family assets by the current HUD-established passbook savings rate.

For families and participants included in MTW:

Actual income of assets is used if the total value of assets is less than \$50,000. If assets are in excess of \$50,000, the AHA will include in annual income the greater of (1) the actual income derived from the assets or (2) the imputed income. Imputed income from assets is calculated by multiplying the total cash value of all family assets by the current HUD-established passbook savings rate.

Determining Actual Anticipated Income from Assets

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

Withdrawal of Cash or Liquidation of Investments

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

Jointly Owned Assets

The regulation at 24 CFR 5.609(a)(4) specifies that annual income includes “amounts derived (during the 12-month period) from assets to which any member of the family has access.”

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

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

Assets Disposed of for Less than Fair Market Value [24 CFR 5.603(b)]

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

Minimum Threshold

The AHA will not include the value of assets disposed of for less than fair market value unless the cumulative fair market value of all assets disposed of during the past year exceeds the gross amount received for the assets by more than \$500.

For families and participants not included in MTW:

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

For families and participants included in MTW:

See interim policies on income decreases. Requesting a decrease to remove the asset income will count towards the one interim per year cap.

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

Separation or Divorce

The regulation also specifies that assets are not considered disposed of for less than fair market value if they are disposed of as part of a separation or divorce settlement and the applicant or tenant receives important consideration not measurable in dollar terms.

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

Foreclosure or Bankruptcy

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

Family Declaration

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

Types of Assets

Checking and Savings Accounts

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

In determining the value of a checking account, the AHA will use the current balance.

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

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

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

Interest or dividends earned by investment accounts are counted as actual income from assets even when the earnings are reinvested. The cash value of such an asset is determined by deducting from the market value any broker fees, penalties for early withdrawal, or other costs of converting the asset to cash.

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

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

Equity in Real Property or Other Capital Investments

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

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

- Equity accounts in HUD homeownership programs [24 CFR5.603(b)]

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

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

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

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

Trusts

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

Revocable Trusts

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

Nonrevocable Trusts

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

Retirement Accounts

Company Retirement/Pension Accounts

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

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

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

IRA, Keogh, and Similar Retirement Savings Accounts

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

Personal Property

Personal property held as an investment, such as gems, jewelry, coin collections, antique cars, etc., is considered an asset.

In determining the value of personal property held as an investment, the AHA will use the family's estimate of the value. However, the AHA also may obtain an appraisal if appropriate to confirm the value of the asset. The family must cooperate with the appraiser but cannot be charged any costs related to the appraisal.

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

Necessary items of personal property are not considered assets [24 CFR 5.603(b)].

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

Life Insurance

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

6-I.H. PERIODIC PAYMENTS

Periodic payments are forms of income received on a regular basis. HUD regulations specify periodic payments that are and are not included in annual income.

Periodic Payments Included in Annual Income

- Periodic payments from sources such as social security, unemployment and welfare assistance, annuities, insurance policies, retirement funds, and pensions. However, periodic payments from retirement accounts, annuities, and similar forms of investments are counted only after they exceed the amount contributed by the family [24 CFR 5.609(b)(4) and (b)(3)].
- Disability or death benefits and lottery receipts paid periodically, rather than in a single lump sum [24 CFR 5.609(b)(4) and HCV, p. 5-14]

Lump Sum Payments for the Delayed Start of a Periodic Payment

Most lump sums received as a result of delays in processing periodic payments, such as unemployment or welfare assistance, are counted as income. However, lump sum receipts for the delayed start of periodic social security or supplemental security income (SSI) payments are not counted as income [CFR 5.609(b)(4)]. Also, lump sum payments from any deferred Department of Veterans Affairs disability benefits or received by an individual Indian pursuant to the Class Action Settlement Agreement in the United States District Court case entitled Elouise Cobell et al. v. Ken Salazar et al. are not counted as income [FR 07/24/2012, pp. 43347-43349].

Periodic Payments Excluded from Annual Income

- Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the assisted family, who are unable to live alone) [24 CFR 5.609(c)(2)]
The AHA will exclude payments for the care of foster children and foster adults only if the care is provided through an official arrangement with a local welfare agency .
- Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home [24 CFR 5.609(c)(16)]
- Amounts received under the Low-Income Home Energy Assistance Program (42 U.S.C. 1626(c)) [24 CFR 5.609(c)(17)]
- Amounts received under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q) [24 CFR 5.609(c)(17)]
- Earned Income Tax Credit (EITC) refund payments (26 U.S.C. 32(j)) [24 CFR 5.609(c)(17)]. *Note:* EITC may be paid periodically if the family elects to receive the amount due as part of payroll payments from an employer.
- Lump sums received as a result of delays in processing Social Security and SSI payments (see section 6-I.J.) [24 CFR 5.609(b)(4)].
- Lump sums received as a result of deferred Department of Veterans Affairs disability benefits or received by an individual Indian pursuant to the Class Action Settlement Agreement in the United States District Court case entitled Elouise Cobell et al. v. Ken Salazar et al. are not counted as income (see section 6-I.J.) [FR 07/24/2012, pp. 43347-43349]

- *Guaranteed Basic Income*: Amounts received under the City of Alameda’s Guaranteed Basic Income Pilot Program are not included in annual income for families participating in MTW activities.

6-I.I. PAYMENTS IN LIEU OF EARNINGS

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

6-I.J. WELFARE ASSISTANCE

Overview

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

Sanctions Resulting in the Reduction of Welfare Benefits [24 CFR 5.615]

The AHA must make a special calculation of annual income when the welfare agency imposes sanctions on families. The requirements are summarized below. This rule applies only if a family was receiving HCV assistance at the time the sanction was imposed.

Covered Families

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

Imputed Income

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

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

a family member has not complied with other welfare agency requirements [24 CFR 5.615(b)(2)].

Offsets

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

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

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

Alimony and Child Support

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

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

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

Regular Contributions or Gifts

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

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

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

6-I.L. STUDENT FINANCIAL ASSISTANCE [24 CFR 5.609(B)(9)]

In 2005, Congress passed a law (for section 8 programs only) requiring that certain student financial assistance be included in annual income. Prior to that, the full amount of student financial assistance was excluded. For some students, the full exclusion still applies.

Student Financial Assistance Included in Annual Income [24 CFR 5.609(b)(9) and FR 4/10/06]

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

- They are enrolled in an institution of higher education, as defined under the Higher Education Act (HEA) of 1965.
- They are seeking or receiving Section 8 assistance on their own—that is, apart from their parents—through the HCV program, the project-based certificate program, the project-based voucher program, or the moderate rehabilitation program.
- They are under 24 years of age **OR** they have no dependent children.

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

To determine annual income in accordance with the above requirements, the AHA will use the definitions of *dependent child*, *institution of higher education*, and *parents* in Section 3-II.E, along with the following definitions [FR 4/10/06, pp. 18148-18150]:

- *Assistance under the Higher Education Act of 1965* includes Pell Grants, Federal Supplement Educational Opportunity Grants, Academic Achievement Incentive Scholarships, State Assistance under the Leveraging Educational Assistance Partnership Program, the Robert G. Byrd Honors Scholarship Program, and Federal Work Study programs.
- *Assistance from private sources* means assistance from nongovernmental sources, including parents, guardians, and other persons not residing with the student in an HCV assisted unit.
- *Tuition* will have the meaning given this term by the institution of higher education in which the student is enrolled.

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

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

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

6-I.M. ADDITIONAL EXCLUSIONS FROM ANNUAL INCOME

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

- Reimbursement of medical expenses [24 CFR 5.609(c)(4)]
- Amounts received by participants in other publicly assisted programs which are specifically for or in reimbursement of out-of-pocket expenses incurred and which are made solely to allow participation in a specific program [24 CFR 5.609(c)(8)(iii)]
- Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS) [(24 CFR 5.609(c)(8)(ii)]
- Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era [24 CFR 5.609(c)(10)]
- Adoption assistance payments in excess of \$480 per adopted child [24 CFR 5.609(c)(12)]
- Refunds or rebates on property taxes paid on the dwelling unit [24 CFR 5.609(c)(15)]
- Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home [24 CFR 5.609(c)(16)]
- Amounts specifically excluded by any other federal statute [24 CFR 5.609(c)(17)]. HUD publishes an updated list of these exclusions periodically. It includes:
 - a) The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017 (b))
 - b) Payments, including for supportive services and reimbursement of out-of-pocket expenses, to Volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058) are excluded from income except that the exclusion shall not apply in the case of such payments when the Chief Executive Officer of the Corporation for National and Community Service appointed under 42 U.S.C. 12651c determines that the value of all such payments, adjusted to reflect the number of hours such volunteers are serving, is equivalent to or greater than the minimum wage then in effect under the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.) or the minimum wage, under the laws of the State where such volunteers are serving, whichever is the greater (42 U.S.C. 5044(f)(1)). This exclusion also applies to assets;
 - c) Certain payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c)) This exclusion also applies to assets;
 - d) Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e)
 - e) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f))
 - f) Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub. L. 94-540, 90 Stat. 2503-04)
 - g) The first \$2,000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U. S. Claims Court, the interests of individual Indians in trust or restricted lands, including the first \$2,000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands (25 U.S.C. 1407-1408)

- h) Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f))
- i) Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in *In Re Agent*-product liability litigation, M.D.L. No. 381 (E.D.N.Y.)
- j) Payments received under the Maine Indian Claims Settlement Act of 1980 (25 U.S.C. 1721)
- k) The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858q)
- l) Earned income tax credit (EITC) refund payments received on or after January 1, 1991 (26 U.S.C. 32(j)) 1, for programs administered under the United States Housing Act of 1937, title V of the Housing Act of 1949, section 101 of the Housing and Urban Development Act of 1965, and sections 221(d)(3), 235, and 236 of the National Housing Act (26 U.S.C. 32(l)). This exclusion also applies to assets;
- m) The amount of any refund (or advance payment with respect to a refundable credit) issued under the Internal Revenue Code is excluded from income and assets for a period of 12 months from receipt (26 U.S.C. 6409);
- n) Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (Pub. L. 95-433)
- o) Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990 (42 U.S.C. 12637(d));
- p) Any allowance paid to children of Vietnam veterans born with spina bifida (38 U.S.C. 1802–05), children of women Vietnam veterans born with certain birth defects (38 U.S.C. 1811– 16), and children of certain Korean and Thailand service veterans born with spina bifida (38 U.S.C. 1821–22) is excluded from income and assets (38 U.S.C. 1833(c)).
- q) Any amount of crime victim compensation (under the Victims of Crime Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crime Act because of the commission of a crime against the applicant under the Victims of Crime Act (42 U.S.C. 10602)
- r) Allowances, earnings and payments to individuals participating in programs under the Workforce Investment Act of 1998 (29 U.S.C. 2931)
- s) Assistance from the School Lunch Act and the Child Nutrition Act of 1966 (42 U.S.C. 1780(b)), including reduced-price lunches and food under the Special Supplemental Food Program for Women, Infants, and Children (WIC)
- t) Payments, funds or distributions authorized, established, or directed by the Seneca Nation Settlement Act of 1009 (25 U.S.C. 1774f(b))
- u) Payments from any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts as provided by an amendment to the definition of annual income in the U.S. Housing Act of 1937 (42 U.S.C. 1437) by Section 2608 of the Housing and Economic Recovery Act of 2008 (Pub. L. 110-289, 42 U.S.C. 4501)

- v) Any amounts (i) not actually received by the family, (ii) that would be eligible for exclusion under 42 U.S.C. 1382b(a)(7), and (iii) received for service-connected disability under 38 U.S.C. chapter 11 or dependency and indemnity compensation under 38 U.S.C. chapter 13 (25 U.S.C. 4103(9)(C)) as provided by an amendment by the Indian Veterans Housing Opportunity Act of 2010 (Pub. L. 111–269 section 2) to the definition of income applicable to programs under the Native American Housing Assistance and Self-Determination Act (NAHASDA) (25 U.S.C. 4101 et seq.);
- w) Compensation received by or on behalf of a veteran for service-connected disability, death, dependency, or indemnity compensation as provided by an amendment by the Indian Veterans Housing Opportunity Act of 2010 (Pub. L. 111-269) to the definition of income applicable to programs authorized under the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101) and administered by the Office of Native American Programs
- x) A lump sum or a periodic payment received by an individual Indian pursuant to the Class Action Settlement Agreement in the case entitled Elouise Cobell et al. v. Ken Salazar et al., United States District Court, District of Columbia, as provided in the Claims Resolution Act of 2010 (Pub. L. 111-291); This exclusion also applies to assets;
- y) Any amounts in an “individual development account” are excluded from assets and any assistance, benefit, or amounts earned by or provided to the individual development account are excluded from income, as provided by the Assets for Independence Act, as amended (42 U.S.C. 604(h)(4));
- z) Per capita payments made from the proceeds of Indian Tribal Trust Settlements listed in IRS Notice 2013– 1 and 2013–55 must be excluded from annual income unless the per capita payments exceed the amount of the original Tribal Trust Settlement proceeds and are made from a Tribe’s private bank account in which the Tribe has deposited the settlement proceeds. Such amounts received in excess of the Tribal Trust Settlement are included in the gross income of the members of the Tribe receiving the per capita payments as described in IRS Notice 2013–1. The first \$2,000 of per capita payments are also excluded from assets unless the per capita payments exceed the amount of the original Tribal Trust Settlement proceeds and are made from a Tribe’s private bank account in which the Tribe has deposited the settlement proceeds (25 U.S.C. 117b(a), 25 U.S.C. 1407);
- aa) Federal assistance for a major disaster or emergency received by individuals and families under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Pub. L. 93– 288, as amended) and comparable disaster assistance provided by States, local governments, and disaster assistance organizations (42 U.S.C. 5155(d)). This exclusion also applies to assets;
- bb) Any amount in an Achieving Better Life Experience (ABLE) account, distributions from and certain contributions to an ABLE account established under the ABLE Act of 2014 (Pub. L. 113–295.), as described in Notice PIH 2019–09/H 2019–06 or subsequent or superseding notice is excluded from income and assets; and

cc) Assistance received by a household under the Emergency Rental Assistance Program pursuant to the Consolidated Appropriations Act, 2021 (Pub. L. 116–260, section 501(j)), and the American Rescue Plan Act of 2021 (Pub. L. 117–2, section 3201). This exclusion also applies to assets.

PART II: ADJUSTED INCOME

6-II.A. INTRODUCTION

Overview

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

5.611(a) Mandatory deductions. In determining adjusted income, the responsible entity [AHA] must deduct the following amounts from annual income:

- (1) \$480 for each dependent;
- (2) \$400 for any elderly family or disabled family;
- (3) The sum of the following, to the extent the sum exceeds three percent of annual income:
 - (i) Unreimbursed medical expenses of any elderly family or disabled family;
 - (ii) Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with disabilities, to the extent necessary to enable any member of the family (including the member who is a person with disabilities) to be employed. This deduction may not exceed the earned income received by family members who are 18 years of age or older and who are able to work because of such attendant care or auxiliary apparatus; and
- (4) Any reasonable child care expenses necessary to enable a member of the family to be employed or to further his or her education.

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

Anticipating Expenses

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

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

6-II.B. DEPENDENT DEDUCTION

A deduction of \$480 is taken for each dependent [24 CFR 5.611(a)(1)]. *Dependent* is defined as any family member other than the head, spouse, or cohead who is under the age of 18 or who is 18 or older and is a person with disabilities or a full-time student. Foster children, foster adults, and live-in aides are never considered dependents [24 CFR 5.603(b)].

6-II.C. ELDERLY OR DISABLED FAMILY DEDUCTION

A single deduction of \$400 is taken for any elderly or disabled family [24 CFR 5.611(a)(2)]. An *elderly family* is a family whose head, spouse, cohead, or sole member is 62 years of age or older, and a *disabled family* is a family whose head, spouse, cohead, or sole member is a person with disabilities [24 CFR 5.403].

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

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

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

Definition of Medical Expenses

HUD regulations define *medical expenses* at 24 CFR 5.603(b) to mean “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.”

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

Summary of Allowable Medical Expenses from IRS Publication 502*:

<ul style="list-style-type: none"> • Services of medical professionals • Surgery and medical procedures that are necessary, legal, noncosmetic • Services of medical facilities • Hospitalization, long-term care, and in-home nursing services • Prescription medicines and insulin, but <u>not</u> nonprescription medicines even if recommended by a doctor • Improvements to housing directly related to medical needs (e.g., ramps for a wheel chair, handrails) 	<ul style="list-style-type: none"> • Substance abuse treatment programs • Psychiatric treatment • Ambulance services and some costs of transportation related to medical expenses • The cost and care of necessary equipment related to a medical condition (e.g., eyeglasses/lenses, hearing aids, crutches, and artificial teeth) • Cost and continuing care of necessary service animals • Medical insurance premiums or the cost of a health maintenance organization (HMO)
<p>• Note: This chart provides a summary of eligible medical expenses only. Detailed information is provided in IRS Publication 502. Medical expenses are considered only to the extent they are not reimbursed by insurance or some other source.</p>	

*Note: This chart provides a summary of eligible medical expenses only. Detailed information is provided in IRS Publication 502. Medical expenses are considered only to the extent they are not reimbursed by insurance or some other source.

Families That Qualify for Both Medical and Disability Assistance Expenses

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

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

6-II.E. DISABILITY ASSISTANCE EXPENSES DEDUCTION [24 CFR 5.603(B) AND 24 CFR 5.611(A)(3)(II)]

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

and (4) do not exceed the earned income received by the family member who is enabled to work.

Earned Income Limit on the Disability Assistance Expense Deduction

A family can qualify for the disability assistance expense deduction only if at least one family member (who may be the person with disabilities) is enabled to work [24 CFR 5.603(b)].

The disability expense deduction is capped by the amount of “earned income received by family members who are 18 years of age or older and who are able to work” because of the expense [24 CFR 5.611(a)(3)(ii)]. The earned income used for this purpose is the amount verified before any earned income disallowances or income exclusions are applied.

The family must identify the family members enabled to work as a result of the disability assistance expenses. In evaluating the family’s request, the AHA will consider factors such as how the work schedule of the relevant family members relates to the hours of care provided, the time required for transportation, the relationship of the family members to the person with disabilities, and any special needs of the person with disabilities that might determine which family members are enabled to work.

When the AHA determines that the disability assistance expenses enable more than one family member to work, the expenses will be capped by the sum of the family members’ incomes.

Eligible Disability Expenses

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

HUD advises PHAs to further define and describe auxiliary apparatus [VG, p. 30].

Eligible Auxiliary Apparatus

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

Eligible Attendant Care

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

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

Attendant care expenses will be included for the period that the person enabled to work is employed plus reasonable transportation time. The cost of general housekeeping and

personal services is not an eligible attendant care expense. However, if the person enabled to work is the person with disabilities, personal services necessary to enable the person with disabilities to work are eligible.

If the care attendant also provides other services to the family, the AHA will prorate the cost and allow only that portion of the expenses attributable to attendant care that enables a family member to work. For example, if the care provider also cares for a child who is not the person with disabilities, the cost of care must be prorated. Unless otherwise specified by the care provider, the calculation will be based upon the number of hours spent in each activity and/or the number of persons under care.

Payments to Family Members

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

Necessary and Reasonable Expenses

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

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

Families That Qualify for Both Medical and Disability Assistance Expenses

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

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

6-II.F. CHILD CARE EXPENSE DEDUCTION

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

Clarifying the Meaning of *Child* for This Deduction

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

Qualifying for the Deduction

Determining Who Is Enabled to Pursue an Eligible Activity

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

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

Seeking Work

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

Furthering Education

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

Being Gainfully Employed

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

Earned Income Limit on Child Care Expense Deduction

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

The earned income used for this purpose is the amount of earned income verified after any earned income disallowances or income exclusions are applied.

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

The AHA must not limit the deduction to the least expensive type of child care. If the care allows the family to pursue more than one eligible activity, including work, the cap is calculated in proportion to the amount of time spent working.

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

Eligible Child Care Expenses

The type of care to be provided is determined by the assisted family. The AHA may not refuse to give a family the child care expense deduction because there is an adult family member in the household that may be available to provide child care [VG, p. 26].

Allowable Child Care Activities

For school-age children, costs attributable to public or private school activities during standard school hours are not considered.

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

If a child care provider also renders other services to a family or child care is used to enable a family member to conduct activities that are not eligible for consideration, the AHA will prorate the costs and allow only that portion of the expenses that is attributable to child care for eligible activities. For example, if the care provider also cares for a child with disabilities who is 13 or older, the cost of care will be prorated. Unless otherwise specified by the child care provider, the calculation will be based upon the number of hours spent in each activity and/or the number of persons under care.

Necessary and Reasonable Costs

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

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

PART III: CALCULATING FAMILY SHARE AND AHA SUBSIDY

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

TTP FORMULA [24 CFR 5.628]

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

- 30 percent of the family's monthly adjusted income (adjusted income is defined in Part II)
- 10 percent of the family's monthly gross income (annual income, as defined in Part I, divided by 12)
- The welfare rent (in as-paid states only)
- A minimum rent between \$0 and \$50 that is established by the AHA

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

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

Welfare Rent [24 CFR 5.628]

Welfare rent does not apply in this locality.

Minimum Rent [24 CFR 5.630]

The minimum rent for this locality is \$50.

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

If a family chooses a unit with a gross rent (rent to owner plus an allowance for tenant-paid utilities) that exceeds the AHA's applicable payment standard: (1) the family will pay more than the TTP, and (2) at initial occupancy the AHA may not approve the tenancy if it would require the family share to exceed 40 percent of the family's monthly adjusted income. (For a discussion of the application of payment standards, see section 6-III.C.)

AHA Subsidy [24 CFR 982.505(b)]

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

Utility Reimbursement [24 CFR 982.514(b)]

When the AHA subsidy for a family exceeds the rent to owner, the family is due a utility reimbursement. The AHA will make utility reimbursements to the family.

6-III.B. FINANCIAL HARDSHIPS AFFECTING MINIMUM RENT [24 CFR 5.630]

In the jurisdiction of the AHA, the minimum rent is set at \$50.00. This is the minimum monthly rent used to set the HCV subsidy. Exceptions may be granted in the case of financial hardship. The following are hardships, which would be granted an exception to the minimum monthly rent:

- Delay in benefits from start of unemployment or disability; exception would be granted until benefits begin. In such cases, the AHA will counsel families as to the availability of services in the area.
- When the family has lost eligibility for or is awaiting an eligibility determination for a federal, state, or local assistance program;
- When the income of the family has decreased because of changed circumstances, including loss of employment;
- When a death has occurred in the family; and
- Other circumstances determined by the AHA.

If the AHA determines that there is a qualifying financial hardship, but that it is temporary, a minimum rent will not be imposed for a period of 90 days from the date of the family's request. At the end of the 90-day suspension period, a minimum rent is imposed retroactively to the time of suspension. The family will be offered a payment agreement for the amount of back rent owed.

If the AHA determines there is a qualifying long-term financial hardship the family will be exempt from any minimum rent requirements. If the AHA determines that there is no qualifying financial hardship exemption the minimum rent will be reinstated including the back payment for the minimum rent from the time of the suspension on terms and conditions established by the AHA.

6-III.C. HARDSHIP POLICIES FOR FAMILIES AND PARTICIPANTS INCLUDED IN MTW

Families participating in the MTW program have additional hardship policies for some MTW activities. The AHA has Hardship Policies for two of its activities: implementation of the payment standard and its alternative reexamination schedule.

HARDSHIP POLICY- PAYMENT STANDARD – FMR

This Moving to Work (MTW) activity allows the agency to change Payment Standard based on an expanded range of 80% to 150% of the Fair Market Rents (FMR) by bedroom size.

The agency applies increased payment standards during the following participant events:

1. Regular reexamination of household income and composition.
2. When an owner requests a rent increase.

A financial hardship for a decrease in payment standards are only for families where 1) the payment standard would decrease in an established unit (not at unit transfers or issuance of vouchers), 2) where the payment standard is set less than 90% of the FMR, and 3) where:

- the family has experienced a decrease in income because of changed circumstances, including loss or reduction of employment, death in the assisted family, or reduction in or loss of earnings or other assistance; and
- the family has experienced an increase in expenses, because of changed circumstances, for medical costs, childcare, transportation, education, or similar items.

Request a Hardship

To qualify for a hardship exemption when the payment standard is set less than 90% of the FMR, a family must submit a request for a hardship exemption in writing to hardshiprequest@alamedahsg.org. A paper request may be submitted at the Agency's offices, but it will be scanned and e-mailed to this address for tracking purposes. The request must explain the nature of the hardship and how the hardship has affected the family's ability to pay rent.

Determination of Hardship

When a family requests a financial hardship exemption, the AHA must suspend the MTW activity while the request is being processed beginning the first of the month following the family's request until the AHA has determined if the request is warranted. This means the AHA will set the family's payment standard at 90% until the determination of the hardship is determined.

During this suspension, the AHA will determine whether the financial hardship exists and whether the hardship is temporary or long-term. AHA defines temporary hardship as a hardship expected to last 90 days or less. Long-term hardship is defined as a hardship expected to last more than 90 days.

AHA will determine the nature of the hardship within 30 calendar days of the request being received. If the AHA requests information from the family and it is not received within the 30 days after the original request was made, the AHA may deny the request and require the family to repay the additional assistance paid during the suspension of the MTW activity period.

No Financial Hardship

If AHA determines there is no financial hardship, AHA will reinstate the reduced payment standard and require the family to repay the additional assistance paid during the suspension of the MTW activity period.

AHA will require the family to repay the suspended amount within 30 calendar days of AHA's notice that a hardship exemption has not been granted.

Temporary Hardship

If AHA determines that a qualifying financial hardship is temporary, AHA must suspend the MTW activity for the 90-day period beginning the first of the month following the date of the family's request for a hardship exemption.

At the end of the 90-day suspension period, the family must resume payment of their portion of the rent including the calculation of the decreased payment standard and must repay the AHA the amounts suspended. This repayment, upon request of the household, will be subject to a repayment plan under the AHA's repayment agreement policies if eligible.

Long-Term Hardship

If AHA determines that the financial hardship is long-term, AHA must exempt the family from the MTW activity for so long as the hardship continues. The exemption will apply from the first of the month following the family's request until the later of the end of the qualifying hardship event or the family's second regular reexamination after the decrease in payment standards was implemented. When the financial hardship has been determined to be long-term, the family is not required to repay the additional subsidy paid under the hardship.

Grievance procedure:

The family may request a second level review of the denied hardship request by submitting a written appeal to hardshiprequest@alamedahsg.org. This appeal should contain any information the family would like to be considered during the appeal review including why the family believes the incorrect determination was made. The appeal will be reviewed by a different staff member than the one that made the original determination. Also, any staff reporting to the staff member making the original denial will be ineligible to review the appeal request. The appeal will be reviewed and responded to within 14 calendar days of receipt of the appeal.

If the second review results in the same decision as the original request, the family may request an Informal Hearing according to the AHA's Informal Hearing procedures stated in Chapter 15.

HARDSHIP POLICY- ALTERNATIVE REEXAMINATION SCHEDULE FOR HOUSEHOLDS

This Moving to Work (MTW) activity allows the agency to establish an alternative reexamination schedule including placing a limit on the number of interim reexaminations between regular reexaminations.

The AHA is limiting households to one interim per year if the household gross income has decreased 10% or more or for a family composition change. The landlord may request one interim a year for a rent increase.

For households not claiming \$0 income, the regular reexamination schedule will be once every three years. For those families claiming \$0 income, there will be a regular reexamination once a year and a zero-income certification will be required every 90 days. If income from outside the house is disclosed on this form, such as family contributions, the income will be added to the family's income for rent calculation purposes.

As prior to this activity, families under Income Averaging will not receive a decrease unless the family permanently loses the source of income that is cyclical.

If a family receives an income decrease for less than 10% or less than 6-months, the family may submit a hardship request for the first interim decrease if:

- The family's income decreases to \$0 or
- The decrease is anticipated to be longer than 30 days without a secondary source of income anticipated to increase. For example, families who lose wage income can anticipate a payment of unemployment, so the decrease would not be processed until the unemployment process is completed or
- The family faces eviction.

A financial hardship for an alternative reexamination schedule are for families that face eviction due to a secondary annual decrease of income and if one of the following has occurred:

- The family has experienced a decrease in income because of changed circumstances, including loss or reduction of employment, death in the assisted family, or reduction in or loss of earnings or other assistance;
- The family has experienced an increase in expenses, because of changed circumstances, for medical costs, childcare, transportation, education, or similar items; or
- The loss of income is through no fault of the family, the decreased income results in a decrease of the rent portion greater than 10 percent, the decrease is not due to a sanction on public assistance income, and the family provides verification of eligibility or ineligibility for unemployment benefits if the reduced income is due to loss of employment

Requested a Hardship

To qualify for a hardship exemption for additional reexaminations, a family must submit a request for a hardship exemption in writing to hardshiprequest@alamedahsg.org. A paper request may be submitted at the Agency's offices, but it will be scanned and e-mailed to this address for tracking purposes. The request must explain the nature of the hardship and how the hardship has affected the family's ability to pay rent. If the family is claiming to be facing eviction, they must submit a copy of a Termination of Tenancy, the eviction notice or a self-certification, signed under penalty of perjury, along with the hardship request. If the family submits a self-certification that the family is facing eviction, the Agency may verify that with the landlord.

Determination of Hardship

When a family requests a financial hardship exemption, the AHA must suspend the MTW activity while the request is being processed beginning the first of the month following the family's request until the AHA has determined if the request is warranted. This means the AHA will conduct a reexamination and recalculate the family's portion of rent based on current circumstances until the determination of the hardship is determined.

During this suspension, the AHA will determine whether the financial hardship exists and whether the hardship is temporary or long-term. AHA defines temporary hardship as a hardship expected to last 90 days or less. Long-term hardship is defined as a hardship expected to last more than 90 days.

AHA will determine the nature of the hardship within 30 calendar days of the request being received. If the AHA requests information from the family and it is not received within the 30 days after the original request was made, the AHA may deny the request and require the family to repay the additional assistance paid during the suspension of the MTW activity period.

No Financial Hardship

If AHA determines there is a minimal or no financial hardship, AHA will reinstate the family's previously calculated share and require the family to repay the additional assistance paid during the suspension of the MTW activity period.

AHA will require the family to repay the suspended amount within 30 calendar days of AHA's notice that a hardship exemption has not been granted.

Temporary Hardship

If AHA determines that a qualifying financial hardship is temporary, AHA must suspend the MTW activity for the 90-day period beginning the first of the month following the date of the family's request for a hardship exemption.

At the end of the 90-day suspension period, the family must resume payment of their portion of the rent as previously determined by the AHA and must repay the AHA the amounts suspended. This repayment, upon request of the household, will be subject to a repayment plan under the AHA's repayment agreement policies if eligible.

Long-Term Hardship

If AHA determines that the financial hardship is long-term, AHA must exempt the family from the MTW activity for so long as the hardship continues. The exemption will apply

from the first of the month following the family's request until the later of the end of the qualifying hardship event or the family's next regularly scheduled reexamination. When the financial hardship has been determined to be long-term, the family is not required to repay the additional subsidy paid under the hardship.

Grievance procedure:

The family may request a second level review of the denied hardship request by submitting a written appeal to hardshiprequest@alamedahsg.org. This appeal should contain any information the family would like to be taken into account during the appeal review including why the family believes the incorrect determination was made. The appeal will be reviewed by a different staff member than the one that made the original determination. Also, any staff reporting to the staff member making the original denial will be ineligible to review the appeal request. The appeal will be reviewed and responded to within 14 calendar days of receipt of the appeal.

If the second review results in the same decision as the original request, the family may request an Informal Hearing according to the AHA's Informal Hearing procedures stated in Chapter 15.

6-III.D. APPLYING PAYMENT STANDARDS [24 CFR 982.505]

Overview

The AHA's schedule of payment standards is used to calculate housing assistance payments for HCV families. This section covers the application of the AHA's payment standards. The establishment and revision of the AHA's payment standard schedule are covered in Chapter 15.

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

The payment standard for a family is the lower of (1) the payment standard for the family unit size, which is defined as the appropriate number of bedrooms for the family under

the AHA's subsidy standards [24 CFR 982.4(b)], or (2) the payment standard for the size of the dwelling unit rented by the family.

If the AHA establishes an exception payment standard for a designated part of an FMR area and a family's unit is located in the exception area, the AHA will use the appropriate payment standard for the exception area.

The AHA will pay a monthly housing assistance payment (HAP) for a family that is the lower of (1) the payment standard for the family minus the family's TTP or (2) the gross rent for the family's unit minus the TTP.

Changes in Payment Standards

When the AHA revises its payment standards during the term of the HAP contract for a family's unit, it will apply the new payment standards in accordance with HUD regulations and approved MTW activities.

Decreases

If the payment standard decreases, the family will receive the higher (old) payment standard while the family continues to receive voucher assistance in that unit as long as the family composition does not change. If the family composition changes and the result is a reduction in subsidy size, the new payment standard will be applied at the next regular reexamination an interim one (1) year from the date of removal when the subsidy size is changed.

If the family moves, the new payment standard will be applied to the new unit.

Increases

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

For families and participants not included in MTW:

Families requiring or requesting interim reexaminations will not have their HAP payments calculated using the higher payment standard until their next regular reexamination [HCV GB Payment Standards page 16].

For families and participants included in MTW:

Payment standard increases will be applied when owner rent increases are applied. Increases can also be requested during an interim only for family size changes. See next section for more information.

Changes in Family Size

Irrespective of any increase or decrease in the payment standard, if the family size increases or decreases during the HAP contract term, the new family size must be used to determine the payment standard for the family beginning at earlier of the family's first regular reexamination following the change in family size or 12 months from the date of the new family size at which point an interim would be conducted.

For families and participants included in MTW:

After a change in family size, a request may be made for application of a larger payment standard between regular reexaminations may be made when the family is over-housed, but the interim will count towards the one interim per year cap.

Reasonable Accommodation

If a family requires a higher payment standard as a reasonable accommodation for a family member who is a person with disabilities, the AHA is allowed to establish a higher payment standard for the family within the basic range.

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

Overview

An AHA-established utility allowance schedule is used in determining family share and AHA subsidy. The AHA must use the appropriate utility allowance under HUD regulations. The Utility Allowance will be the lower of 1) the utility allowance amount for the family subsidy size or 2) the utility allowance amount for the bedroom size of the assisted unit. See Chapter 5 for information on the AHA's subsidy standards.

For policies on establishing and updating utility allowances, see Chapter 15.

Reasonable Accommodation

The AHA will approve a utility allowance amount higher than shown on the AHA's schedule if a higher allowance is needed as a reasonable accommodation for a family member with a disability. For example, if a family member with a disability requires such an accommodation, the AHA will approve an allowance for air-conditioning, even if the AHA has determined that an allowance for air-conditioning generally is not needed.

In cases where the unit size leased exceeds the family unit size, the AHA may use the utility allowance for the size of the dwelling unit actually leased as a reasonable accommodation.

The family must request these higher allowances and provide the AHA with an explanation of the need for the reasonable accommodation and information about the amount of additional allowance required [HCV GB Utility Allowances pg. 7]. The AHA will verify all information provided.

Utility Allowance Revisions

At reexamination, the AHA will use the AHA current utility allowance schedule [24 CFR 982.517(d)(2)].

Revised utility allowances will be applied to a family's rent and subsidy calculations at the regular reexamination that is effective after the allowance is adopted.

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

HUD regulations prohibit assistance to ineligible family members. A *mixed family* is one that includes at least one U.S. citizen or eligible immigrant and any number of ineligible family members. The AHA must prorate the assistance provided to a mixed family. The

AHA will first determine assistance as if all family members were eligible and then prorate the assistance based upon the percentage of family members that actually are eligible. For example, if the AHA subsidy for a family is calculated at \$500 and two of four family members are ineligible, the AHA subsidy would be reduced to \$250.

EXHIBIT 6-1: ANNUAL INCOME INCLUSIONS

24 CFR 5.609 Annual Income

(a) Annual income means all amounts, monetary or not, which:

(1) Go to, or on behalf of, the family head or spouse (even if temporarily absent) or to any other family member; or

(2) Are anticipated to be received from a source outside the family during the 12-month period following admission or annual reexamination effective date; and

(3) Which are not specifically excluded in paragraph (c) of this section.

(4) Annual income also means amounts derived (during the 12-month period) from assets to which any member of the family has access.

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

(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 depreciation is permitted only as authorized in paragraph (b)(2) 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, 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;

(4) The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount (except as provided in paragraph (c)(14) of this section);

(5) Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except as provided in paragraph (c)(3) of this section);

(6) Welfare assistance payments.

(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 260.31¹; and

(B) Are not otherwise excluded under paragraph (c) of 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.

(7) 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;

(8) All regular pay, special pay and allowances of a member of the Armed Forces (except as provided in paragraph (c)(7) of this section).

(9) For section 8 programs only and as provided in 24 CFR 5.612, any financial assistance, in excess of amounts received for tuition and any other required fees or charges, that an individual receives under the Higher Education Act of 1965 (20 U.S.C. 1002 et seq.), from private sources,

or from an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall be considered income to that individual, except that financial assistance described in this paragraph is not considered annual income for persons over the age of 23 with dependent children. For purposes of this paragraph, "financial assistance" does not include loan proceeds for the purpose of determining income.

HHS DEFINITION OF "ASSISTANCE"

45 CFR: General Temporary Assistance for Needy Families

260.31 What does the term "assistance" mean?

(a)(1) The term "assistance" includes cash, payments, vouchers, and other forms of benefits designed to meet a family's ongoing basic needs (i.e., for food, clothing, shelter, utilities, household goods, personal care items, and general incidental expenses).

(2) It includes such benefits even when they are:

(i) Provided in the form of payments by a TANF agency, or other agency on its behalf, to individual recipients; and

(ii) Conditioned on participation in work experience or community service (or any other work activity under 261.30 of this chapter).

(3) Except where excluded under paragraph (b) of this section, it also includes supportive services such as transportation and child care provided to families who are not employed.

¹ Text of 45 CFR 260.31 follows.

(b) [The definition of “assistance”] excludes: (1) Nonrecurrent, short-term benefits that:

(i) Are designed to deal with a specific crisis situation or episode of need;

(ii) Are not intended to meet recurrent or ongoing needs; and

(iii) Will not extend beyond four months.

(2) Work subsidies (i.e., payments to employers or third parties to help cover the costs of employee wages, benefits, supervision, and training);

(3) Supportive services such as child care and transportation provided to families who are employed;

(4) Refundable earned income tax credits;

(5) Contributions to, and distributions from, Individual Development Accounts;

(6) Services such as counseling, case management, peer support, child care information and referral, transitional services, job retention, job advancement, and other employment-related services that do not provide basic income support; and

(7) Transportation benefits provided under a Job Access or Reverse Commute project, pursuant to section 404(k) of [the Social Security] Act, to an individual who is not otherwise receiving assistance.

EXHIBIT 6-2: ANNUAL INCOME EXCLUSIONS

24 CFR 5.609

(c) Annual income does not include the following:

(1) Income from 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 persons with disabilities, unrelated to the tenant 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 and settlement for personal or property losses (except as provided in paragraph (b)(5) of this section);

(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, as defined in Sec. 5.403;

(6) Subject to Paragraph (b)(9) of this section, the full amount of student financial assistance paid directly to the student or to the educational institution;

(7) The special pay to a family member serving in the Armed Forces who is exposed to hostile fire;

(8) (i) Amounts received under training programs funded by HUD;

(ii) Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);

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

(iv) 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 PHA or owner, on a part-time basis, that enhances the quality of life in the development. Such services may include, but are not limited to, fire patrol, hall monitoring, lawn maintenance, resident initiatives coordination, and serving as a member of the PHA's governing board. No resident may receive more than one such stipend during the same period of time;

(v) Incremental earnings and benefits resulting to any family member from participation in qualifying State or local employment training programs (including training programs not affiliated with a local government) and training of a family member as 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;

(9) Temporary, nonrecurring or sporadic income (including gifts);

(10) Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;

(11) Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household and spouse);

(12) Adoption assistance payments in excess of \$480 per adopted child;

(13) [Reserved]

(14) Deferred periodic amounts from supplemental security income and social security benefits that are received in a lump sum amount or in prospective monthly amounts.

(15) Amounts received by the family in the form of refunds or rebates under State or local law for property taxes paid on the dwelling unit;

(16) Amounts paid by a State agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home; or

(17) Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits under a category of assistance programs that includes assistance under any program to which the exclusions set forth in 24 CFR 5.609(c) apply. A notice will be published in the Federal Register and distributed to PHAs and housing owners identifying the benefits that qualify for this exclusion.

Updates will be published and distributed when necessary. [See the following chart for a list of benefits that qualify for this exclusion.]

Sources of Income Excluded by Federal Statute from Consideration as Income for Purposes of Determining Eligibility or Benefits

a) The value of the allotment provided to an eligible household under the Food Stamp Act of 1977 (7 U.S.C. 2017 (b));

b) Payments, including for supportive services and reimbursement of out-of-pocket expenses, to Volunteers under the Domestic Volunteer Services Act of 1973 (42 U.S.C. 5044(g), 5058);

c) Payments received under the Alaska Native Claims Settlement Act (43 U.S.C. 1626(c));

d) Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes (25 U.S.C. 459e);

e) Payments or allowances made under the Department of Health and Human Services' Low-Income Home Energy Assistance Program (42 U.S.C. 8624(f));

f) Income derived from the disposition of funds to the Grand River Band of Ottawa Indians (Pub.L- 94-540, 90 Stat. 2503-04);

g) The first \$2000 of per capita shares received from judgment funds awarded by the Indian Claims Commission or the U. S. Claims Court, the interests of individual Indians in trust or restricted lands, including the first \$2000 per year of income received by individual Indians from funds derived from interests held in such trust or restricted lands (25 U.S.C. 1407-1408);

h) Amounts of scholarships funded under title IV of the Higher Education Act of 1965, including awards under federal work-study

program or under the Bureau of Indian Affairs student assistance programs (20 U.S.C. 1087uu). For Section 8 programs, any financial assistance in excess of amounts received by an individual for tuition and any other required fees and charges under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.), from private sources, or an institution of higher education (as defined under the Higher Education Act of 1965), shall not be considered income to that individual if the individual is over the age of 23 with dependent children (Pub. L. 109-115, section 327) (as amended);

i) Payments received from programs funded under Title V of the Older Americans Act of 1985 (42 U.S.C. 3056(f));

j) Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund or any other fund established pursuant to the settlement in In Re Agent Orange liability litigation, M.D.L. No. 381 (E.D.N.Y.) (Pub. L. 101-201 and 101-39);

k) Payments received under the Maine Indian Claims Settlement Act of 1980 (Public Law 96-420, 25 U.S.C. 1721);

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

m) The amount of any refund (or advance payment with respect to a

refundable credit) issued under the Internal Revenue Code is excluded from income and assets for a period of 12 months from receipt (26 U.S.C. 6409);

n) Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the

Apache Tribe of Mescalero Reservation (Pub. L. 95-433);

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

p) Any allowance paid to children of Vietnam veterans born with spina bifida (38 U.S.C. 1802-05), children of women Vietnam veterans born with certain birth defects (38 U.S.C. 1811-16), and children of certain Korean and Thailand service veterans born with spina bifida (38 U.S.C. 1821-22) is excluded from income and assets (38 U.S.C. 1833(c)).

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

r) Allowances, earnings and payments to individuals participating in programs under the Workforce Investment Act of 1998 (29 U.S.C. 2931);

s) Any amount received under the School Lunch Act and the Child Nutrition Act of 1966 (42 U.S.C. 1780 (b)), including reduced-price lunches and food under the Special Supplemental Food Program for Women, Infants, and Children (WIC);

t) Payments, funds or distributions authorized, established, or directed by the Seneca Nation Settlement Act of 1990 (25 U.S.C. 1774f(b));

u) Payments from any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts as provided by an amendment to the

definition of annual income in the U.S. Housing Act of 1937 (42 U.S.C. 1437) by Section 2608 of the Housing and Economic Recovery Act of 2008 (Pub. L. 110-289, 42 U.S.C. 4501);

v) Any amounts (i) not actually received by the family, (ii) that would

be eligible for exclusion under 42 U.S.C. 1382b(a)(7), and (iii) received for service-connected disability under 38 U.S.C. chapter 11 or dependency and indemnity compensation under 38

U.S.C. chapter 13 (25 U.S.C. 4103(9)(C)) as provided by an amendment by the Indian Veterans Housing Opportunity Act of 2010 (Pub. L. 111-269 section 2) to the definition of income applicable to programs under the Native American Housing Assistance and Self Determination Act (NAHASDA) (25 U.S.C. 4101 et seq.);

w) Compensation received by or on behalf of a veteran for service-connected disability, death, dependency, or indemnity compensation as provided by an amendment by the Indian Veterans Housing Opportunity Act of 2010 (Pub. L. 111-269) to the definition of income applicable to programs authorized under the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101) and administered by the Office of Native American Programs; and

x) A lump sum or a periodic payment received by an individual Indian pursuant to the Class Action Settlement Agreement in the case entitled *Elouise Cobell et al. v. Ken Salazar et al.*, 816 F.Supp.2d 10 (Oct. 5, 2011 D.D.C.), for a period of one year from the time of receipt of that payment as provided in the Claims Resolution Act of 2010 (Pub. L. 111-291);

y) Any amounts in an “individual development account” are excluded from

assets and any assistance, benefit, or amounts earned by or provided to the individual development account are excluded from income, as provided by the Assets for Independence Act, as amended in 2002 (Pub.L. 107-110, 42 U.S.C. 604(h)(4));

z) Per Capita payments made from the proceeds of Indian Tribal Trust Settlements listed in IRS Notice 2013- 1 and 2013-55 must be excluded from annual income unless the per capita

payments exceed the amount of the original Tribal Trust Settlement proceeds and are made from a Tribe’s private bank account in which the Tribe has deposited the settlement proceeds. Such amounts received in excess of the Tribal Trust Settlement are included in the gross income of the members of the Tribe receiving the per capita payments as described in IRS Notice 2013-1. The first \$2,000 of per capita payments are also excluded from assets unless the per capita payments exceed the amount of the original Tribal Trust Settlement proceeds and are made from a Tribe’s private bank account in which the Tribe has deposited the settlement proceeds (25 U.S.C. 117b(a), 25 U.S.C. 1407);

aa) Major disaster and emergency assistance received by individuals and families under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Pub.L. 93-288, as amended) and comparable disaster assistance provided by States, local governments, and disaster assistance organizations (42 U.S.C. 5155 (d)). This exclusion also applies to assets;

bb) Any amount in an Achieving Better Life Experience (ABLE) account, distributions from and certain contributions to an ABLE account established under the ABLE Act of 2014 (Pub. L. 113-295.), as described in

Notice PIH 2019–09/H 2019–06 or subsequent or superseding notice is excluded from income and assets; and

cc) Assistance received by a household under the Emergency Rental Assistance Program pursuant to the Consolidated Appropriations Act, 2021 (Pub. L. 116–260, section 501(j)), and the American Rescue Plan Act of 2021 (Pub. L. 117–2, section

3201). This exclusion also applies to assets.

MTW INCOME EXCLUSIONS

Guaranteed Basic Income (see MTW Activity 1.w.)

EXHIBIT 6-3: TREATMENT OF FAMILY ASSETS

24 CFR 5.603(b) Net Family Assets

(1) Net cash value after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of capital investment, excluding interests in Indian trust land and excluding equity accounts in HUD homeownership programs. The value of necessary items of personal property such as furniture and automobiles shall be excluded.

(2) In cases where a trust fund has been established and the trust is not revocable by, or under the control of, any member of the family or household, the value of the trust fund will not be considered an asset so long as the fund continues to be held in trust. Any income distributed from the trust fund shall be counted when determining annual income under Sec. 5.609.

(3) In determining net family assets, PHAs or owners, as applicable, shall include the value of any business or family assets disposed of by an applicant or tenant for less than fair market value (including a disposition in trust, but not in a foreclosure or bankruptcy sale) during the two years preceding the date of application for the program or reexamination, as applicable, in excess of the consideration received therefor. In the case of a disposition as part of a separation or divorce settlement, the disposition will not be considered to be for less than fair market value if the applicant or tenant receives important consideration not measurable in dollar terms.

(4) For purposes of determining annual income under Sec. 5.609, the term "net family assets" does not include the value of a home currently being purchased with assistance under part 982, subpart M of this title. This exclusion is limited to the first 10 years after the purchase date of the home.

EXHIBIT 6-4: EARNED INCOME DISALLOWANCE FOR PERSONS WITH DISABILITIES

~~24 CFR 5.617 Self-sufficiency incentives for persons with disabilities Disallowance of increase in annual income.~~

~~(a) *Applicable programs.* The disallowance of earned income provided by this section is applicable only to the following programs: HOME Investment Partnerships Program (24 CFR part 92); Housing Opportunities for Persons with AIDS (24 CFR part 574); Supportive Housing Program (24 CFR part 583); and the Housing Choice Voucher Program (24 CFR part 982).~~

~~(b) *Definitions.* The following definitions apply for purposes of this section.~~

~~*Baseline income.* The annual income immediately prior to implementation of the disallowance described in paragraph (c)(1) of this section of a person with disabilities (who is a member of a qualified family).~~

~~*Disallowance.* Exclusion from annual income.~~

~~*Previously unemployed* includes a person with disabilities who has earned, in the twelve months previous to employment, no more than would be received for 10 hours of work per week for 50 weeks at the established minimum wage.~~

~~*Qualified family.* A family residing in housing assisted under one of the programs listed in paragraph (a) of this section or receiving tenant-based rental assistance under one of the programs listed in paragraph (a) of this section.~~

~~(1) Whose annual income increases as a result of employment of a family member who is a person with disabilities and who was previously unemployed for one or more years prior to employment;~~

~~(2) Whose annual income increases as a result of increased earnings by a family~~

~~member who is a person with disabilities during participation in any economic self-sufficiency or other job training program; or~~

~~(3) Whose annual income increases, as a result of new employment or increased earnings of a family member who is a person with disabilities, during or within six months after receiving assistance, benefits or services under 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 responsible entity in consultation with the local agencies administering temporary assistance for needy families (TANF) and Welfare-to-Work (WTW) 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.~~

~~(c) Disallowance of increase in annual income—~~

~~(1) *Initial 12-month exclusion.* During the 12-month period beginning on the date a member who is a person with disabilities of a qualified family is first employed or the family first experiences an increase in annual income attributable to employment, the responsible entity must exclude from annual income (as defined in the regulations governing the applicable program listed in paragraph (a) of this section) of a qualified family any increase in income of the family member who is a person with disabilities as a result of employment over prior income of that family member.~~

~~(2) *Second 12-month exclusion and phase-in.* Upon the expiration of the 12-month period defined in paragraph (c)(1) of this section and for the subsequent 12-month period, the responsible entity must exclude from annual income of a qualified family at least 50 percent of any increase in income of such family member as a result of employment over the family member's baseline income.~~

~~(3) *Maximum 2-year disallowance.* The disallowance of increased income of an individual family member who is a person with disabilities as provided in paragraph (c)(1) or (c)(2) of this section is limited to a lifetime 24-month period. The disallowance applies for a maximum of 12 months for disallowance under paragraph (c)(1) of this section and a maximum of 12 months for disallowance under paragraph (c)(2) of this section, during the 24-month period starting from the initial exclusion under paragraph (c)(1) of this section.~~

~~(4) *Effect of changes on currently participating families.* Families eligible for and participating in the disallowance of earned income under this section prior to May 9, 2016 will continue to be governed by this section in effect as it existed immediately prior to that date (see 24 CFR parts 0 to 199, revised as of April 1, 2016).~~

~~(d) *Inapplicability to admission.* The disallowance of increases in income as a result of employment of persons with disabilities under this section does not apply for purposes of admission to the program (including the determination of income eligibility or any income targeting that may be applicable).~~

-EXHIBIT 6-45: THE EFFECT OF WELFARE BENEFIT REDUCTION

24 CFR 5.615

Section 8 tenant-based assistance program: How welfare benefit reduction affects family income

(a) *Applicability.* This section applies to covered families who receive Section 8 tenant-based assistance (part 982 of this title).

(b) *Definitions.* The following definitions apply for purposes of this section:

Covered families. Families who receive welfare assistance or other public assistance benefits ("welfare benefits") from a State or other public agency ("welfare agency") under a program for which Federal, State, or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for such assistance.

Economic self-sufficiency program. See definition at Sec. 5.603.

Imputed welfare income. The amount of annual income not actually received by a family, as a result of a specified welfare benefit reduction, that is nonetheless included in the family's annual income for purposes of determining rent.

Specified welfare benefit reduction.

(1) A reduction of welfare benefits by the welfare agency, in whole or in part, for a family member, as determined by the welfare agency, because of fraud by a family member in connection with the welfare program; or because of welfare agency sanction against a family member for noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program.

(2) "Specified welfare benefit reduction" does not include a reduction or termination of welfare benefits by the welfare agency:

(i) at expiration of a lifetime or other time limit on the payment of welfare benefits;

(ii) because a family member is not able to obtain employment, even though the family member has complied with welfare agency economic self-sufficiency or work activities requirements; or

(iii) because a family member has not complied with other welfare agency requirements.

(c) *Imputed welfare income.*

(1) A family's annual income includes the amount of imputed welfare income (because of a specified welfare benefits reduction, as specified in notice to the AHA by the welfare agency), plus the total amount of other annual income as determined in accordance with Sec. 5.609.

(2) At the request of the AHA, the welfare agency will inform the AHA in writing of the amount and term of any specified welfare benefit reduction for a family member, and the reason for such reduction, and will also inform the AHA of any subsequent changes in the term or amount of such specified welfare benefit reduction. The AHA will use this information to determine the amount of imputed welfare income for a family.

(3) A family's annual income includes imputed welfare income in family annual income, as determined at the AHA's interim or regular reexamination of family income and composition, during the term of the welfare benefits reduction (as specified in information provided to the AHA by the welfare agency).

(4) The amount of the imputed welfare income is offset by the amount of additional income a family receives that commences after the time the sanction was imposed. When such additional income from other sources is at least equal to the imputed

(5) The AHA may not include imputed welfare income in annual income if the family was not an assisted resident at the time of sanction.

(d) Review of AHA decision.

A participant may request an informal hearing, in accordance with Sec. 982.555 of this title, to review the AHA determination of the amount of imputed welfare income that must be included in the family's annual income in accordance with this section. If the family claims that such amount is not correctly calculated in accordance with HUD requirements, and if the AHA denies the family's request to modify such amount, the AHA shall give the family written notice of such denial, with a brief explanation of the basis for the AHA determination of the amount of imputed welfare income. Such notice shall also state that if the family does not agree with the AHA determination, the family may request an informal hearing on the determination under the AHA hearing procedure.

(e) AHA relation with welfare agency.

(1) The AHA must ask welfare agencies to inform the AHA of any specified welfare benefits reduction for a family member, the reason for such reduction, the term of any such reduction, and any subsequent welfare agency determination affecting the amount or term of a specified welfare benefits reduction. If the welfare agency determines a specified welfare benefits reduction for a family member, and gives the AHA written notice of such reduction, the family's annual incomes shall include the imputed welfare income because of the specified welfare benefits reduction.

(2) The AHA is responsible for determining the amount of imputed welfare income that is included in the family's annual income as a result of a specified welfare benefits reduction as determined by the welfare agency, and specified in the notice by the welfare agency to the AHA. However, the AHA is not responsible for determining whether a reduction of welfare benefits by the welfare agency was correctly determined by the welfare agency in accordance with welfare program requirements and procedures, nor for providing the opportunity for review or hearing on such welfare agency determinations.

(3) Such welfare agency determinations are the responsibility of the welfare agency, and the family may seek appeal of such determinations through the welfare agency's normal due process procedures. The AHA shall be entitled to rely on the welfare agency notice to the AHA of the welfare agency's determination of a specified welfare benefits reduction.

CHAPTER 7

VERIFICATION

[24 CFR 982.516, 24 CFR 982.551, 24 CFR 5.230, 24 CFR 5.233, 24CFR 5.236]

INTRODUCTION

The AHA must verify information that is used to establish the family's eligibility and level of assistance and is required to obtain the family's consent to collect the information. Applicants and program participants must cooperate with the verification process as a condition of receiving assistance. The AHA must not pass on the cost of verification to the family.

The AHA will follow the verification guidance provided by HUD in PIH Notice 2017-12 Administrative Guidance for Effective and Mandated use of the Enterprise Income Verification (EIV) System, PIH Notice 2010-19 Administrative Guidance for Effective and Mandated use of the Enterprise Income Verification (EIV) System except as provided under approved MTW activities. This chapter summarizes those requirements and provides supplementary AHA policies.

There are four parts to this chapter:

Part I: General Verification Process. Describes the general verification process including required consent to release information forms and verification methods while the other parts describe more detailed requirements related to individual factors.

Part II: Family Information. Describes the verification process for family information including legal identity, Social Security Number, age, student status, disability, and immigration status.

Part III: Income and Assets. Describes the verification process for income including wages, periodic payments, and self-employment. Also includes the verification process for assets disposed of for less than fair market value, bank accounts, certificates of deposit, real property, personal property, and excluded income sources.

Part IV: Mandatory Deductions. Covers the definition and eligibility for deductions for dependents, medical expenses, disability assistance expenses, and child care expenses.

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

PART I. GENERAL VERIFICATION REQUIREMENTS

7-I.A. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 982.516 AND 982.551, 24 CFR 5.230]

The family must supply any information that the AHA or HUD determines is necessary to the administration of the program and must consent to AHA verification of that information [24 CFR 982.551].

Consent Forms

It is required that all adult applicants and participants sign form HUD-9886-A, Authorization for Release of Information. The purpose of form HUD-9886-A is to facilitate automated data collection and computer matching from specific sources and provides the family's consent only for the specific purposes listed on the form. HUD and the AHA may collect information from State Wage Information Collection Agencies (SWICAs) and current and former employers of adult family members. Only HUD is authorized to use form HUD-9886-A to collect information directly from the Internal Revenue Service (IRS) and the Social Security Administration (SSA). Adult family members must sign other consent forms as needed to collect information relevant to the family's eligibility and level of assistance.

Penalties for Failing to Consent [24 CFR 5.232]

If any family member who is required to sign a consent form fails to do so, the AHA will deny admission to applicants and terminate assistance of participants. The family may request an informal review (applicants) or informal hearing (participants) in accordance with AHA procedures.

7-I.B. OVERVIEW OF VERIFICATION REQUIREMENTS

HUD's Verification Hierarchy

HUD authorizes the AHA to use six methods to verify family information and specifies the circumstances in which each method will be used. In general HUD requires the AHA to use the most reliable form of verification that is available and to document the reasons when the AHA uses a lesser form of verification. In order of priority, the forms of verification that may be used are:

- Up-front Income Verification (UIV) using HUD's Enterprise Income Verification (EIV) System (not available for income verification of applicants)
- Up-front Income Verification (UIV) using non-HUD system whenever available
- Written Third Party Verification
- Written Third Party Verification Form
- Oral Third Party Verification
- Tenant Declaration

Each of the verification methods is discussed in subsequent sections below.

Requirements for Acceptable Documents

Any documents used for verification generally must be dated within the 60-day period preceding the reexamination or AHA request date. The documents must not be damaged, altered or in any way illegible.

Print-outs from web pages, e-mails and faxes are considered original documents.

The AHA staff member who views the original document must make a photocopy, annotate the copy with the name of the person who provided the document and the date the original was viewed, and sign the copy.

Any family self-declarations must be made in a format acceptable to the AHA.

For families not participating in the MTW program, HUD allows the AHA to obtain certifications in cases of assets less than \$5,000 and for fixed sources of income. During year one, the AHA will conduct a full reexamination and then during the next two years, AHA will obtain only self-certifications for households with assets less than \$5,000. During the same two years for these families, the AHA will evaluate if a source of income meets HUD's definition of a fixed-source income. If income is determined to be fixed, AHA will apply a 3rd party cost of living adjustment without obtaining further verification. If a family is determined eligible by the AHA for a triennial reexamination, assets will be verified during the year of the full reexamination.

For families participating in the MTW program, recertifications will be done once every three years and income must be verified. Asset income or assets over \$50,000 will be verified.

File Documentation

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

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

Up-front income verification (UIV) refers to the AHA's use of the verification tools available from independent sources that maintain computerized information about earnings and benefits. UIV will be used to the extent that these systems are available to the AHA. The Enterprise Income Verification (EIV) is a form of UIV and the AHA is required to use this system.

The AHA must restrict access to and safeguard UIV data in accordance with HUD guidance on security procedures, as issued and made available by HUD.

There may be legitimate differences between the information provided by the family and UIV-generated information. No adverse action can be taken against a family until the AHA has independently verified the UIV information and the family has been granted an opportunity to contest any adverse findings through the informal review/hearing process of the AHA.

If the family disputes the information obtained from UIV or EIV and is unable to provide acceptable documentation to support his/her dispute, AHA is required to obtain written third party verification.

Definition of Substantial Difference

UIV information is used differently depending upon whether there is a *substantial difference* between information provided by the family and the UIV information. PIH Notice 2017-12 Administrative Guidance for Effective and Mandated Use of the Enterprise Income Verification (EIV) System defines a substantial difference as an amount equal to or greater than \$2,400, annually.

See Chapter 6 for the AHA's policy on the use of UIV to project annual income and for the AHA's threshold for substantial difference.

When No Substantial Difference Exists

If UIV information does not differ substantially from family information, the UIV documentation may serve as verification.

When a Substantial Difference Exists

When there is a substantial difference between the information provided by the UIV source and the family, the AHA must take the following actions:

- Discuss the income discrepancy with the tenant; and
- Request the tenant to provide any documentation to confirm or dispute the unreported or underreported income and/or income sources; and
- In the event the tenant is unable to provide acceptable documentation to resolve the income discrepancy, the AHA is required to request from the third party source, any information necessary to resolve the income discrepancy; and
- If applicable, determine the tenant's underpayment of rent as a result of unreported or underreported income, retroactively; and
- Take any other appropriate action as directed by HUD.

Use of HUD's Enterprise Income Verification (EIV) System

HUD's EIV system contains data showing earned income, unemployment benefits, Social Security and SSI benefits for participant families. HUD requires the AHA to use the EIV system when available. The following policies will apply when the AHA has access to HUD's EIV system.

EIV Income Reports

The data shown on the EIV Income Report is regularly updated; however, data may be between 3 and 6 months old at the time reports are generated.

The AHA will obtain the EIV Income Report for regular reexaminations on a monthly basis. Reports will be generated as part of the regular reexamination process.

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

EIV Income Reports will be used in interim reexaminations to verify and calculate earned income, unemployment benefits, Social Security and/or SSI benefits, and to verify that families claiming zero income are not receiving income from any of these sources.

EIV Income Reports will be retained in a way that protects the participant's right to privacy and per EIV Security requirements.

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

Income Discrepancy Report (IDR)

The IDR is a tool for identifying families who may have concealed or under-reported income. Data in the IDR represents income for past reporting periods and may be between 6 months and 30 months old at the time IDRs are generated.

Families who have not concealed or under-reported income may appear on the IDR in some circumstances, such as loss of a job or addition of new family members.

The AHA will generate and review IDRs on a quarterly basis. The IDR threshold percentage will be adjusted as necessary based on the findings in the IDRs.

In reviewing IDRs, the AHA will begin with the largest discrepancies.

When the AHA determines that a participant appearing on the IDR has not concealed or under-reported income, the participant's name will be placed on a list of "false positive" reviews. To avoid multiple reviews in this situation, participants appearing on this list will be eliminated from IDR processing until a subsequent interim or regular reexamination has been completed.

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

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

EIV Identity Verification

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

When identity verification for a participant fails, a message will be displayed within the EIV system and no income information will be displayed.

The AHA will identify participants whose identity verification has failed as part of the regular reexamination process.

The AHA will attempt to resolve PIC/SSA discrepancies by reviewing file documents. When the PHA determines that discrepancies exist due to AHA errors such as spelling errors or incorrect birth dates, the errors will be corrected promptly.

7-I.D. THIRD PARTY VERIFICATIONS

Written Third Party Verification is defined by HUD as an original or authentic document generated by a third party source dated within the 60-day period preceding the reexamination or AHA request date. Such documentation may be in the possession of the tenant or applicant. Examples of acceptable tenant-provided documentation (generated by a third party source) include, but are not limited to: pay stubs, payroll summary report, employer notice/letter of hire/termination, SSA benefit verification letter, bank statements, child support payment stubs, welfare benefit letters and/or printouts, and unemployment monetary benefit notices.

If the participant is unable to provide an acceptable Written Third Party Verification, the AHA will move onto the next form of verification.

Upon failure to obtain UIV/EIV or a Written Third Party Verification, AHA will use a standardized Written Third Party Verification form to collect information from a third party source. Oral Third Party Verification, independent verification of information by contacting the Third Party via telephone or in-person visit will be used as the final attempt to obtain third party verification.

Reasonable Effort and Timing

The AHA will diligently seek third party verification using a combination of written and oral requests to verification sources. Information received orally from third parties may be used either to clarify information on third party written verifications or verification forms or as independent verification when written third party verification is not received in a timely fashion.

The AHA may mail, fax, e-mail, or hand deliver written third party verification forms and will accept third party responses using any of these methods. The AHA will make a request to the participant/applicant to supply written third party verifications and give the participant/applicant 14 calendar days to respond in writing to the request. If a response has not been received by the 15th calendar day, the AHA will request verification using a written third party verification form. The AHA will send a written request for verification to each required source and give the source 14 calendar days to respond in writing. If a response has not been received by the 15th calendar day, the AHA will request third party oral verification.

The AHA will make a minimum of two attempts, one of which may be oral, to obtain third party verification. A record of each attempt to contact the third party source (including no-answer calls) and all contacts with the source will be documented in the file. Regarding third party oral verification, AHA staff will record in the family's file the name and title of the person contacted, the date and time of the conversation (or attempt), the telephone number used, and the facts provided.

When any source responds verbally to the initial written request for verification the AHA will accept the verbal response as oral verification but will also request that the source complete and return any verification forms that were provided.

The AHA will document in the file how the AHA arrived at a final conclusion about the income or expense to include in its calculations.

When Third Party Information is Late

If the AHA receives third party verification that differs from the amounts used in income and rent determinations and it is past the deadline for processing the reexamination, the AHA will conduct an interim reexamination to adjust the figures used for the regular reexamination.

When Third Party Verification is Not Required

Certain Assets and Expenses

Applicant assets require ~~third-party~~ documentation; a self-declaration for most types of applicant asset income is not sufficient verification.

The AHA will determine that third-party verification is not available if the asset or expense involves an insignificant amount, making it not cost-effective or reasonable to obtain third-party verification [PIH Notice 2017-12]. AHA must document the file as to the reason(s) why third party verification was not available.

The AHA will accept a self-declaration from a family as verification of assets disposed of for less than fair market value .

For families and participants not included in MTW:

HUD allows the AHA to obtain certifications in cases of assets less than \$5,000 and for fixed sources of incomes. During year 1, the AHA will obtain verification of all income and assets. During the next two years, AHA will obtain only self-certifications for households with assets less than \$5,000. During the same two years for these families, the AHA will evaluate if a source of income meets HUD's definition of a fixed-source income. If income is determined to be fixed, AHA will apply a third-party cost of living adjustment without obtaining further verification. If a family is determined eligible by the AHA for a triennial reexamination, assets will be verified during the year of the full reexamination.

For families and participants included in MTW:

The AHA will allow program participants to provide self-certification under penalty of perjury of assets up to \$50,000-. No other verification for assets under \$50,000 is required. Assets are defined in 24 CFR 5.609. Assets that the family does not have access to such as irrevocable trusts and 401K accounts would not count towards this asset limit. New assets under \$50,000 do not need to be reported between triennials.

7-I.E. SELF DECLARATION

When information cannot be verified by a third party through Written Third Party Verifications, Written Third Party Verifications Forms, or Oral Third Party Verifications, family members will be required to submit self-declarations attesting to the accuracy of the information they have provided to the AHA.

The AHA may require a family to certify that a family member does not receive a particular type of income or benefit.

The self-declaration must be made in a format acceptable to the AHA and must be signed by the family member whose information or status is being verified.

For families and participants not included in MTW:

—Staff shall accept a family's declaration of the amount of assets of \$5,000 and less for years not requiring a third-party verification. This declaration must also include the amount of income expected to be received from those assets. The AHA's self-certification document or online recertification, which is signed by all adult family members 18 years of age and older, can serve as the declaration. Where the family has net family assets equal to or less than \$5,000, the AHA does not need to request supporting documentation (e.g. bank statements) from the family to confirm the assets or the amount of income

expected to be received from those assets. Where the family has net family assets in excess of \$5,000, the AHA must obtain supporting documentation (e.g. bank statements) from the family to confirm the assets.

For families and participants included in MTW:

Staff shall accept a family’s declaration of the amount of assets of \$50,000 and less. This declaration must also include the amount of income expected to be received from those assets. The AHA’s self-certification document or online recertification, which is signed by all adult family members 18 years of age and older, can serve as the declaration. Where the family has net family assets equal to or less than \$50,000, the AHA does not need to request supporting documentation (e.g. bank statements) from the family to confirm the assets or the amount of income expected to be received from those assets. Where the family has net family assets in excess of \$50,000, the AHA must obtain supporting documentation (e.g. bank statements) from the family to confirm the assets.

PART II. VERIFYING FAMILY INFORMATION

7-II.A. VERIFICATION OF LEGAL IDENTITY

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

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

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

If none of these documents can be provided, and at the AHA’s discretion, a third party who knows the person may attest to the person’s identity. The certification must be provided in a format acceptable to the AHA and be signed in the presence of an AHA representative or AHA notary public.

When a member of the household becomes an adult, i.e., turns 18, the AHA will require them to furnish a photo ID as verification of legal identity at the family’s next annual re-exam.

7-II.B. SOCIAL SECURITY NUMBERS [24 CFR 5.216 AND HCV GB ELIGIBILITY AND DETERMINATION OF ASSISTANCE PG. 14]

Applicants and participants (including each member of the household, and including live-in aides, foster children, and foster adults) are required to disclose his/her Social Security Administration (SSA)-assigned social security number with the exception of the following individuals:

- Individuals who do not contend to have eligible immigration status and have not been assigned a social security number.
- Existing program participants as of January 31, 2010 who have previously disclosed their social security number and HUD has determined the number valid.
- Existing program participants as of January 31, 2010, who are 62 years of age or older and had not previously disclosed a valid social security number.

For household members who meet the first exception above, a self-certification stating that no SSN has been issued is required. The self-certification must be executed personally by any family member 18 or older, or by a parent or guardian for a minor.

For all others, documentation of a disclosed social security number must be provided. Acceptable evidence of the social security number consists of an original social security card issued by the SSA; an original SSA document, that contains the social security number and name of the individual; or an original document issued by a federal, state, or local government agency, which contains the social security number and name of the individual.

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

If any family member obtains an SSN after admission to the program, the new SSN must be disclosed at the next regularly scheduled reexamination and verification must be submitted. If the family reports a SSN, but cannot provide acceptable documentation of the number, the AHA will require a self-certification stating that documentation of the SSN cannot be provided at this time. The AHA will require documentation of the SSN within 30 calendar days from the date of the family member's self-certification mentioned above. If the family is an applicant, assistance cannot be provided until proper documentation of the SSN is provided for all members over the age of 6 years. For children under the age of 6, proper documentation must be provided unless the child was added within 6 months of the issuance of voucher. In that case, the family has until 90 days after initial lease-up to provide the documentation.

The AHA will instruct the family to obtain a duplicate card from the local Social Security Administration (SSA) office.

The social security numbers of household members, such as live-in aids, must be verified by HUD requirement and for the purpose of conducting criminal background checks.

When a participant requests to add a new household member, who is at least six years of age or under the age of six and has a SSA-assigned social security number, to the family, the participant must disclose the social security number and provide acceptable

documentation as outlined above. The individual will not be added to the household until verification of the social security number is received.

If the household is requesting to add a minor, under six years of age and who does not have a SSA-assigned social security number, the household must disclose the SSA-assigned social security number and provide the above verification within 90 calendar days of the child being added to the household. The AHA may grant a 90-day extension to this deadline if the AHA determines that unforeseen factors outside of the control of the family delayed the submission of the documentation. The family's assistance will be terminated if the family fails to submit the verification of social security number before the AHA approved deadline.

7-II.C. DOCUMENTATION OF AGE

A birth certificate or other official record of birth is the preferred form of age verification for all family members. For elderly family members an original document that provides evidence of the receipt of social security retirement benefits is acceptable.

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

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

7-II.D. FAMILY RELATIONSHIPS

Applicants and program participants are required to identify the relationship of each household member to the head of household. Definitions of the primary household relationships are provided in the Eligibility chapter.

Family relationships are verified only to the extent necessary to determine a family's eligibility and level of assistance. Certification by the head of household normally is sufficient verification of family relationships.

Separation or Divorce

A certified copy of a divorce decree or other court record is required to document that a couple is divorced or legally separated. If no court document is available, the head of household will be required to certify that the divorce or separation has taken place.

Absence of Adult Member

If an adult member who was formerly a member of the household is reported to be permanently absent, the family must provide evidence to support that the person is no longer a member of the family (e.g., documentation of another address at which the person resides such as a lease or utility bill).

See Chapter 12 for absences of the entire family.

Foster Children and Foster Adults

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

7-II.E. VERIFICATION OF STUDENT STATUS

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

The family claims full-time student status for an adult other than the head, spouse, or cohead, or

The family claims a child care deduction to enable a family member to further his or her education.

Restrictions on Assistance to Students Enrolled in Institutions of Higher Education

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

In accordance with the verification hierarchy described in Section 7-1.B, the AHA will determine whether the student is exempt from the restrictions in 24 CFR 5.612 by verifying any one of the following exemption criteria:

- The student is enrolled at an educational institution that does not meet the definition of *institution of higher education* in the Higher Education Act of 1965 (see Section Exhibit 3-2).
- The student is at least 24 years old.
- The student is a veteran, as defined in Section 3-II.E.
- The student is married.
- The student has at least one dependent child, as defined in Section 3-II.E.
- The student was receiving assistance as of November 30, 2005 and is a person with a disability as defined in section 3(b)(3)(E) of the 1937 Act.

If the AHA cannot verify at least one of these exemption criteria, the AHA will conclude that the student is subject to the restrictions on assistance at 24 CFR 5.612. In addition to verifying the student's income eligibility, the AHA will then proceed to verify either the student's parents' income eligibility (see Section 7-III.J) or the student's independence from his/her parents (see below).

Independent Student

The AHA will verify a student's independence from his/her parents to determine that the student's parents' income is not relevant for determining the student's eligibility by doing all of the following:

- Either reviewing and verifying previous address information to determine whether the student has established a household separate from his/her parents for at least one year or reviewing and verifying documentation relevant to determining whether the student meets the U.S. Department of Education's definition of *independent student* (see Section 3-II.E);
- Reviewing a student's prior year income tax returns to verify the student is independent or verifying the student meets the U.S. Department of Education's definition of *independent student* (see Section 3-II.E); and

Verifying income provided by a parent by requiring a written certification from the individual providing the support. Certification is also required if the parent is providing no support to the student. Financial assistance that is provided by persons not living in the unit is part of annual income. (Except if the student meets the Department of Education's definition of "independent student" in paragraphs (b), (c) or (h) adopted in section II of this notice).

7-II.F. DOCUMENTATION OF DISABILITY

The AHA must verify the existence of a disability in order to allow certain income disallowances and deductions from income. The AHA is not permitted to inquire about the nature or extent of a person's disability [24 CFR 100.202(c)]. The AHA may not inquire about a person's diagnosis or details of treatment for a disability or medical condition. If the AHA receives a verification document that provides such information, the AHA will not place this information in the tenant file. Under no circumstances will the AHA request a participant's medical record(s). For more information on health care privacy laws, see the Department of Health and Human Services' website at www.os.dhhs.gov.

The above cited regulation does not prohibit the following inquiries, provided these inquiries are made of all applicants, whether or not they are persons with disabilities [24 CFR 100.202 (c)]:

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

• Family Members Receiving SSA Disability Benefits

The AHA will attempt to obtain information about disability benefits through the HUD UIV System, EIV, when it is available. If the HUD UIV System is not available, the AHA will attempt to obtain written third party verification from the SSA through an original SSA document that confirms the current benefits provided by the family.

Verification of receipt of SSA benefits or SSI based upon disability is sufficient for verification of disability for the purpose of qualification for waiting list preferences or certain income disallowances and deductions.

Receipt of veteran's disability benefits, worker's compensation, or other non-SSA benefits based on the individual's claimed disability are not sufficient verification that the individual meets HUD's definition of disability in 24 CFR 5.603, necessary to qualify for waiting list preferences or certain income disallowances and deductions.

Family Members Not Receiving SSA Disability Benefits

For family members claiming disability who do not receive SSI or other disability payments from the SSA, a knowledgeable professional must provide third party verification that the family member meets the HUD definition of disability. See the Eligibility chapter for the HUD definition of disability. The knowledgeable professional will verify whether the family member does or does not meet the HUD definition.

7-II.G. CITIZENSHIP OR ELIGIBLE IMMIGRATION STATUS [24 CFR 5.508]

Overview

Housing assistance is not available to persons who are not citizens, nationals, or eligible immigrants. Prorated assistance is provided for "mixed families" containing both eligible and ineligible persons. A detailed discussion of eligibility requirements is in the Eligibility chapter. This verifications chapter discusses HUD and AHA verification requirements related to citizenship status.

The family must provide a certification that identifies each family member as a U.S. citizen, a U.S. national, an eligible noncitizen or an ineligible noncitizen and submit the documents discussed below for each family member. Once eligibility to receive assistance has been verified for an individual it need not be collected or verified again during continuously-assisted occupancy [24 CFR 5.508(g)(5)]

U.S. Citizens and Nationals

HUD requires a declaration for each family member who claims to be a U.S. citizen or national. The declaration must be signed personally by any family member 18 or older and by a guardian for minors.

The AHA may request verification of the declaration by requiring presentation of a birth certificate, United States passport or other appropriate documentation.

Family members who claim U.S. citizenship or national status will not be required to provide additional documentation unless the AHA receives information indicating that an individual's declaration may not be accurate.

Eligible Immigrants

Documents Required

All family members claiming eligible immigration status must declare their status in the same manner as U.S. citizens and nationals.

The documentation required for eligible noncitizens varies depending upon factors such as the date the person entered the U.S., the conditions under which eligible immigration status has been granted, and the date on which the family began receiving HUD-funded assistance. Exhibit 7-1 at the end of this chapter summarizes documents family members must provide.

AHA Verification

The AHA must verify immigration status with the United States Citizenship and Immigration Services (USCIS).

The AHA will follow all USCIS protocols for verification of eligible immigration status.

7-II.H. VERIFICATION OF PREFERENCE STATUS

The AHA must verify any preferences claimed by an applicant.

The AHA will verify local preferences in the following manner:

Residency:

Applicant must provide one item~~s~~ from Category A and one from Category B. If the applicant cannot provide one from Category A, then two documents from Category B may be accepted by staff or alternate documentation in extenuating circumstances such as homelessness:

- Category A:
 - Lease
 - Driver's License
 - Title to property
 - Proof of residency in a shelter in Alameda
- Category B:
 - 3 consecutive utility bills (including telephone, but not cell phone bill)
 - Tax return for the period of residency
 - Car registration (if the items from Category A is not a driver's license)
 - Other government documentation (e.g. Social Security benefit letter)

If at the time of application, the applicant is staying in a shelter that is not located in Alameda, the AHA will consider the applicant to be a resident and give the local preference if the applicant's last permanent address was in the eCity of Alameda. If at the time of application, the applicant is staying in a shelter located in the eCity of Alameda, the applicant will be given the local preference.

Member of the Military or Veteran Status:

- DD214 form to verify veteran and honorable discharge status of a family member or the spouse of a deceased veteran. Merchant Marines who

served in active oceangoing service from December 7, 1941, to August 15, 1945, are considered veterans.

- U. S. military card to verify current military service.

Family:

See Section 7-II.C. Documentation of Age or Section 7-II.F. Documentation of Disability

Other Preferences:

Documentation of the family's eligibility for the preference will be required. These could include certifications, copies of correspondence relating to the preference, or items from the AHA (such as a termination of assistance letter).

PART III. VERIFYING INCOME AND ASSETS

Chapter 6, Part I of this plan describes in detail the types of income that are included and excluded and how assets and income from assets are handled. Any assets and income reported by the family must be verified. This part provides AHA policies that supplement the general verification procedures specified in Part I of this chapter.

7-III.A. EARNED INCOME

Tips

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

7-III.B. BUSINESS AND SELF-EMPLOYMENT INCOME

Business owners and self-employed persons will be required to provide all of the following:

- An audited financial statement for the previous fiscal year if an audit was conducted.
- A profit and loss statement for the last 12 months or the length of the business being in operation. The business owner or self-employed person must certify to its accuracy.
- All schedules completed for filing federal and local taxes for the preceding two years.
- Bank statements for the last 12 months.

The business owner/self-employed person will be required to submit the information requested and to certify to its accuracy at all future reexaminations.

At any reexamination the AHA may request documents that support submitted financial statements such as manifests, appointment books, cash books, or bank statements.

If a family member has been self-employed less than three months, the AHA will accept the family member's certified estimate of income and schedule an interim reexamination in three months. If the family member has been self-employed for three to 12 months the

AHA will require the family to provide documentation of income and expenses for this period and use that information to project income.

7-III.C. PERIODIC PAYMENTS AND PAYMENTS IN LIEU OF EARNINGS

Social Security/SSI Benefits

To verify the SS/SSI benefits of applicants, the AHA will request a current (dated within the last 60 days) SSA benefit verification letter from each family member that receives social security benefits. If the family is unable to provide the document(s), the AHA will ask the family to request a benefit verification letter by either calling SSA at 1-800-772-1213, or by requesting it from www.ssa.gov. Once the applicant has received the benefit verification letter they will be required to provide it to the AHA.

To verify the SS/SSI benefits of participants, the AHA will obtain information about social security/SSI benefits through the HUD EIV System. If benefit information is not available in HUD systems or the participant disputes the information obtained from EIV, the AHA will ask the family to request a benefit verification letter by either calling SSA at 1-800-772-1213, or by requesting it from www.ssa.gov. Once the participant has received the benefit verification letter they will be required to provide it to the AHA.

7-III.D. ALIMONY OR CHILD SUPPORT

The way the AHA will seek verification for alimony and child support differs depending on whether the family declares that it receives regular payments.

If the family declares that it **receives regular payments**, verification will be sought in the following order.

- If payments are made through a state or local entity and can be obtained through a UIV system, the AHA will request a record of payments for the past 12 months and request that the entity disclose any known information about the likelihood of future payments.
- Copy of a separation or settlement agreement or a divorce decree stating amount and type of support and payment schedules.
- Copy of the latest check and/or payment stubs.
- Third-party verification from the person paying the support.
- Family's self-certification of amount received and of the likelihood of support payments being received in the future, or that support payments are not being received.

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

- A statement from any agency responsible for enforcing payment that shows the family has requested enforcement and is cooperating with all enforcement efforts.

- If the family has made independent efforts at collection, a written statement from the attorney or other collection entity that has assisted the family in these efforts.
- Note: Families are not required to undertake independent enforcement action.

7-III.E. ASSETS AND INCOME FROM ASSETS

Assets Disposed of for Less than Fair Market Value

The family must certify whether any assets have been disposed of for less than fair market value in the preceding two years. The AHA needs to verify only those certifications that warrant documentation.

The AHA will verify the value of assets disposed of only if:

The AHA does not already have a reasonable estimation of its value from previously collected information, or

The amount reported by the family in the certification appears obviously in error.

- Example 1: An elderly participant reported a \$10,000 certificate of deposit at the last regular reexamination and the AHA verified this amount. Now the person reports that she has given this \$10,000 to her son. The AHA has a reasonable estimate of the value of the asset; therefore, re-verification of the value of the asset is not necessary.
- Example 2: A family member has disposed of its 1/4 share of real property located in a desirable area and has valued her share at approximately 5,000. Based upon market conditions, this declaration does not seem realistic. Therefore, the AHA will verify the value of this asset.

Verification requirements Bank Account Assets

The family must supply the AHA with the most recent statement from the financial institution including all pages when required to supply verification of assets (see Section 7-I.B.). The Housing Authority may also require additional statements as needed, including verification that previously reported bank account assets which are not reported at the following regular reexamination have been closed.

Assets of Added Family Members

For families and participants not included in MTW:

Whenever a family member is added, AHA must obtain third-party verification of that family member's assets.

At the next regular reexamination of income following the addition of that family member, the AHA must obtain third-party verification of all family assets if the addition of that family member's assets puts the family above the \$5,000 asset threshold.

If the addition of that family member's assets does not put the family above the \$5,000 asset threshold, then the AHA is not required to obtain third-party verification of all family assets at the next regular reexamination of income following the addition of the family member. However, third-party verification of all family assets is required at least every 3 years.

For families and participants included in MTW:

Whenever a family member is added, the AHA would only verify assets of that family member if the addition caused the family's assets to be valued at \$50,000 or more.

7-III.F. NET INCOME FROM RENTAL PROPERTY

The family must provide:

A current executed lease for the property that shows the rental amount or certification from the current tenant; and

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

7-III.G. RETIREMENT ACCOUNTS

Before retirement, the AHA will accept an original document from the entity holding the account with a date that shows it is the most recently scheduled statement for the account but in no case earlier than 60 days from the interview or request date.

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

After retirement, the AHA will accept an original document from the entity holding the account dated no earlier than 60 days before that reflects any distributions of the account balance, any lump sums taken and any regular payments. A document older than 60 days is acceptable for confirming effective dates of income including lump sums.

7-III.H. INCOME FROM EXCLUDED SOURCES

A detailed discussion of excluded income is provided in Chapter 6, Part I.

The AHA must obtain verification for income exclusions only if, without verification, the AHA would not be able to determine whether the income is to be excluded. For example: If a family's 16-year-old has a job at a fast-food restaurant, the AHA will confirm that AHA records verify the child's age but will not request pay stubs or send a verification request to the restaurant. If a family claims the earned income disallowance for a source of income, both the source and the income must be verified.

The AHA will reconcile differences in amounts reported by third party verifications and the family only when the excluded amount is used to calculate the family share (as is the case with the earned income disallowance). In all other cases, the AHA will report the amount to be excluded as indicated on documents provided by the family.

7-III.I. ZERO ANNUAL INCOME STATUS

The AHA will check UIV/EIV sources, request letters of termination of benefits from the family or current payment printouts (showing last payment and no new payments), and/or request information from third party sources to verify that certain forms of income such as unemployment benefits, TANF, SSI, etc., are not being received by families claiming to have zero annual income. Any adult household member claiming zero income will be required to complete the AHA's Zero Income Statement form.

7-III.J. STUDENT FINANCIAL ASSISTANCE

Any financial assistance, in excess of amounts received for tuition and required fees, that a person attending an institution of higher education receives under the Higher Education Act of 1965, from private sources, or from an institution of higher education must be considered income unless the student is over the age of 23 with dependent children or is residing with parents who are seeking or receiving HCV assistance [24 CFR 5.609(b)(9) and FR 4/10/06].

For students over the age of 23 with dependent children or students residing with parents who are seeking or receiving HCV assistance, the full amount of student financial assistance is excluded from annual income [24 CFR 5.609(c)(6)]. The full amount of student financial assistance is also excluded for students attending schools that do not qualify as institutions of higher education (as defined in Exhibit 3-2). Excluded amounts are verified only if, without verification, the AHA would not be able to determine whether or to what extent the income is to be excluded (see Section 7-III.H).

For a student subject to having a portion of his/her student financial assistance included in annual income in accordance with 24 CFR 5.609(b)(9), the AHA will request written third party verification or use written third party verification forms to verify both the source and the amount from the educational institution attended by the student as well as from any other person or entity providing such assistance, as reported by the student.

In addition, the AHA will request written verification regarding the student's tuition and required fee amount such as invoices showing reason for each charge made to student and amount of each charge. If the student is unable to provide written third party verification, the AHA will use a written third party verification form to obtain the amount of tuition and required fees.

If the AHA is unable to obtain third party written verification of the requested information, the AHA will pursue other forms of verification following the verification hierarchy in Section 7-I.B.

7-III.K. PARENTAL INCOME OF STUDENTS SUBJECT TO ELIGIBILITY RESTRICTIONS

If a student enrolled at an institution of higher education is under the age of 24, is not a veteran, is not married, does not have a dependent child, and is not a person with disabilities receiving assistance as of November 30, 2005, the income of the student's parents must be considered when determining income eligibility, unless the student is determined independent from his or her parents in accordance with AHA policy [24 CFR 5.612 and FR 9/21/16, p. 64932].

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

If the AHA is required to determine the income eligibility of a student's parents, the AHA will request an income declaration and certification of income from the appropriate parent(s) (as determined in Section 3-II.E). The AHA will send the request directly to the parents, who will be required to certify to their income under penalty of perjury. The parents will be required to submit the information directly to the AHA. The required information must be submitted (postmarked) within 14 calendar days of the date of the AHA's request or within any extended timeframe approved by the AHA.

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

PART IV. VERIFYING MANDATORY DEDUCTIONS

7-IV.A. DEPENDENT AND ELDERLY/DISABLED HOUSEHOLD DEDUCTIONS

The dependent and elderly/disabled family deductions require only that the AHA verify that the family members identified as dependents or elderly/disabled persons meet the statutory definitions. No further verifications are required.

Dependent Deduction

See Chapter 6 (6-II.B.) for a full discussion of this deduction. The AHA will verify that:

- Any person under the age of 18 for whom the dependent deduction is claimed is not the head, spouse, or cohead of the family and is not a foster child
- Any person age 18 or older for whom the dependent deduction is claimed is not a foster adult or live-in aide, and is a person with a disability or a full time student

Elderly/Disabled Family Deduction

See Eligibility chapter for a definition of elderly and disabled families and Chapter 6 (6-II.C.) for a discussion of the deduction. The AHA must verify that the head, spouse, or cohead is 62 years of age or older or a person with disabilities.

7-IV.B. MEDICAL EXPENSE DEDUCTION

Policies related to medical expenses are found in 6-II.D. The amount of the deduction will be verified following the standard verification procedures described in Part I.

Amount of Expense

(3) The AHA will provide a third party verification form directly to the medical provider requesting the needed information.

Medical expenses will be verified through:

Written third party verification such as pharmacy printouts of monthly expenses

Written third party verification form signed by the provider, when possible

If third party is not possible, copies of cancelled checks used to make medical expense payments or receipts from the source will be used. In this case the AHA will make a best effort to determine what expenses from the past are likely to continue to occur in the future. The AHA will also accept evidence of monthly payments or total payments that will be due for medical expenses during the upcoming 12 months.

If third party or document review is not possible, written family certification as to costs anticipated to be incurred during the upcoming 12 months

In addition, the AHA must verify that:

- The household is eligible for the deduction.
- The costs to be deducted are qualified medical expenses.
- The expenses are not paid for or reimbursed by any other source.
- Costs incurred in past years are counted only once.

Eligible Household

The medical expense deduction is permitted only for households in which the head, spouse, or cohead is at least 62, or a person with disabilities. The AHA will verify that the family meets the definition of an elderly or disabled family provided in the Eligibility chapter and as described in Chapter 7 (7-IV.A.) of this plan.

Qualified Expenses

To be eligible for the medical expenses deduction, the costs must qualify as medical expenses. See Chapter 6 (6-II.D.) for the AHA's policy on what counts as a medical expense.

Unreimbursed Expenses

To be eligible for the medical expenses deduction, the costs must not be reimbursed by another source.

The family will be required to certify that the medical expenses are not paid or reimbursed to the family from any source.

Expenses Incurred in Past Years

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

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

7-IV.C. DISABILITY ASSISTANCE EXPENSES

Policies related to disability assistance expenses are found in 6-II.E. The amount of the deduction will be verified following the standard verification procedures described in Part I.

Amount of Expense

Attendant Care

The AHA will provide a third party verification form directly to the care provider requesting the needed information.

Expenses for attendant care will be verified through:

Written third party verification, when possible

Written third party verification form signed by the provider, when possible

If third party is not possible, copies of cancelled checks used to make attendant care payments and/or receipts from care source

If third party or document review is not possible, written family certification as to costs anticipated to be incurred for the upcoming 12 months

Auxiliary Apparatus

Expenses for auxiliary apparatus will be verified through:

Written third party verification such as billing statements for purchase of auxiliary apparatus, or other evidence of monthly payments or total payments that will be due for the apparatus during the upcoming 12 months

Written third party verification form of anticipated purchase costs of auxiliary apparatus

If third party is not possible, written family certification of estimated apparatus costs for the upcoming 12 months

In addition, the AHA must verify that:

- The family member for whom the expense is incurred is a person with disabilities (as described in 7-II.F above).
- The expense permits a family member, or members, to work (as described in 6-II.E.).
- The expense is not reimbursed from another source (as described in 6-II.E.).

Family Member is a Person with Disabilities

To be eligible for the disability assistance expense deduction, the costs must be incurred for attendant care or auxiliary apparatus expense associated with a person with disabilities. The AHA will verify that the expense is incurred for a person with disabilities (See 7-II.F.).

Family Member(s) Permitted to Work

The AHA must verify that the expenses claimed actually enable a family member, or members, (including the person with disabilities) to work.

The AHA will seek third party verification from a Rehabilitation Agency or knowledgeable medical professional indicating that the person with disabilities requires attendant care or an auxiliary apparatus to be employed, or that the attendant care or auxiliary apparatus enables another family member, or members, to work (See 6-II.E.).

If third party and document review verification has been attempted and is either unavailable or proves unsuccessful, the family must certify that the disability assistance expense frees a family member, or members (possibly including the family member receiving the assistance), to work.

Unreimbursed Expenses

To be eligible for the disability expenses deduction, the costs must not be reimbursed by another source.

An attendant care provider will be asked to certify that, to the best of the provider's knowledge, the expenses are not paid by or reimbursed to the family from any source.

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

7-IV.D. CHILD CARE EXPENSES

Policies related to child care expenses are found in Chapter 6 (6-II.F). The amount of the deduction will be verified following the standard verification procedures described in Part I of this chapter. In addition, the AHA must verify that:

- The child is eligible for care.
- The costs claimed are not reimbursed.
- The costs enable a family member to pursue an eligible activity.
- The costs are for an allowable type of child care.
- The costs are reasonable.

Eligible Child

To be eligible for the child care deduction, the costs must be incurred for the care of a child under the age of 13. The AHA will verify that the child being cared for (including foster children) is under the age of 13 (See 7-II.C.).

Unreimbursed Expense

To be eligible for the child care deduction, the costs must not be reimbursed by another source.

The child care provider will be asked to certify that, to the best of the provider's knowledge, the child care expenses are not paid by or reimbursed to the family from any source.

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

Pursuing an Eligible Activity

The AHA must verify that the family member(s) that the family has identified as being enabled to seek work, pursue education, or be gainfully employed, are actually pursuing those activities.

Information to be Gathered

The AHA will verify information about how the schedule for the claimed activity relates to the hours of care provided, the time required for transportation, the time required for study (for students), the relationship of the family member(s) to the child, and any special needs of the child that might help determine which family member is enabled to pursue an eligible activity.

Seeking Work

Whenever possible the AHA will use documentation from a state or local agency that monitors work-related requirements (e.g., welfare or unemployment). In such cases the AHA will require the family to submit to the AHA any reports provided from and to the other agency documenting the member's job seeking efforts to date. If unavailable, the AHA will send a written third party verification form to the agency requesting information of the member's job seeking efforts to date.

In the event third party verification is not available, the AHA will require the participant to record job search efforts. The AHA will review this information at each subsequent reexamination for which this deduction is claimed.

Furthering Education

The AHA will ask that the family provide documentation from the academic or vocational educational institution for the person permitted to further his or her education by the child care verifying the enrollment and about the timing of classes for which the person is registered. If unavailable, the AHA will send a written third party verification form to the academic or vocational educational institution.

Gainful Employment

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

Allowable Type of Child Care

The type of care to be provided is determined by the family, but must fall within certain guidelines, as discussed in Chapter 6.

The AHA will verify that the type of child care selected by the family is allowable, as described in Chapter 6 (6-II.F).

The AHA will verify that the fees paid to the child care provider cover only child care costs (e.g., no housekeeping services or personal services) and are paid only for the care of an eligible child (e.g., prorate costs if some of the care is provided for ineligible family members).

The AHA will verify that the child care provider is not an assisted family member. Verification will be made through the head of household's declaration of family members who are expected to reside in the unit.

Reasonableness of Expenses

Only reasonable child care costs can be deducted.

The actual costs the family incurs will be compared with the AHA's established standards of reasonableness for the type of care in the locality to ensure that the costs are reasonable.

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

EXHIBIT 7-1: SUMMARY OF DOCUMENTATION REQUIREMENTS FOR NONCITIZENS [HCV GB ELIGIBILITY DETERMINATION AND DENIAL OF ASSISTANCE PG. 24-25]

STATUS	DOCUMENTATION
<p>1) A non-citizen claiming eligible immigration status who is 62 years of age.</p>	<p>DOCUMENTATION</p> <p>Note: All documentation provided must be UNEXPIRED</p> <p>DECLARATION: For each family member with this status, a declaration of citizenship signed under penalty of perjury. For each adult, the declaration must be signed by the adult. For each child, the declaration must be signed by an adult residing in the assisted dwelling unit who is responsible for the child.</p>
<p>2) All other non-citizens claiming eligible immigration status.</p> <p>Categories of eligible immigration status:</p> <p>a) A non-citizen lawfully admitted for permanent residence as an immigrant (includes special agricultural workers granted lawful temporary resident status and noncitizens that indicate they have satisfactory immigration status, such as VAWA self-petitioners, whose verification of eligibility or appeal of a determination as to permanent residence is pending with DHS).⁸³</p> <p>b) A non-citizen who entered the United States before 1/1/72 (or such later date as enacted by law) and:</p> <p>i) Has continuously maintained residence in the U.S. since then; and</p> <p>ii) Is not ineligible for citizenship, but who is deemed to be lawfully admitted for permanent residence as a result of an exercise of discretion by the Attorney General.</p> <p>a) A non-citizen who is lawfully present in the United States as a result of:</p> <ul style="list-style-type: none"> • Refugee status, including those granted Temporary Protective Status 	<p>DECLARATION: For each family member with this status, a declaration of eligible immigration status signed under penalty of perjury. Adults must sign their own declarations.</p> <p>AND: A verification form: For each adult, the adult must sign the form. For each child, an adult member of the family residing in the unit who is responsible for the child must sign the form. The verification form must state that evidence of eligible immigration status may be released by the PHA to HUD and the CIS without responsibility for the future use or transmission of the evidence by the recipient. The form must also notify the signer of the possible release of evidence of eligible immigration status by HUD. Such evidence shall only be released by HUD to the CIS for the purpose of establishing eligibility for financial assistance.</p> <p>AND: CIS Primary Verification of eligible immigration status must be conducted by the PHA through the CIS automated SAVE system. If this method fails to verify status, or, if the verification received indicates ineligible immigration status, the PHA must request Secondary CIS Verification within 10 days by sending to the local CIS Office photocopies of CIS documents receiving (front and back)</p>

STATUS	DOCUMENTATION
<p>(TPS) under the Victims of Trafficking and Violence Protection Act of 2000 (P.L. 106-386) (section 207); or</p> <ul style="list-style-type: none"> • The granting of asylum (which has not been terminated (section 208); or • The granting of conditional entry (section 203 (a)(7)) prior to 4/1/80 because of persecution of fear on account of race, religion, or political opinion, or because of being uprooted by catastrophic national calamity. <p>b) A non-citizen who is lawfully present in the United States as a result of an exercise of discretion by the Attorney General for emergent reasons or reasons deemed strictly in the public interest (section 221(d)(5)) (e.g., parole status).</p> <p>c) A non-citizen who is lawfully present in the United States as a result of the Attorney General's withholding deportation (section 243(h)) (threat to life or freedom).</p> <p>d) A non-citizen lawfully admitted for temporary or permanent residence (245A) (amnesty granted).</p> <p>e) An alien who is lawfully resident in the United States and its territories and possessions under section 141 of the Compacts of Free Association between the Government of the United States and the Governments of the Marshall Islands, the Federated States of Micronesia (48 U.S.C. 1901 note) and Palau (48 U.S.C. 1931 note) while the applicable section is in effect: Provided, That, within Guam any such alien shall not be entitled to a preference in receiving assistance under this Act over any United States citizen or national</p>	<p>Note: All documentation provided must be UNEXPIRED</p> <p>attached to Form G-845S – Document Verification Request.</p> <p>AND: The PHA must request and review an original CIS document of eligible immigration status and must retain photocopies and return the original to the individual.</p> <p>Acceptable Original CIS Document:</p> <ul style="list-style-type: none"> • Form I-551 “Permanent Resident Card” • Form I-94 Arrival-Departure Record annotated with one of the following: <ul style="list-style-type: none"> <input type="checkbox"/> “Admitted as a Refugee Pursuant to Section 207” <input type="checkbox"/> “Section 208” or “Asylum” <input type="checkbox"/> “Section 243(h)” or “Deportation stayed by Attorney General” <input type="checkbox"/> “Paroled Pursuant to 9 CFR Section 221 (d)(5) of the INS” • Form I-94 Arrival-Departure Record with no annotation accompanied by: <ul style="list-style-type: none"> <input type="checkbox"/> A final court decision granting asylum (but only if no appeal is taken); <input type="checkbox"/> A letter from a DHS asylum officer granting asylum (if application is filed on or after 10/1/90) or from a DHS district director granting asylum (application filed before 10/1/90); <input type="checkbox"/> A court decision granting withholding of deportation; or <input type="checkbox"/> A letter from an asylum officer granting withholding or deportation (if application filed on or after 10/1/90).

STATUS	DOCUMENTATION Note: All documentation provided must be UNEXPIRED
resident therein who is otherwise eligible for such assistance.	<ul style="list-style-type: none"> • Form I-9 Employment Eligibility Verification annotated with: <ul style="list-style-type: none"> <input type="checkbox"/> Acceptable document from List A or, <input type="checkbox"/> Combination of one selection from List B and one selection from List C • Form I-360 VAWA Self-Petition • Form I-130 Family-Based Visa Petition • Form I-797 Notice of Action • A receipt issued by the DHS indicating that an application for issuance of a replacement document in one of the above listed categories has been made and the applicant's entitlement to the document has been verified; or • Other acceptable evidence. If other documents are determined by the DHS to constitute acceptable evidence of eligible immigration status, they will be announced by notice published in the Federal Register.

CHAPTER 8
HOUSING QUALITY STANDARDS AND
RENT REASONABLENESS DETERMINATIONS

[24 CFR 982 Subpart I and 24 CFR 982.507]

INTRODUCTION

HUD requires that all units occupied by families receiving Housing Choice Voucher (HCV) assistance meet HUD's Housing Quality Standards (HQS) and permits the AHA to establish additional requirements. The use of the term "HQS" in this plan refers to the combination of both HUD and AHA-established requirements. HQS inspections are required before the Housing Assistance Payments (HAP) Contract is signed. Depending on program requirements, HQS will be required annually, biennially, or triennially as discussed in this chapter.

HUD also requires PHAs to determine that units rented by families assisted under the HCV program have rents that are reasonable when compared to comparable unassisted units in the market area.

This chapter explains HUD and AHA requirements related to housing quality and rent reasonableness as follows:

Part I. Physical Standards. This part discusses the physical standards required of units occupied by HCV-assisted families and identifies decisions about the acceptability of the unit that may be made by the family based upon the family's preference. It also identifies life-threatening conditions that must be addressed on an expedited basis.

Part II. The Inspection Process. This part describes the types of inspections the AHA will make and the steps that will be taken when units do not meet HQS.

Part III. Rent Reasonableness Determinations. This part discusses the policies the AHA will use to make rent reasonableness determinations.

Special HQS requirements for homeownership, manufactured homes, and other special housing types are discussed in Chapter 15 to the extent that they apply in this jurisdiction.

PART I: PHYSICAL STANDARDS

8.I.A. GENERAL HUD REQUIREMENTS

HUD Performance and Acceptability Standards

HUD's performance and acceptability standards for HCV-assisted housing are provided in 24 CFR 982.401. These standards cover the following areas:

- Sanitary facilities
- Food preparation and refuse disposal
- Space and Security
- Thermal Environment
- Illumination and electricity

- Structure and materials
- Interior Air Quality
- Water Supply
- Lead-based paint
- Access
- Site and neighborhood
- Sanitary condition
- Smoke Detectors

A summary of HUD performance criteria is provided in Attachment 8-1. Additional guidance on these requirements is found in the following HUD resources:

- HUD Housing Inspection Manual for Section 8 Housing
- HUD Inspection Form, form HUD-52580 (3/01) and Inspection Checklist, form HUD-52580-A (9/00)
- HUD Notice 2010-26, Non-Discrimination and Accessibility for Persons with Disabilities
- HUD Notice 2003-31, Accessibility Notice: Section 504 of the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; the Architectural Barriers Act of 1968 and the Fair Housing Act of 1988

Variance to the Acceptability Criteria:

On September 1, 2021, the HUD Field Office approved the AHA for a variance to Housing Quality Standards Acceptability Criteria pursuant to 24 CFR 982.401 (a)(4) for units at 1825 Poggi Street, Alameda. The variance is to allow the elevator to be inoperable. All other performance and acceptability standards for HCV-assisted housing must meet the guidelines at 24 CFR 982.401.

Tenant Preference Items

HUD requires the AHA to enforce minimum HQS but also requires that certain judgments about acceptability be left to the family. For example, the AHA must ensure that the unit contains the required sanitary facilities, but the family decides whether the cosmetic condition of the facilities is acceptable. Attachment 8-2 summarizes those items that are considered tenant preferences.

Modifications to Provide Accessibility

Under the Fair Housing Act of 1988 an owner must not refuse the request of a family that contains a person with a disability to make necessary and reasonable modifications to the unit. Such modifications are at the family's expense. The owner may require restoration of the unit to its original condition if the modification would interfere with the owner or next occupant's full enjoyment of the premises. The owner may not increase a customarily required security deposit. However, the landlord may negotiate a restoration agreement that requires the family to restore the unit and, if necessary to ensure the likelihood of restoration, may require the tenant to pay a reasonable amount into an interest bearing escrow account over a reasonable period of time. The interest in any such account accrues to the benefit of the tenant. The owner may also require reasonable assurances that the quality of the work will be acceptable and that any required building permits will be obtained. [24 CFR 100.203; Notice 2003-31].

Modifications to units to provide access for a person with a disability must meet all applicable HQS requirements and conform to the design, construction, or alteration of facilities contained in the UFAS and the ADA Accessibility Guidelines (ADAAG) [28 CFR 35.151(c) and Notice 2003-31]. See Chapter 2 of this plan for additional information on reasonable accommodations for persons with disabilities.

8.I.B. ADDITIONAL LOCAL REQUIREMENTS

The AHA may impose additional quality standards as long as the additional criteria are not likely to adversely affect the health or safety of participant families or severely restrict housing choice. HUD approval is required if more stringent standards are imposed. HUD approval is not required if the AHA additions are clarifications of HUD's acceptability criteria or performance standards [24 CFR 982.401(a)(4)].

Carbon Monoxide Detectors

State law requires all single-family homes and multi-family rental dwellings with an attached garage or a fossil fuel source to have a carbon monoxide device to be installed. HUD approval was granted and AHA will inspect for the presence of these devices during HQS inspections.

Thermal Environment

The AHA must define a "healthy living environment" for the local climate. This may be done by establishing a temperature that the heating system must be capable of maintaining, that is appropriate for the local climate.

The heating system (i.e., a working radiator, hot air register or baseboard heat) must be capable of maintaining an interior temperature of 65 degrees Fahrenheit between October 1 and May 1. A kitchen stove with a built-in heater or portable electric room heaters are not adequate.

Clarifications of HUD Requirements

As permitted by HUD, the AHA has adopted the following specific requirements that elaborate on HUD standards.

Windows

Window screens must be in good condition (applies only if screens are present).

Doors

All exterior doors must be lockable and have no holes.

Floors

Any loose or warped boards or loose carpet or linoleum must be resecured to eliminate trip hazards.

Security

If window security bars or security screens are present on emergency exit windows, they must be equipped with a quick release system. The owner is responsible for ensuring that the family is instructed on the use of the quick release system.

8.I.C. LIFE THREATENING CONDITIONS [24 CFR 982.404(A)]

HUD requires the AHA to define life threatening conditions and to notify the owner or the family (whichever is responsible) of the corrections required. The responsible party must correct life threatening conditions within 24 hours of AHA notification.

The following are considered life threatening conditions:

Any condition that jeopardizes the security of the unit

Major plumbing leaks or flooding, waterlogged ceiling or floor in imminent danger of falling

Natural or LP gas or fuel oil leaks

Any electrical problem or condition that could result in shock or fire

Absence of a working heating system when outside temperature is below 50 degrees Fahrenheit at any point between 12:01 a.m. and the actual time of inspection on the day of the inspection. If there is a weather forecast predicting temperatures to be below 50 degrees Fahrenheit at any point within 48 hours of the actual time of the inspection, the absence of a working heating system will be addressed immediately as a health and safety issue on a case-by-case basis.

Utilities not in service, including no running hot water

Conditions that present the imminent possibility of injury

Obstacles that prevent safe entrance or exit from the unit

Absence of a functioning toilet in the unit

Missing or inoperable smoke detectors

Window bars in bedrooms with no release

Combustible materials near the gas water heater or gas furnace.

If an owner fails to correct life threatening conditions as required by the AHA, the housing assistance payment will be abated and the HAP contract will be terminated. See 8-II-G. If a family fails to correct a family caused life threatening condition as required by the AHA, the AHA may terminate the family's assistance. See 8-II.H.

Smoke Detectors

Inoperable smoke detectors are a serious threat to tenant safety and the AHA will treat the situation as an emergency (24 hour) fail item. If the smoke detector is not operating properly, the AHA will contact the owner by phone and request the owner to repair the smoke detector within 24 hours. The AHA will reinspect the unit the following day.

If the AHA determines that the family has purposely disconnected the smoke detector (by removing batteries or other means), the family will be required to repair the smoke detector within 24 hours and the AHA will reinspect the unit the following day. The AHA will issue a written warning to any family determined to have purposely disconnected the unit's smoke detector. This warning will state that deliberate disconnection of the unit's smoke detector is a safety and fire hazard and is considered a violation of HQS.

8-I.D. OWNER AND FAMILY RESPONSIBILITIES [24 CFR 982.404]

Family Responsibilities

The family is responsible for correcting the following HQS deficiencies:

- Tenant-paid utilities not in service
- Failure to provide or maintain family-supplied appliances
- Damage to the unit or premises caused by a household member or guest beyond normal wear and tear. "Normal wear and tear" is defined as items which could not be charged against the tenant's security deposit under state law or court practice such as items that are depreciated out over time due to losing value due to age.

Owner Responsibilities

The owner is responsible for all HQS violations not listed as a family responsibility above, even if the violation is caused by the family's living habits (e.g., vermin infestation). However, if the family's actions constitute a serious or repeated lease violation the owner may take legal action to evict the family.

8-I-E. SPECIAL REQUIREMENTS FOR CHILDREN WITH ENVIRONMENTAL INTERVENTION BLOOD LEAD LEVEL [24 CFR 35.1225]

If a PHA is notified by a public health department or other medical health care provider, or verifies information from a source other than a public health department or medical health care provider, that a child of less than 6 years of age, living in an HCV-assisted unit has been identified as having an environmental intervention blood lead level, the AHA must complete a risk assessment of the dwelling unit. 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.

Within 30 days after receiving the risk assessment report from the AHA, or the evaluation from the public health department, the owner is required to complete the reduction of identified lead-based paint hazards in accordance with the lead-based paint regulations [24 CFR 35.1325 and 35.1330]. If the owner does not complete the "hazard reduction" as required, the dwelling unit is in violation of HQS and the AHA will take action in accordance with Section 8-II.G.

AHA reporting requirements, and data collection and record keeping responsibilities related to children with an environmental intervention blood lead level are discussed in Chapter 15.

8-I-F. VIOLATION OF HQS SPACE STANDARDS [24 CFR 982.403]

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

PART II: THE INSPECTION PROCESS

8-II.A. OVERVIEW [24 CFR 982.405]

Types of Inspections

The AHA conducts the following types of inspections as needed. Each type of inspection is discussed in the paragraphs that follow.

- *Initial Inspections.* The AHA 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.

For units being added or substituted under a project-based HAP contract, these units must pass the HQS inspection before being added or substituted under the contract.

Self-certification cannot be used on failures of an initial inspection.

- *Pre-Qualifying Initial Inspections.* For participants in the MTW program, the AHA will allow initial inspections of units to be conducted up to 90 days prior to unit lease-up. The unit must pass the HQS inspection before the effective date of the HAP Contract. Participants or landlords can request a special (interim) inspection at any time.
- *Periodic Inspections.* The AHA will inspect each unit under lease at least once every three years to confirm that the unit still meets HQS. The inspection may be conducted in conjunction with the family's regular reexamination but also may be conducted separately. The AHA may elect to inspect more frequently if the owner or unit has a history of failing HQS inspections. Periodic inspection schedule will be determined by program:
 - *Annual Inspections:* Moderate Rehabilitation Single Room Occupancy Units
 - *Biennial Inspections:* Families and participants under the Shelter Plus Care, VASH and EHV programs
 - *Triennial Inspections:* Families and participants included in the MTW program not listed above.

Under the project-based program, the AHA can inspect a random sample of units at each property, consisting of at least 20 percent of the contract units in each building to determine if the contract units and the premises are maintained in accordance with HQS. If more than 20 percent of the annual sample of inspected contract units in a building fail the first annual inspection, the AHA will inspect all of the contract units in the building.

The AHA reserves the right to inspect any units on an annual basis rather than a bi-ennial or triennial basis.

- *Special Inspections.* A special (interim) inspection may be requested by the AHA, owner, the family, or a third party between inspections.

Participants and landlords can request a special inspection at any time. A special inspection can be initiated by the AHA, if it receives indications that the family's unit is not in compliance with HQS. HUD or other third parties may require special inspections for program compliance.

- *Quality Control Inspections.* HUD requires that a sample of units be reinspected by a supervisor or other qualified individual to ensure that HQS are being enforced

correctly and uniformly by all inspectors. A representative sample of both tenant-based and project-based units will be inspected.

Inspection of AHA-owned Units [24 CFR 982.352(b), Federal Register / Vol. 82, No. 134 / Friday, July 14, 2017]

The AHA has obtained the services of an independent entity to perform all HQS inspections in cases where a family is receiving assistance in an AHA-owned unit. An AHA-owned unit is defined as a unit (1) Owned by the AHA; (2) owned by an entity wholly controlled by the AHA (such as Alameda Affordable Housing Corporation); or (3) owned by a limited liability company (LLC) or limited partnership in which the AHA (or an entity wholly controlled by the AHA) holds a controlling interest in the managing member or general partner. The independent agency must communicate the results of each inspection to the family and the AHA. The independent agency has been approved by HUD. The independent entity will provide the AHA and the San Francisco Field Office with the inspection reports.

The AHA may opt to schedule inspections to be completed at the anniversary date of the HAP contract or annually or biennially or triennially from the last inspection date.

The AHA cannot use self-certification on its own units.

Inspection Costs

The AHA will not charge the family or owner for unit inspections [24 CFR 982.405(e)]. In the case of inspections of AHA-owned units, the AHA will compensate the independent agency from ongoing administrative fees for inspections performed. The AHA and the independent agency may not charge the family any fee or charge for the inspection [24 CFR.982.352(b)].

Notice and Scheduling

The family must allow the AHA to inspect the unit at reasonable times with reasonable notice [24 CFR 982.551(d)].

Both the family and the owner will be given reasonable notice of all inspections. Except in the case of a life threatening emergency, reasonable notice is considered to be not less than 48 hours. Inspections may be scheduled between 8:30 a.m. and 5:00 p.m. Inspections will be conducted on business days only, Monday through Friday. In the case of a life threatening emergency, the AHA will give as much notice as possible, given the nature of the emergency.

Attendance at inspections by owner and family.

HUD permits the AHA to set policy regarding family and owner presence at the time of inspection.

When a family occupies the unit at the time of inspection an adult family member or designated adult representative must be present for the inspection. The presence of the owner or the owner's representative is encouraged but is not required.

Inspection Under Special Housing Types.

See Chapter 15 Part VIII for inspections of special housing types, including Shared Housing.

8-II.B. INITIAL HQS INSPECTION [24 CFR 982.405(A)]

Timing of Initial Inspections

A unit must pass HQS before the effective date of the lease and HAP Contract. To the extent practicable, the AHA will complete the initial inspection, determine whether the unit satisfies HQS, and notify the owner and the family of the determination within 10 calendar days of submission of the Request for Tenancy Approval (RFTA). In all cases, the AHA will inspect the unit within 15 days of the submission of a request for approval of the tenancy. The 15-day period is suspended for any period during which the unit is not available for inspection [982.305(b)(2)].

Owners interested in offering specific unit(s) for rental to participants under the AHA's subsidy programs, may contact AHA Inspection Team requesting a pre-qualifying initial inspection at no charge. If the unit passes the pre-qualifying inspection by meeting HQS protocols, Owners must still submit a completed Request for Tenancy Approval (RFTA) for all units being leased to assisted applicants or participants. The AHA may house a family or participant who is eligible to be included under the MTW program in the unit for up to 90 days after the pre-qualifying inspection. If a family or participant who is not included in the MTW program turns in a RFTA for the unit, the unit will need to be re-inspected if the pre-qualifying inspection is more than 30 days old.

Inspection Results and Reinspections

If any HQS violations are identified, the owner will be notified of the deficiencies and be advised to notify the AHA when they have been corrected. The AHA will reinspect the unit within 7 calendar days of the date the owner notifies the AHA that the required corrections have been made. The owner may not use self-certification for initial inspections.

If the unit fails HQS at the time of the reinspection, the AHA will notify the owner and the family that the unit has been rejected and that the family must search for another unit. The AHA may agree to conduct a second reinspection, for good cause, at the request of the family and owner.

Utilities

Generally, at initial lease-up the owner is responsible for demonstrating that all utilities are in working order including those utilities that the family will be responsible for paying. Those utilities for which the family will be responsible for paying must have individual meters to determine individual family usage and costs. If a utility has a shared meter, the landlord is responsible for the cost.

If utility service is not available for testing at the time of the initial inspection, the AHA will allow the utilities to be placed in service after the unit has met all other HQS requirements. The AHA will reinspect the unit to confirm that utilities are operational before the HAP contract is executed by the AHA.

Appliances

If the family is responsible for supplying the stove and/or refrigerator, the AHA will allow the stove and refrigerator to be placed in the unit after the unit has met all other HQS requirements. The required appliances must be in place before the HAP contract is executed by the AHA. The AHA will execute the HAP contract based upon a certification from the family that the appliances have been installed and are working. A confirmatory inspection will be scheduled within 30 days of HAP contract approval.

8.II.C. PERIODIC HQS INSPECTIONS [24 CFR 982.405(A)]

Scheduling the Inspection

Each unit under HAP contract must have periodic inspections. The schedule for periodic inspections by program can be found in Section 8-II.A Overview Types of Inspections.

If an adult family member or other adult designated by the family cannot be present on the scheduled date for good cause, the family may request that the AHA reschedule the inspection. The AHA and family will agree on a new inspection date that generally should take place within 7 calendar days of the originally-scheduled date.

If the family misses a scheduled appointment for an inspection without notifying the AHA, the AHA will consider the family to have violated its obligation to make the unit available for inspection. Two “no-show” inspections where the family does not make the unit available after reasonable notice may result in termination of the family’s assistance in accordance with Chapter 12.

8-II.D. SPECIAL INSPECTIONS

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

During a special inspection, the AHA generally will inspect only those deficiencies that were reported. However, the inspector will record any additional HQS deficiencies that are observed and will require the responsible party to make the necessary repairs.

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

For families and participants included in the MTW program, the family or landlord may request a special inspection at any time.

8-II.E. QUALITY CONTROL INSPECTIONS [24 CFR 982.405(B)]

HUD requires a AHA supervisor or other qualified person to conduct quality control inspections of a sample of units to ensure that each inspector is conducting accurate and complete inspections and that there is consistency in the application of the HQS.

The unit sample must include only units that have been inspected within the preceding 3 months. The selected sample will include (1) each type of inspection (initial, periodic, and special), (2) inspections completed by each inspector, and (3) units from a cross-section of neighborhoods.

8.II.F. INSPECTION RESULTS AND REINSPECTIONS FOR UNITS UNDER HAP CONTRACT

Notification of Corrective Actions

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

In the case of a project-based unit, the AHA will not make any HAP payment to the owner for a contract unit during any period in which the unit does not comply with HQS. If the AHA determines that a unit does not comply with HQS, the AHA will follow the same procedure for notice, corrective action, abatement and termination of PBV-assistance for the HAP contract unit as provided for units in the tenant-based voucher program. (Also see Sections 16-III.D. and 16-IX.A.).

When life threatening conditions are identified, the AHA will immediately notify both parties. The first level of notice is in-person during the inspection, and this will begin the 24-hour correction period. If either party is not present at the inspection, the next level of notice will be by telephone at the telephone number of record, with a verbal message left if possible, and this will serve as the start of the 24-hour correction period. If the AHA has an email address for either or both parties, notice will be sent via email as well. As a last resort, the notice will be mailed, but this does not remove the 24-hour requirement for correction of the life-threatening condition. The notice will specify who is responsible for correcting the violation. The responsible party must correct the defect within 24 hours.

When failures that are not life threatening are identified, the AHA will send the owner and the family a written notification of the inspection results within seven calendar 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. The responsible party must correct the defect within 30 calendar days from the date of the failed inspection (or by the end of any AHA-approved extension).

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 AHA-approved extension), the owner's HAP will be abated in accordance with AHA policy (see 8-II.G.). Likewise, in the case of family caused deficiencies, the notice will inform the family that if corrections are not made within the specified time frame (or any AHA-approved extension, if applicable) the family's assistance will be terminated in accordance with AHA policy (see Chapter 12).

Extensions

For conditions that are life-threatening, the AHA cannot grant an extension to the 24 hour corrective action period. For conditions that are not life-threatening, the AHA may grant an exception to the required time frames for correcting the violation, if the AHA determines that an extension is appropriate [24 CFR 982.404]. A retroactive extension may be requested for 10 days after the date of the letter of abatement but must be approved by the director.

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

A repair cannot be completed because required parts or services are not available.

A repair is expensive (e.g., exterior painting or roof repair) and the owner needs time to obtain funds.

A repair cannot be completed because of weather conditions.

A reasonable accommodation is needed because the family includes a person with disabilities.

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

Owners must make requests for extensions in writing and include verification of the reason the extension is needed.

Reinspections and Self-Certification

For failures due to life-threatening conditions, the AHA will conduct a reinspection on the following day to document that the defect was corrected within 24 hours.

For non-life threatening defects, if there are fewer than five fail items in the first inspection, self-certification by the owner and tenant can be used to establish compliance with HQS.

For a re-inspection with fewer than two fail items, self-certification can be used. Owner/Landlord must have a documented history of HQS compliance through AHA to qualify for the use of this Owner/Tenant Certification of Repairs form. AHA may verify the completeness of all repairs by a Quality Control Inspection within 90 days of the initial date of inspection.

If there are more than five fail items, the AHA will schedule a reinspection approximately one week before the end of the 30-day corrective period, or any AHA-approved extension. The family and owner will be given reasonable notice of the reinspection appointment.

If the deficiencies have not been corrected by the time of the reinspection or if the AHA is unable to gain entry to the unit in order to conduct the scheduled reinspection, the AHA will immediately send a notice of abatement to the owner, or in the case of family caused violations, a notice of termination to the family in accordance with Chapter 12, in accordance with AHA policies.

8.II.G. ENFORCING OWNER COMPLIANCE

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

HAP Abatement

If an owner fails to correct HQS deficiencies by the time specified by the AHA, HUD requires the AHA to abate HAP no later than the first of the month following the specified correction period (including any approved extension) [24 CFR 985.3(f)]. AHA will terminate HAP on the 31st day after the inspection. 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 tenant-based voucher holder family's responsibility. Owner rents are abated for project-based units regardless of fault. (See Sections 16-III.D. and 16-IX.A.).

The AHA will abate HAP beginning with the first day of the month after the AHA specified correction period (including any extension) has been reached and the owner has failed to make the correction.

The AHA will inspect abated units within seven calendar days of the owner's notification that the work has been completed. (Self-certification cannot be used with abated units.) 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.

HAP Contract Termination

The AHA must decide how long any abatement period will continue before the HAP contract will be terminated. The AHA should not terminate the contract until the family finds another unit, provided the family does so in a reasonable time and will give the owner reasonable notice of the termination. The AHA will issue a voucher to permit the family to move to another unit as described in Chapter 10.

The maximum length of time HAP may be abated is 90 days. Reasonable notice of HAP contract termination by the AHA is 30 days. In general, if HQS defects for which HAP is being abated are not corrected by the end of the first month of HAP abatement, the AHA will notify the owner that the HAP contract will be terminated no later than the end of the 90-day abatement period. The AHA will issue a voucher to the tenant family if this has not already been requested by the family. If the owner completes corrections and notifies the AHA before the termination date of the HAP contract, however, the AHA 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.

8.II.H. ENFORCING FAMILY COMPLIANCE WITH HQS [24 CFR 982.404(B)]

Families are responsible for correcting any HQS violations listed in paragraph 8.I.D. If the family fails to correct a violation within the period allowed by the AHA (and any extensions), the AHA will terminate the family's assistance, according to the policies described in Chapter 12.

If the owner carries out a repair for which the family is responsible under the lease, the owner may bill the family for the cost of the repair.

PART III: RENT REASONABLENESS [24 CFR 982.507]

8-III.A. OVERVIEW

No HAP contract can be approved until the AHA has determined that the rent for the unit is reasonable. The purpose of the rent reasonableness test is to ensure that a fair rent is paid for each unit rented under the HCV program.

HUD regulations define a reasonable rent as one that does not exceed the rent charged for comparable, unassisted units in the same market area. HUD also requires that owners not charge more for assisted units than for comparable units on the premises. This part explains the method used to determine whether a unit's rent is reasonable.

AHA-owned Units [24 CFR 982.352(b), Federal Register / Vol. 82, No. 134 / Friday, July 14, 2017]

In cases where an HCV family is receiving assistance in a AHA-owned unit, the AHA must obtain the services of an independent entity to determine rent reasonableness in accordance with program requirements, and to assist the family in negotiating the contract rent when the family requests assistance. AHA-owned unit is defined as a unit that is (1) Owned by the AHA; (2) owned by an entity wholly controlled by the AHA (such as Alameda Affordable Housing Corporation); or (3) owned by a limited liability company (LLC) or limited partnership in which the AHA (or an entity wholly controlled by the AHA) holds a controlling interest in the managing member or general partner. The independent agency must communicate the results of the rent reasonableness determination to the family and the AHA. The independent agency must be approved by HUD and may be the unit of general local government for the AHA jurisdiction (unless the AHA is itself the unit of general local government or an agency of such government).

8-III.B. WHEN RENT REASONABLENESS DETERMINATIONS ARE REQUIRED

Owner-initiated Rent Determinations

The AHA must make a rent reasonableness determination at initial occupancy and whenever the owner requests a rent adjustment. See 9-I.H. Changes in Lease or Rent for additional information about requesting rent adjustments.

The owner and family first negotiate the rent for a unit. The AHA (or independent agency in the case of AHA-owned units) will assist the family with the negotiations upon request. At initial occupancy the AHA must determine whether the proposed rent is reasonable before a HAP Contract is signed. The owner must not change the rent during the initial lease term. Subsequent requests for rent adjustments must be consistent with the lease between the owner and the family. Rent increases will not be approved unless any failed items identified by the most recent HQS inspection have been corrected.

After the initial occupancy period, the owner may request a rent adjustment in accordance with the owner's lease. For rent increase requests after initial lease-up, the AHA may request owners to provide information about the rents charged for other units on the premises. In evaluating the proposed rents in comparison to other units on the premises the AHA will consider unit size and length of tenancy in the other units. The AHA will determine whether the requested increase is reasonable within 30 calendar days of receiving the request from the owner. The owner will be notified of the determination in writing.

Rent increases must be in compliance with Assembly Bill 1482, also known as the Tenant Protections Act of 2019, for all units that are not exempted by this Bill. If the AHA finds that a rent increase for a non-exempted unit is not in compliance with this Bill, the AHA will notify the owner in writing and provide an opportunity for the owner to revise their request to be in compliance.

If the request for rent increase coincides with the annual reexam, the adjustment will be effective on the same date the annual reexam takes effect. All other rents adjustments will be effective the first of the month following 60 days after the AHA's receipt of the owner's request or on the date specified by the owner, whichever is later.

AHA- and HUD-Initiated Rent Reasonableness Determinations

HUD requires the AHA to make a determination of rent reasonableness (even if the owner has not requested a change) if there is a 10 percent decrease in the Fair Market Rent that goes into effect at least 60 days before the contract anniversary date. HUD also may direct the AHA to make a determination at any other time. The AHA may decide that a new determination of rent reasonableness is needed at any time.

In addition to the instances described above, the AHA will always make a determination of rent reasonableness at any time after the initial occupancy period if: (1) the AHA determines that the initial rent reasonableness determination was in error or (2) the AHA determines that the information provided by the owner about the unit or other units on the same premises was incorrect.

8-III.C. HOW COMPARABILITY IS ESTABLISHED

Factors to Consider

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

- Location and age
- Unit size including the number of rooms and square footage of rooms
- The type of unit including construction type (e.g., single family, duplex, garden, low-rise, high-rise)
- The quality of the units including the quality of the original construction, maintenance and improvements made.
- Amenities, services, and utilities included in the rent

Units that Must Not be Used as Comparables

Comparable units must represent unrestricted market rents. Therefore, units that receive some form of federal, state, or local assistance that imposes rent restrictions cannot be considered comparable units. These include units assisted by HUD through any of the following programs: Section 8 project-based assistance, Section 236 and Section 221(d)(3) Below Market Interest Rate (BMIR) projects, HOME or Community Development Block Grant (CDBG) program-assisted units in which the rents are subsidized; units subsidized through federal, state, or local tax credits; units subsidized by the Department of Agriculture rural housing programs, and units that are rent-controlled by local ordinance.

Rents Charged for Other Units on the Premises

The Request for Tenancy Approval (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.

By accepting the AHA payment each month the owner certifies that the rent is not more than the rent charged for comparable unassisted units on the premises. If asked to do so, the owner must give the AHA information regarding rents charged for other units on the premises.

8-III.D . AHA RENT REASONABLENESS METHODOLOGY

How Market Data is Collected

The AHA may collect and maintain data on market rents in the AHA's jurisdiction. Information sources include newspapers, realtors, market surveys, inquiries of owners and other available sources. The data will be maintained by bedroom size and market areas. Market areas may be defined by zip codes, census tract, neighborhood, and identifiable natural or man-made boundaries. The data will be updated on an ongoing basis and rent information that is more than 24 months old will be eliminated from the database. AHA is choosing to use an automated data base system at this time. If adequate information of unassisted units is not available in the automated data base AHA will use the aforementioned process to determine reasonable rents.

How Rents are Determined

The rent for a unit proposed for HCV assistance will be compared to the rent charged for comparable units in the same market area. The AHA will develop a range of prices for comparable units by bedroom size within defined market areas. Units proposed for HCV assistance will be compared to the units within this rent range. Because units may be similar, but not exactly like the unit proposed for HCV assistance, the AHA may make adjustments to the range of prices to account for these differences.

The adjustment must reflect the local market. Not all differences in units require adjustments (e.g., the presence or absence of a garbage disposal may not affect the rent in some market areas).

Adjustments may vary by unit type (e.g., a second bathroom may be more valuable in a three-bedroom unit than in a two-bedroom).

The adjustment must reflect the rental value of the difference – not its construction costs (e.g., it might cost \$20,000 to put on a new roof, but the new roof might not make any difference in what a tenant would be willing to pay because rental units are presumed to have functioning roofs).

When a comparable project offers rent concessions (e.g., first month rent-free, or reduced rent) reported monthly rents will be adjusted accordingly. For example, if a comparable project reports rents of \$500/month but new tenants receive the first month's rent free, the actual rent for the unit would be calculated as follows: $\$500 \times 11 \text{ months} = 5500 / 12 \text{ months} = \text{actual monthly rent of } \488 .

The AHA will notify the owner of the rent the AHA can approve based upon its analysis of rents for comparable units. The owner may submit information about other comparable units in the market area. The AHA will confirm the accuracy of the information provided and consider this additional information when making rent determinations. The owner must submit any additional information within 7 calendar days of the AHA's request for information or the owner's request to submit information.

EXHIBIT 8-1: OVERVIEW OF HUD HOUSING QUALITY STANDARDS

Note: This document provides an overview of HQS. For more detailed information, see the following documents:

24 CFR 982.401, Housing Quality Standards (HQS)

HUD Housing Inspection Manual for Section 8 Housing

HUD Inspection Form, form HUD-52580 (3/01) and Inspection Checklist, form HUD-52580-A (9/00)

PIH Notice 2017-13 Guidance on HUD's Lead Safe Housing Rules Pertaining to Elevated Blood Lead levels for the Public Housing, Housing Choice Voucher, and Project-Based Voucher Programs

Sanitary Facilities

The dwelling unit must include sanitary facilities within the unit. The sanitary facilities must be usable in privacy and must be in proper operating condition and adequate for personal cleanliness and disposal of human waste.

Food Preparation and Refuse Disposal

The dwelling unit must have space and equipment suitable for the family to store, prepare, and serve food in a sanitary manner.

Space and Security

The dwelling unit must provide adequate space and security for the family. This includes having at least one bedroom or living/sleeping room for each two persons.

Thermal Environment

The unit must have a safe system for heating the dwelling unit. Air conditioning is not required but if provided must be in proper operating condition. The dwelling unit must not contain unvented room heaters that burn gas, oil, or kerosene. Portable electric room heaters or kitchen stoves with built-in heating units are not acceptable as a primary source of heat for units located in climatic areas where permanent heat systems are required.

Illumination and Electricity

Each room must have adequate natural or artificial illumination to permit normal indoor activities and to support the health and safety of occupants. The dwelling unit must have sufficient electrical sources so occupants can use essential electrical appliances. Minimum standards are set for different types of rooms. Once the minimum standards are met, the number, type and location of electrical sources are a matter of tenant preference.

Structure and Materials

The dwelling unit must be structurally sound. Handrails are required when four or more steps (risers) are present, and protective railings are required when porches, balconies, and stoops are thirty inches or more off the ground. The elevator servicing the unit must be working [if there is one]. Manufactured homes must have proper tie-down devices capable of surviving wind loads common to the area.

Interior Air Quality

The dwelling unit must be free of air pollutant levels that threaten the occupants' health. There must be adequate air circulation in the dwelling unit. Bathroom areas must have one openable window or other adequate ventilation. Any sleeping room must have at least one window. If a window was designed to be opened, it must be in proper working order.

Water Supply

The dwelling unit must be served by an approved public or private water supply that is sanitary and free from contamination. Plumbing fixtures and pipes must be free of leaks and threats to health and safety.

Lead-Based Paint

HUD's Lead Safe Housing Rule (LSHR) applies to "target housing," which, under the LSHR, is any housing constructed prior to 1978, except housing for households for the elderly or persons with disabilities or any 0- bedroom dwelling (unless any child who is less than 6 years of age resides or is expected to reside in such housing).

The key changes in the LSHR include revising HUD's "environmental investigation blood lead level" (EIBLL) to the "elevated blood lead level" (EBLL), enhancing the level of investigation required for a housing unit of a child with an EBLL to an "environmental investigation" and adding a requirement for testing in other covered units when a child is identified in a multiunit property.

A Housing Choice Voucher Owner is responsible for:

Initial notification of a confirmed case to HUD: Notifying the HUD field office and the HUD Office of Lead Hazard Control and Healthy Homes of the case within 5 business days.

If the owner is notified of the case by any medical health care professional other than the public health department, the owner shall notify the public health department of the name and address of the child within 5 business days.

Verification of the case, when necessary.

Control of lead-based paint hazards within 30 calendar days of an investigation, using a certified lead-based paint abatement firm or certified lead renovation firm.

In a multiunit property, the owner must notify all residents of lead evaluation and hazard control activities.

Ongoing maintenance.

For Housing Choice Voucher units, the AHA is responsible for:

Verification of the case. The PHA shall immediately verify the information with the public health department or other medical health care provider.

Environmental Investigation.

Monitoring the owner's compliance with the LSHR in accordance with the Housing Assistance Payments (HAP) contract between the PHA and the owner.

Control. Ensuring the owner completes and clears the control of lead-based paint hazards identified in the Environmental Investigation of the index unit and the common areas servicing that unit.

The AHA will assist the owner by providing contact information when requested. The AHA will collaborate with the owner on the response, including providing the names of qualified and certified lead hazard control contractors, providing for the clearance examination, and ensuring notification to other residents in a multi-unit property.

For project-based voucher units, the responsibilities of both the AHA and the owner change slightly. Please see the above referenced PIH Notice for these changes.

Access

Use and maintenance of the unit must be possible without unauthorized use of other private properties. The building must provide an alternate means of exit in case of fire.

Site and Neighborhood

The site and neighborhood must be reasonably free from disturbing noises and reverberations, excessive trash or vermin, or other dangers to the health, safety, and general welfare of the occupants.

Sanitary Condition

The dwelling unit and its equipment must be in sanitary condition and free of vermin and rodent infestation. The unit must have adequate barriers to prevent infestation.

Smoke Detectors

Smoke detectors must be installed in accordance with and meet the requirements of the National Fire Protection Association Standard (NFPA) 74 (or its successor standards). If the dwelling unit is occupied by any person with a hearing impairment, smoke detectors must have an appropriate alarm system as specified in NFPA 74 (or successor standards).

Hazards and Health/Safety

The unit, interior and exterior common areas accessible to the family, the site, and the surrounding neighborhood must be free of hazards to the family's health and safety.

EXHIBIT 8-2: SUMMARY OF TENANT PREFERENCE AREAS RELATED TO HOUSING QUALITY

Note: This document provides an overview of unit and site characteristics and conditions for which the family determines acceptability. For more detailed information see the following documents:

HUD Housing Inspection Manual for Section 8 Housing

HUD Inspection Form, form HUD-52580 (3/01) and Inspection Checklist, form HUD-52580-A (9/00)

Provided the minimum housing quality standards have been met, HUD permits the family to determine whether the unit is acceptable with regard to the following characteristics.

Sanitary Facilities. The family may determine the adequacy of the cosmetic condition and quality of the sanitary facilities, including the size of the lavatory, tub, or shower; the location of the sanitary facilities within the unit; and the adequacy of the water heater.

Food Preparation and Refuse Disposal. The family selects size and type of equipment it finds acceptable. When the family is responsible for supplying cooking appliances, the family may choose to use a microwave oven in place of a conventional oven, stove, or range. When the owner is responsible for providing cooking appliances, the owner may offer a microwave oven in place of an oven, stove, or range only if other subsidized and unsubsidized units on the premises are furnished with microwave ovens only. The adequacy of the amount and type of storage space, the cosmetic conditions of all equipment, and the size and location of the kitchen are all determined by the family.

Space and Security. The family may determine the adequacy of room sizes and room locations. The family is also responsible for deciding the acceptability of the type of door and window locks.

Energy conservation items. The family may determine whether the amount of insulation, presence or absence of storm doors and windows and other energy conservation items are acceptable.

Illumination and Electricity. The family may determine whether the location and the number of outlets and fixtures (over and above those required to meet HQS standards) are acceptable or if the amount of electrical service is adequate for the use of appliances, computers, or stereo equipment.

(6) *Structure and Materials.* Families may determine whether minor defects, such as lack of paint, or worn flooring or carpeting will affect the livability of the unit.

(7) *Indoor Air.* Families may determine whether window and door screens, filters, fans, or other devices for proper ventilation are adequate to meet the family's needs. However, if screens are present they must be in good condition.

(8) *Sanitary Conditions.* The family determines whether the sanitary conditions in the unit, including minor infestations, are acceptable.

(9) *Neighborhood conditions.* Families may determine whether neighborhood conditions such as the presence of drug activity, commercial enterprises, and convenience to shopping will affect the livability of the unit.

Families have no discretion with respect to lead-based paint standards and smoke detectors.

CHAPTER 9

GENERAL LEASING POLICIES

INTRODUCTION

Chapter 9 covers the lease-up process from the family's submission of a Request for Tenancy Approval to execution of the HAP contract.

In order for the AHA to assist a family in a particular dwelling unit, or execute a Housing Assistance Payments (HAP) contract with the owner of a dwelling unit, the AHA must determine that all the following program requirements are met:

- The unit itself must qualify as an eligible unit [24 CFR 982.305(a)]
- The unit must be inspected by the AHA and meet the Housing Quality Standards (HQS) [24 CFR 982.305(a)]
- The lease offered by the owner must be approvable and must include the required Tenancy Addendum [24 CFR 982.305(a)]
- The rent to be charged by the owner for the unit must be reasonable [24 CFR 982.305(a)]
- The owner must be an eligible owner, approvable by the AHA, with no conflicts of interest [24 CFR 982.306]
- For families initially leasing a unit only: Where the gross rent of the unit exceeds the applicable payment standard for the family, the share of rent to be paid by the family cannot exceed 40 percent of the family's monthly adjusted income [24 CFR 982.305(a)]

9-I.A. TENANT SCREENING

The AHA has no liability or responsibility to the owner or other persons for the family's behavior or suitability for tenancy [24 CFR 982.307(a)(1)].

The AHA may elect to screen applicants for family behavior or suitability for tenancy. See Chapter 3 for a discussion of the AHA's policies with regard to screening applicant families for program eligibility [24 CFR 982.307(a)(1)].

The owner is responsible for screening and selection of the family to occupy the owner's unit. At or before AHA approval of the tenancy, the AHA must inform the owner that screening and selection for tenancy is the responsibility of the owner [24 CFR 982.307(a)(2)].

The AHA must provide the owner with the family's current and prior address (as shown in the AHA records); and the name and address (if known to the AHA) of the landlord at the family's current and prior address [24 CFR 982.307 (b)(1)].

The AHA is permitted, but not required, to offer the owner other information in the AHA's possession about the family's tenancy [24 CFR 982.307(b)(2)].

The AHA's policy on providing information to the owner must be included in the family's briefing packet [24 CFR 982.307(b)(3)].

The AHA will not screen applicants for family behavior or suitability for tenancy.

Owners are responsible for screening prospective tenants. At, or before the AHA's approval to lease a unit, the AHA will advise the owner that the AHA has not screened the family's behavior or suitability for tenancy and that this screening is the owner's responsibility (24 CFR 982.307(a)). Owners are strongly encouraged to screen prospective tenants.

Owners may request and the AHA will provide specific information about the family being considered for tenancy. The AHA will provide the information listed in 3-III.D *Screening for Suitability as a Tenant*.

9-I.B. REQUESTING TENANCY APPROVAL [FORM HUD-52517]

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 AHA to approve the assisted tenancy in the selected unit.

The owner and the family must submit a completed Request for Tenancy Approval (RFTA) – Form HUD-52517 to the AHA.

The RFTA contains important information about the rental unit selected by the family, including the unit address, number of bedrooms, structure type, year constructed, utilities included in the rent, and the requested beginning date of the lease, necessary for the AHA to determine whether to approve the assisted tenancy in this unit.

Owners must certify to the most recent amount of rent charged for the unit and provide an explanation for any difference between the prior rent and the proposed rent.

Owners must certify that they are not the parent, child, grandparent, grandchild, sister or brother of any member of the family, unless the AHA has granted a request for reasonable accommodation for a person with disabilities who is a member of the tenant household.

For units constructed prior to 1978, owners must either 1) certify that the unit, common areas, and exterior have been found to be free of lead-based paint by a certified inspector; or 2) attach a lead-based paint disclosure statement.

The RFTA must be submitted no later than the expiration date stated on the voucher.[HCV GB Housing Search and Leasing page 15].

The RFTA must be signed by both the family and the owner.

The owner may submit the RFTA on behalf of the family.

Completed RFTA (including the proposed dwelling lease) must be submitted online, by e-mail, in-person, by mail, or by fax.

The family may not submit, and the AHA will not process, more than one (1) RFTA at a time.

When the family submits the RFTA the AHA will review the RFTA for completeness.

If the RFTA is incomplete (including lack of signature by family, owner, or both), the AHA will notify the family and the owner of the deficiencies.

Corrections to the terms of the RFTA, missing information and/or missing documents will be accepted online or by e-mail, in-person, by mail, by fax or by phone.

The unit must pass inspection and the tenant must be ready to move-in 30 calendar days from when the AHA receives the RFTA. After 30 days, the AHA may require a new RFTA to be submitted. The AHA at its own discretion, may choose to extend this time frame but will do so on a case-by-case basis if the reason(s) for failing to meet this deadline are beyond the landlord's and/or tenant's control or upon documentation of a need for a longer time period.

Because of the time sensitive nature of the tenancy approval process, the AHA will attempt to communicate with the owner and family by phone, through the landlord portal, or by email. The AHA will use mail when the parties cannot be contacted by other methods.

9-I.C. OWNER PARTICIPATION

The AHA does not formally approve an owner to participate in the HCV program. However, there are a number of criteria where the AHA may deny approval of an assisted tenancy based on past owner behavior, conflict of interest, or other owner-related issues. No owner has a right to participate in the HCV program [24 CFR 982.306(e)].

See Chapter 13 for a full discussion of owner qualification to participate in the HCV program.

9-I.D. ELIGIBLE UNITS

There are a number of criteria that a dwelling unit must meet in order to be eligible for assistance under the voucher program. Generally, a voucher-holder family may choose any available rental dwelling unit on the market in the AHA's jurisdiction. This includes the dwelling unit they are currently occupying.

Ineligible Units [24 CFR 982.352(a)]

The AHA may not assist a unit under the voucher program if the unit is a public housing or Indian housing unit; a unit receiving project-based assistance under section 8 of the 1937 Act (42 U.S.C. 1437f); nursing homes, board and care homes, or facilities providing continual psychiatric, medical, or nursing services; college or other school dormitories; units on the grounds of penal, reformatory, medical, mental, and similar public or private institutions; a unit occupied by its owner or by a person with any interest in the unit.

AHA-Owned Units [24 CFR 982.352(b)]

Otherwise eligible units that are owned or substantially controlled by the AHA issuing the voucher may also be leased in the voucher program. In order for a AHA-owned unit to be leased under the voucher program, the unit must not be ineligible housing and the AHA must inform the family, both orally and in writing, that the family has the right to select any eligible unit available for lease and that the family is free to select a AHA-owned unit without any pressure or steering by the AHA.

The AHA has eligible AHA-owned units available for leasing under the voucher program.

The AHA will inform the family of this housing at the time of the briefing. The AHA will also inform the family, both orally and in writing, that the family has the right to select any eligible unit available for lease and that the family is free to select an AHA-owned unit without any pressure or steering by the AHA.

Special Housing Types [24 CFR 982 Subpart M]

HUD regulations permit, but do not generally require, the AHA to permit families to use voucher assistance in a number of special housing types in accordance with the specific requirements applicable to those programs. These special housing types include single room occupancy (SRO) housing, congregate housing, group home, shared housing, manufactured home space (where the family owns the manufactured home and leases only the space), cooperative housing and homeownership option. See Chapter 15 for specific information and policies on any of these housing types that the AHA has chosen to allow.

The regulations do require the AHA to permit use of any special housing type if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

Duplicative Assistance [24 CFR 982.352(c)]

A family may not receive the benefit of HCV tenant-based assistance while receiving the benefit of any of the following forms of other housing subsidy, for the same unit or for a different unit:

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

Housing Quality Standards (HQS) [24 CFR 982.305 and 24 CFR 982.401]

In order to be eligible, the dwelling unit must be in decent, safe and sanitary condition. This determination is made using HUD's Housing Quality Standards (HQS) and/or equivalent state or local standards approved by HUD. See Chapter 8 for a full discussion of the HQS standards, as well as the process for HQS inspection at initial lease-up.

Unit Size

In order to be eligible, the dwelling unit will be appropriate for the number of persons in the household. The occupancy standard must be followed for all project-based units including any exceptions under approved MTW activities. A family with a tenant-based voucher will be allowed to lease an otherwise acceptable dwelling unit with fewer bedrooms than the number of bedrooms stated on the voucher issued to the family, provided the unit meets the applicable HQS space requirements [24 CFR 982.402(d)]. The tenant-based voucher family will be allowed to lease an otherwise acceptable dwelling unit with more bedrooms than the number of bedrooms stated on the voucher issued to the family. See Chapter 5 for a full discussion of subsidy standards.

Rent Reasonableness [24 CFR 982.305 and 24 CFR 982.507]

In order to be eligible, the dwelling unit must have a reasonable rent. The rent must be reasonable in relation to comparable unassisted units in the area and must not be in excess of rents charged by the owner for comparable, unassisted units on the premises. See Chapter 8 for a full discussion of rent reasonableness and the rent reasonableness determination process.

Rent Burden [24 CFR 982.508]

Where a family is initially leasing a unit and the gross rent of the unit exceeds the applicable payment standard for the family, the dwelling unit rent must be at a level where the family's share of rent does not exceed 40 percent of the family's monthly adjusted income. See Chapter 6 for a discussion of calculation of gross rent, the use of payment standards, and calculation of family income, family share of rent, and HAP.

9-I.E. LEASE AND TENANCY ADDENDUM

The family and the owner must execute and enter into a written dwelling lease for the assisted unit. This written lease is a contract between the tenant family and the owner; the AHA is not a party to this contract.

The tenant must have legal capacity to enter a lease under State and local law. 'Legal capacity' means that the tenant is bound by the terms of the lease and may enforce the terms of the lease against the owner [24 CFR 982.308(a)].

Lease Form and Tenancy Addendum [24 CFR 982.308]

If the owner uses a standard lease form for rental to unassisted tenants in the locality or the premises, the lease must be in such standard form. If the owner does not use a standard lease form for rental to unassisted tenants, the owner may use another form of lease. The HAP contract prescribed by HUD contains the owner's certification that if the owner uses a standard lease form for rental to unassisted tenants, the lease is in such standard form.

All provisions in the HUD-required Tenancy Addendum must also be added word-for-word to the owner's standard lease form, for use with the assisted family. The Tenancy Addendum includes the tenancy requirements for the program and the composition of the household as approved by the AHA. As a part of the lease, the tenant shall have the right

to enforce the Tenancy Addendum against the owner and the terms of the Tenancy Addendum shall prevail over any other provisions of the lease.

The AHA does not provide a model or standard dwelling lease for owners to use in the HCV program.

Lease Information [24 CFR 982.308(d)]

The assisted dwelling lease must contain all of the required information as listed below:

- The names of the owner and the tenant;
- The unit rented (address, apartment number, and any other information needed to identify the contract unit);
- The term of the lease (initial term and any provisions for renewal);
- The amount of the monthly rent to owner; and
- A specification of what utilities and appliances are to be supplied by the owner, and what utilities and appliances are to be supplied by the family.

Term of Assisted Tenancy

- The initial term of the assisted dwelling lease will be for at least one year [24 CFR 982.309]. The initial lease term is also stated in the HAP contract.
- Except in the case of a project-based unit, the HUD program regulations permit the AHA to approve a shorter initial lease term if certain conditions are met.
- ⊖ The AHA will approve an initial lease term of less than one year when the AHA determines that: (i) Such shorter term would improve housing opportunities for the tenant; (ii) the unit has not been project-based; and (iii) Such shorter term is the prevailing local market practice.
- During the initial term of the lease, the owner may not raise the rent to owner [24 CFR 982.309].
- Any provisions for renewal of the dwelling lease will be stated in the dwelling lease [HCV GB Housing Search and Leasing page 27]. There are no HUD requirements regarding any renewal extension terms, except that they must be in the dwelling lease if they exist.

The AHA may execute the HAP contract even if there is less than one year remaining from the beginning of the initial lease term to the end of the last expiring funding increment under the consolidated ACC [24 CFR 982.309(b)].

Security Deposit [24 CFR 982.313 (a) and (b)]

The owner may collect a security deposit from the tenant. The AHA may prohibit security deposits in excess of private market practice, or in excess of amounts charged by the owner to unassisted tenants. However, if the AHA chooses to do so, language to this effect must be added to Part A of the HAP contract [Form HUD-52641].

The AHA will allow the owner to collect any security deposit amount the owner determines is appropriate as state law limits the amount of security deposit an owner may collect. Therefore, no modifications to the HAP contract will be necessary.

An owner may collect a security deposit from the prospective tenant that is the same amount of deposit collected from tenants of similar unassisted units.

Starting July 1, 2024 ~~†~~The security deposit must not exceed AB 12 state requirements which prohibits landlords from demanding or receiving a security deposit for a residential rental in an amount that exceeds one month's rent. A landlord can require a security deposit in an amount up to two month's rent where: (1) the landlord is a natural person or a limited liability company in which all the members are natural persons; and (2) the landlord owns no more than two residential rental properties that collectively include no more than four dwelling units offered for rent-in. :

~~Unfurnished Unit: _____ Two month's contract rent (this includes any amount labeled as last month's rent)~~

~~—Furnished Unit: _____ Three month's contract rent (this includes any amount labeled as last month's rent)~~

Separate Non-Lease Agreements between Owner and Tenant

Owners may not demand or accept any rent payment from the family in excess of the rent to the owner minus the AHA's housing assistance payments to the owner [24 CFR 982.451(b)(4)].

The owner may not charge the tenant extra amounts for items customarily included in rent in the locality, or provided at no additional cost to unsubsidized tenants in the premises [24 CFR 982.510(c)].

The AHA permits owners and families to execute separate, non-lease agreements for services, appliances (other than range and refrigerator) and other items that are not included in the lease.

Any items, appliances, or other services that are customarily provided to unassisted families as part of the dwelling lease with those families, or are permanently installed in the dwelling unit must be included in the dwelling lease for the assisted family. These items, appliances or services cannot be placed under a separate non-lease agreement between the owner and family. Side payments for additional rent, or for items, appliances or services customarily provided to unassisted families as part of the dwelling lease for those families, are prohibited.

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

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

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

AHA Review of Lease

The AHA will review the dwelling lease for compliance with all applicable requirements.

If the dwelling lease is incomplete or incorrect, the AHA will notify the family and the owner of the deficiencies. Missing and corrected lease information will be accepted by e-mail, in-person, by mail, by fax, or by phone.

Because the initial leasing process is time-sensitive, the AHA will attempt to communicate with the owner and family by phone, through the landlord portal, or by email. The AHA will use mail when the parties cannot be reached by other methods.

The AHA is permitted, but is not required, to review the lease to determine if the lease complies with State and local law and is permitted to decline to approve the tenancy if the AHA determines that the lease does not comply with State or local law [24 CFR 982.308(c)].

The AHA will not review the owner's lease for compliance with state/local law.

9-I.F. TENANCY APPROVAL [24 CFR 982.305]

After receiving the family's Request for Tenancy Approval, with proposed dwelling lease, the AHA must promptly notify the family and owner whether the assisted tenancy is approved.

Prior to approving the assisted tenancy and execution of a HAP contract, the AHA must ensure that all required actions and determinations, discussed in Part I of this chapter have been completed.

These actions include ensuring that the unit is eligible; the unit has been inspected by the AHA and meets the Housing Quality Standards (HQS); the lease offered by the owner is approvable and includes the required Tenancy Addendum; the rent to be charged by the owner for the unit must be reasonable; where the family is initially leasing a unit and the gross rent of the unit exceeds the applicable payment standard for the family, the share of rent to be paid by the family does not exceed 40 percent of the family's monthly adjusted income [24 CFR 982.305(a)]; the owner is an eligible owner, not disapproved by the AHA, with no conflicts of interest [24 CFR 982.306]; the family and the owner have executed the lease, including the Tenancy Addendum, and the lead-based paint disclosure information [24 CFR 982.305(b)] has been provided.

The AHA will complete its determination within 14 calendar days of receiving all required information.

If the terms of the RFTA/proposed lease are changed for any reason, including but not limited to negotiation with the AHA, the AHA will obtain corrected copies of the RFTA and proposed lease, signed by the family and the owner.

Corrections to the RFTA/proposed lease will be accepted as hard copies, by e-mail, in-person, by mail, by fax, or by phone.

If the AHA determines that the tenancy cannot be approved for any reason, the owner and the family will be notified and given the opportunity to address any reasons for disapproval. The AHA will instruct the owner and family of the steps that are necessary to approve the tenancy.

Where the tenancy is not approvable because the unit is not approvable, the family must continue to search for eligible housing within the timeframe of the issued voucher.

If the tenancy is not approvable due to rent affordability (including rent burden and rent reasonableness), the AHA will attempt to negotiate the rent with the owner. If a new, approvable rent is negotiated, the tenancy will be approved. If the owner is not willing to negotiate an approvable rent, the family must continue to search for eligible housing within the timeframe of the issued voucher.

9-I.G. HAP CONTRACT EXECUTION [24 CFR 982.305]

The HAP contract is a written agreement between the AHA and the owner of the dwelling unit occupied by a housing choice voucher assisted family. Under the HAP contract, the AHA agrees to make housing assistance payments to the owner on behalf of a specific family occupying a specific unit and obliges the owner to comply with all program requirements.

The HAP contract format is prescribed by HUD.

If the AHA has given approval for the family of the assisted tenancy, the owner and the AHA execute the HAP contract.

The term of the HAP contract must be the same as the term of the lease [24 CFR 982.451(a)(2)].

The AHA is permitted to execute a HAP contract even if the funding currently available does not extend for the full term of the HAP contract.

The AHA must make a best effort to ensure that the HAP contract is executed before the beginning of the lease term. Regardless, the HAP contract must be executed no later than 60 calendar days from the beginning of the lease term.

The AHA may not pay any housing assistance payment, including any landlord incentives or vacancy loss, to the owner until the HAP contract has been executed. If the HAP contract is executed during the period of 60 calendar days from the beginning of the lease term, the AHA will pay housing assistance payments after execution of the HAP contract (in accordance with the terms of the HAP contract), to cover the portion of the lease term before execution of the HAP contract (a maximum of 60 days).

Any HAP contract executed after the 60-day period is void, and the AHA may not pay any housing assistance payment to the owner.

The owner and the assisted family will execute the dwelling lease and the owner must provide a copy to the AHA. The AHA will ensure that both the owner and the assisted family receive copies of the dwelling lease.

The owner and the AHA will execute the HAP contract. The AHA will not execute the HAP contract until the owner has submitted IRS form W-9. The AHA will ensure that the owner receives a copy of the executed HAP contract.

See Chapter 13 for a discussion of the HAP contract and contract provisions.

9-I.H. CHANGES IN LEASE OR RENT [24 CFR 982.308]

If the tenant and the owner agree to any changes in the lease, such changes must be in writing, and the owner must immediately give the AHA a copy of such changes. The lease, including any changes, must remain in accordance with the requirements of this chapter.

Generally, AHA 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 AHA has approved a new tenancy in accordance with program requirements and has executed a new HAP contract with the owner. These circumstances include:

- Changes in lease requirements governing tenant or owner responsibilities for utilities or appliances;
- Changes in lease provisions governing the term of the lease; and
- 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 dwelling lease containing the altered terms. If the responsibilities for utilities has been altered or the family moves to a new unit, a new Request for Tenancy Approval (RFTA) must be submitted. In all three cases above, a new HAP contract must be executed.

Where the owner is requesting to change the amount of the contract rent, the owner must propose these changes and submit notice to the resident and the AHA, as well as the required rent increase request forms to the AHA, at least 60 days before any such changes go into effect [24 CFR 982.308(g)(4)]. The AHA will agree to such an increase only if the amount of the rent to owner is considered reasonable according to the rent reasonableness standards discussed in Chapter 8 and comparable to unassisted units at the same property. If the requested rent is not found to be reasonable, the owner must either reduce the requested rent increase, or give the family notice in accordance with the terms of the lease.

No rent increase is permitted during the initial term of the lease [24 CFR 982.309(a)(3)].

Where the owner is requesting a rent increase, the AHA will determine whether the requested increase is reasonable within 30 calendar days of receiving the complete request packet from the owner to provide at least 30 days written notice of any changes in tenant rent share or HAP to the property owner. The property owner and resident will be notified of the determination in writing.

If the request for rent increase coincides with the regular reexamination, the adjustment will be effective on the same date the regular reexamination takes effect. All other rents adjustments will be effective the first of the month following 60 days after the AHA's receipt of the owner's request or on the date specified by the owner, whichever is later. Chapter 16 discusses rent increases for Project-Based Voucher owners.

For families participating in the MTW program, an owner request for a rent increase will not be counted towards the one interim per year cap.

CHAPTER 10

MOVING WITH CONTINUED ASSISTANCE AND PORTABILITY

INTRODUCTION

Freedom of choice is a hallmark of the housing choice voucher (HCV) program. In general, therefore, HUD regulations impose few restrictions on where families may live or move with HCV assistance. This chapter sets forth HUD regulations and AHA policies governing moves within or outside the AHA's jurisdiction in two parts:

Part I: Moving with Continued Assistance. This part covers the general rules that apply to all moves by a family assisted under the AHA's HCV program, whether the family moves to another unit within the AHA's jurisdiction or to a unit outside the AHA's jurisdiction under portability.

Part II: Portability. This part covers the special rules that apply to moves by a family under portability, whether the family moves out of or into the AHA's jurisdiction. This part also covers the special responsibilities that the AHA has under portability regulations and procedures.

PART I. MOVING WITH CONTINUED ASSISTANCE

10-I.A. ALLOWABLE MOVES

HUD lists five regulatory conditions and a statutory condition under VAWA in which an assisted family is allowed to move to a new unit with continued assistance. Permission to move is subject to the restrictions set forth in section 10-I.B.

- The family has a right to terminate the lease on notice to the owner (for the owner's breach or otherwise) and has given a notice of termination to the owner in accordance with the lease [24 CFR 982.314(b)(3)] with tenant-based assistance and with project-based assistance, any time after the first year of occupancy. If the family terminates the lease on notice to the owner, the family must give the AHA a copy of the notice at the same time [24 CFR 982.314(d)(1)].

If the family in a project-based voucher unit wishes to move with continued tenant-based assistance, the family must contact the AHA to request the rental assistance prior to providing notice to terminate the lease. If the family terminates the lease in accordance with these requirements and the AHA has the available resources, the AHA will offer the family the opportunity for continued tenant-based assistance, in the form of a Housing Choice Voucher.

If a voucher is not immediately available upon termination of the family's lease in the PBV unit, the AHA will give the family priority to receive the next available voucher. If the family terminates the assisted lease before the end of the first year, the family relinquishes the Housing Choice Voucher assistance. [24 CFR 983.260]

- The Violence Against Woman Reauthorization Act of 2022 provides that "a family may receive a voucher from a public housing agency and move to another jurisdiction under the tenant-based assistance program if the family has complied

with all other obligations of the Section 8 program and has moved out of the assisted dwelling unit in order to protect the health or safety of an individual who is or has been a victim of domestic violence, dating violence, or stalking and who reasonably believed he or she was imminently threatened by harm from further violence if he or she remained in the assisted dwelling unit.” [Pub.L. 113-4]

- The lease for the family’s unit has been terminated by mutual agreement of the owner and the family [24 CFR 982.314(b)(1)(ii)]. If the family and the owner mutually agree to terminate the lease for the family’s unit, the family will give the AHA a copy of the termination agreement. The initial lease term must be for at least one year for a project-based unit and may not be terminated without good cause. In the PBV program, terminating tenancy for “good cause” does not include doing so for a business or economic reason, or a desire to use the unit for personal or family use or other non-residential purpose.
- The owner has given the family a notice to vacate, has commenced an action to evict the family, or has obtained a court judgment or other process allowing the owner to evict the family [24 CFR 982.314(b)(2)]. The family must give the AHA a copy of any owner eviction notice [24 CFR 982.551(g)].
- The AHA has terminated the assisted lease for the family’s unit for the owner’s breach [24 CFR 982.314(b)(1)(i)].
- The AHA determines that the family’s current unit does not meet the HQS space standards because of an increase in family size or a change in family composition. In such cases, the AHA will issue the family a new voucher, and the family and AHA will try to find an acceptable unit as soon as possible. If an acceptable unit is available for the family, the AHA will terminate the HAP contract for the tenant-based voucher family’s old unit in accordance with the HAP contract terms and will notify both the family and the owner of the termination. The tenant-based voucher HAP contract terminates at the end of the calendar month that follows the calendar month in which the AHA gives notice to the owner. [24 CFR 982.403(a) and (c)]

If the family lives in a PBV unit, the family and the owner will be notified within 14 calendar days that the family will be offered continued assistance in another unit. This assistance may be in one of the following forms:

- Another project-based voucher unit or
- A tenant-based voucher.

If the AHA offers the family the opportunity to receive a tenant-based voucher, the AHA will terminate HAP for the wrong-sized PBV unit at expiration of the term of the family’s HCV voucher including any extension granted by the AHA. If the AHA offers the family the opportunity for another PBV unit and the family does not accept the offer or does not move out of the wrong-sized PBV unit within 30 calendar days from the date of the offer to accept the other unit, the AHA will terminate HAP for the wrong-sized or accessible unit, at the expiration of the 30-day time period.

10-I.B. RESTRICTIONS ON MOVES

A family's right to move is generally contingent upon the family's compliance with program requirements [24 CFR 982.1(b)(2)]. HUD specifies two conditions under which a PHA may deny a family permission to move and two ways in which a PHA may restrict moves by a family.

Denial of Moves

HUD regulations permit the AHA to deny a family permission to move under the following conditions:

Insufficient Funding

The AHA may deny a family permission to move if the AHA does not have sufficient funding for continued assistance [24 CFR 982.314(e)(1)].

The AHA will deny a family permission to move on grounds that the AHA does not have sufficient funding for continued assistance if (a) the move is initiated by the family, not the owner or the AHA; (b) the AHA can demonstrate that the move will, in fact, result in higher subsidy costs; and (c) the AHA can demonstrate, through a detailed cost-reduction plan based on reasonable assumptions, that it does not have sufficient funding in its annual budget to accommodate the higher subsidy costs. This policy applies to moves within the AHA's jurisdiction as well as to moves outside it under portability.

Grounds for Denial or Termination of Assistance

The AHA has grounds for denying or terminating the family's assistance [24 CFR 982.314(e)(2)]. VAWA creates an exception to these restrictions for families who are otherwise in compliance with program obligations but have moved to protect the health or safety of an individual who is or has been a victim of domestic violence, dating violence or stalking, and who reasonably believed he or she was imminently threatened by harm from further violence if he or she remained in the unit. [Pub.L. 113-4]

If the AHA has grounds for denying or terminating a family's assistance, the AHA will act on those grounds in accordance with the regulations and policies set forth in Chapters 3 and 12, respectively. In general, it will not deny a family permission to move for this reason; however, it retains the discretion to do so under special circumstances. Refer to section 3-III.G and 12-II.E for VAWA provisions.

Moves through portability can be denied if the family is in violation of program regulations or moved out of the unit in violation of the lease [24 CFR 982.353 (b)]. Refer to section 3-III.G and 12-II.E for VAWA provisions.

Restrictions on Elective Moves [24 CFR 982.314(c)]

HUD regulations permit the AHA to prohibit any elective move by a participant family during the family's initial lease term. They also permit the AHA to prohibit more than one elective move by a participant family during any 12-month period.

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

The AHA will consider exceptions to these policies for the following reasons: to protect the health or safety of a family member (e.g., lead-based paint hazards, domestic violence, witness protection programs), to accommodate a change in family circumstances (e.g., new employment, school attendance in a distant area), or to address an emergency situation over which a family has no control.

In addition, the AHA will allow exceptions to these policies for purposes of reasonable accommodation of a family member who is a person with disabilities (see Chapter 2).

10-I.C. MOVING PROCESS

Notification

If a family wishes to move to a new unit, the family must notify the AHA and the owner before moving out of the old unit or terminating the lease on notice to the owner [24 CFR 982.314(d)(2)]. If the family wishes to move to a unit outside the AHA's jurisdiction under portability, the notice to the AHA must specify the area where the family wishes to move [24 CFR 982.314(d)(2), Notice PIH 2016-9]. The notices must be in writing [24 CFR 982.5]. Notification to the AHA can be made before notification to the owner; however, the AHA will not complete the moving process until notice is given to the landlord. Duplicative assistance on two units will not be paid.

Approval

Upon receipt of a family's notification that it wishes to move, the AHA will determine whether the move is approvable in accordance with the regulations and policies set forth in sections 10-I.A and 10-I.B. The AHA will notify the family in writing of its determination within 14 calendar days following receipt of the family's notification.

Reexamination of Family Income and Composition

When a family wishes to move to another dwelling unit, no reexamination will be scheduled. The family's anniversary date will not change.

For families moving into or families approved to move out of the AHA's jurisdiction under portability, the AHA will follow the policies set forth in Part II of this chapter.

Voucher Issuance and Briefing

For families approved to move to a new unit within the AHA's jurisdiction, the AHA will issue a new voucher within 14 calendar days of the AHA's approval to move. No briefing is required for these families. The AHA will follow the policies set forth in Chapter 5 on voucher term, extension, and expiration. If a family does not locate a new unit within the term of the voucher and any extensions, the family may remain in its current unit with continued voucher assistance if the owner agrees and the AHA approves. Otherwise, the family will lose its assistance.

For families moving into or families approved to move out of the AHA's jurisdiction under portability, the AHA will follow the policies set forth in Part II of this chapter.

Housing Assistance Payments [24 CFR 982.311(d)]

When a family moves out of an assisted unit, the AHA may not make any housing assistance payment to the owner for any month **after** the month the family moves out.

The owner may keep the housing assistance payment for the month when the family moves out of the unit.

If a family moves from an assisted unit with continued tenant-based assistance, the term of the assisted lease for the new assisted unit may begin during the month the family moves out of the first assisted unit. Overlap of the last housing assistance payment (for the month when the family moves out of the old unit) and the first assistance payment for the new unit is not considered to constitute a duplicative housing subsidy. However, the terms of the leases may not generally overlap (see next paragraph for exception). The AHA will not pay a housing assistance payment on two units on the first of the month.

However, the AHA will not pay more than three days of overlap of HAP without special documented approval for extenuating circumstances, such as reasonable accommodation for the disabled, non-voluntary displacement of tenants due to landlord or City action.

PART II: PORTABILITY

10-II.A. OVERVIEW

Within the limitations of the regulations and this plan, a participant family or an applicant family that has been issued a voucher has the right to use tenant-based voucher assistance to lease a unit anywhere in the United States providing that the unit is located within the jurisdiction of a PHA administering a tenant-based voucher program [24 CFR 982.353(b)]. The process by which a family obtains a voucher from one PHA and uses it to lease a unit in the jurisdiction of another PHA is known as portability. The first PHA is called the **initial PHA**. The second is called the **receiving PHA**.

The receiving PHA has the option of administering the family's voucher for the initial PHA or absorbing the family into its own program. Under the first option, the receiving PHA bills the initial PHA for the family's housing assistance payments and the fees for administering the family's voucher. Under the second option, the receiving PHA pays for the family's assistance out of its own program funds, and the initial PHA has no further relationship with the family.

The same PHA commonly acts as the initial PHA for some families and as the receiving PHA for others. Each role involves different responsibilities. The AHA will follow the rules and policies in section 10-II.B when it is acting as the initial PHA for a family. It will follow the rules and policies in section 10-II.C when it is acting as the receiving PHA for a family.

10-II.B. INITIAL PHA ROLE

Allowable Moves under Portability

A family may move with voucher assistance only to an area where there is at least one PHA administering a voucher program [24 CFR 982.353(b)]. If there is more than one such PHA, the initial PHA provides the family with the contact information for the receiving PHAs that serve the area, and the family selects the receiving PHA [24 CFR 982.355(b)].

Applicant families that have been issued vouchers as well as participant families may qualify to lease a unit outside the AHA's jurisdiction under portability. The initial PHA, in accordance with HUD regulations and AHA policy, determines whether a family qualifies.

Applicant Families

Under HUD regulations, most applicant families qualify to lease a unit outside the AHA's jurisdiction under portability (see restrictions to non-resident applicants). However, HUD gives the AHA discretion to deny a portability move by an applicant family for the same two reasons that it may deny any move by a participant family: insufficient funding and grounds for denial or termination of assistance.

In determining whether or not to deny an applicant family permission to move under portability because the AHA lacks sufficient funding or has grounds for denying assistance to the family, the initial PHA will follow the policies established in section 10-I.B of this chapter.

In addition, the AHA may establish a policy denying the right to portability to nonresident applicants during the first 12 months after they are admitted to the program [24 CFR 982.353(c)].

If neither the head of household nor the spouse/cohead of an applicant family had a domicile (legal residence) in the AHA's jurisdiction at the time the family's application for assistance was submitted, the family must live in the AHA's jurisdiction with voucher assistance for at least 12 months before requesting portability.

The AHA will consider exceptions to this policy for purposes of reasonable accommodation (see Chapter 2), in special circumstances, for family unification, or hard to house families with the approval of the Executive Director. Any exception to this policy, however, is subject to the approval of the receiving PHA [24 CFR 982.353(c)(3)].

Participant Families

The Initial PHA must not provide portable assistance for a participant if a family has moved out of its assisted unit in violation of the lease. [24 CFR 982.353(b).] VAWA creates an exception to this prohibition for families who are otherwise in compliance with program obligations but have moved to protect the health or safety of an individual who is or has been a victim of domestic violence, dating violence or stalking and who reasonably believed he or she was imminently threatened by harm from further violence if he or she remained in the unit.

The AHA will determine whether a participant family may move out of the AHA's jurisdiction with continued assistance in accordance with the regulations and policies set forth here and in sections 10-I.A and 10-I.B of this chapter. The AHA will notify the family of its determination in accordance with the approval policy set forth in section 10-I.C of this chapter.

Determining Income Eligibility

Applicant Families

An applicant family may lease a unit in a particular area under portability only if the family is income eligible for admission to the voucher program in that area [24 CFR

982.353(d)(1)]. The family must specify the area to which the family wishes to move [Notice 2016-9].

The initial PHA is responsible for determining whether the family is income eligible in the area to which the family wishes to move. If the applicant family is not income eligible in that area, the PHA must inform the family that it may not move there and receive voucher assistance [Notice PIH 2016-9].

Participant Families

The income eligibility of a participant family is not redetermined if the family moves to a new jurisdiction under portability [24 CFR 982.353(d)(2)].

Reexamination of Family Income and Composition

No new reexamination of family income and composition is required for an applicant family.

For a participant family approved to move out of its jurisdiction under portability, the AHA generally will conduct a reexamination of family income and composition only if the family's regular reexamination must be completed on or before the initial billing deadline specified on form HUD-52665, Family Portability Information.

The AHA will make any exceptions to this policy necessary to remain in compliance with HUD regulations.

Briefing

The regulations and policies on briefings set forth in Chapter 5 of this plan require the AHA to provide information on portability to all applicant families that qualify to lease a unit outside the AHA's jurisdiction under the portability procedures. Therefore, no special briefing is required for these families.

No formal briefing will be required for a participant family wishing to move outside the AHA's jurisdiction under portability. However, the AHA will provide the family with the same oral and written explanation of portability that it provides to applicant families selected for admission to the program (see Chapter 5). The AHA will provide the name, address, and phone of the contact for the PHA in the jurisdiction to which the family wishes to move. The AHA will advise the family that they will be under the receiving PHA's policies and procedures, including subsidy standards and payment standards.

Voucher Issuance and Term

An applicant family has no right to portability [24 CFR 982.353(c)(2)(ii)]. In issuing vouchers to applicant families, the AHA will follow the regulations and procedures set forth in Chapter 5. A new voucher is not required for portability purposes.

For participant families approved to move under portability, the AHA will issue a new voucher within 14 calendar days of the AHA's written approval to move.

The initial term of the voucher will be 180 days.

Voucher Extensions and Expiration

The AHA will approve **no** extensions to a voucher issued to an applicant or participant family porting out of the AHA's jurisdiction except under the following circumstances: (a) the initial term of the voucher will expire before the portable family will be issued a voucher by the receiving PHA, (b) the family decides to return to the AHA's jurisdiction and search for a unit there, or (c) the family decides to search for a unit in a third PHA's jurisdiction. In such cases, the policies on voucher extensions set forth in Chapter 5, section 5-II.E, of this plan will apply, including the requirement that the family apply for an extension in writing prior to the expiration of the initial voucher term.

To receive or continue receiving assistance under the AHA's voucher program, a family that moves to another PHA's jurisdiction under portability must be under HAP contract in the receiving PHA's jurisdiction and billing must be received within 90 days following the expiration date of the AHA's voucher term (including any extensions). (See below under "Initial Billing Deadline" for one exception to this policy.)

Initial Contact with the Receiving PHA

After approving a family's request to move under portability, the initial PHA must promptly notify the receiving PHA to expect the family [24 CFR 982.355(c)(6)]. This means that the initial PHA must contact the receiving PHA directly on the family's behalf [Notice PIH 2016-9]. The initial PHA must also advise the family how to contact and request assistance from the receiving PHA [24 CFR 982.355(b)].

Because the portability process is time-sensitive, the AHA will notify the receiving PHA by phone, fax, or e-mail to expect the family. The AHA also will ask the receiving PHA to provide any information the family may need upon arrival, including the name, fax, email and telephone number of the staff person responsible for incoming portable families and procedures related to appointments for voucher issuance. The AHA will pass this information along to the family. The AHA will also ask for the name, address, telephone number, fax and email of the person responsible for processing the billing information.

Sending Documentation to the Receiving PHA

The AHA is required to send the receiving PHA the following documents:

- Form HUD-52665, Family Portability Information, with Part I filled out [Notice PIH 2016-9]
- A copy of the family's voucher [Notice PIH 2016-9]
- A copy of the family's most recent form HUD-50058, Family Report, or, if necessary in the case of an applicant family, family and income information in a format similar to that of form HUD-50058 [24 CFR 982.355(c)(7), Notice PIH 2016-9]
- Copies of the income verifications backing up the form HUD-50058 [24 CFR 982.355(c)(7), Notice PIH 2016-9]

In addition to these documents, the AHA will provide the following information, if available, to the receiving AHA:

- Documentation of Social Security Numbers for all family members age 6 and over
- Documentation of legal identity
- Documentation of citizenship or eligible immigration status

- Documentation of participation in the earned income disallowance (EID) benefit
- Documentation of participation in a family self-sufficiency (FSS) program

The AHA will notify the family in writing regarding any information provided to the receiving PHA [HCV GB Moves and Portability Pg. 13].

Initial Billing Deadline [Notice PIH 2016-9]

When the initial PHA sends form HUD-52665 to the receiving PHA, it specifies in Part I the deadline by which it must receive the initial billing notice from the receiving PHA. This deadline is 90 days following the expiration date of the voucher issued to the family by the initial PHA. If the initial PHA does not receive a billing notice by the deadline and does not intend to honor a late billing submission, it must contact the receiving PHA to determine the status of the family. If the receiving PHA reports that the family is not yet under HAP contract, the initial PHA may refuse to accept a late billing submission. If the receiving PHA reports that the family is under HAP contract and the receiving PHA cannot absorb the family, the initial PHA must accept a late billing submission; however, it may report to HUD the receiving PHA's failure to comply with the deadline.

If the AHA has not received an initial billing notice from the receiving PHA by the deadline specified on form HUD-52665, it will contact the receiving PHA by phone, fax, or e-mail. If the receiving PHA reports that the family is not yet under HAP contract, the AHA will inform the receiving PHA that it will not honor a late billing submission and will return any subsequent billings that it receives on behalf of the family. The AHA will send the receiving PHA a written confirmation of its decision by e-mail or other confirmed delivery method such as DocuSign.

The AHA will allow an exception to this policy if the family includes a person with disabilities and the late billing is a result of a reasonable accommodation granted to the family by the receiving PHA.

Monthly Billing Payments [24 CFR 982.355(e), Notice PIH 2016-9]

If the receiving PHA is administering the family's voucher, the initial PHA is responsible for making billing payments in a timely manner. The first billing amount is due within 30 calendar days after the initial PHA receives Part II of form HUD-52665 from the receiving PHA. Subsequent payments must be **received** by the receiving PHA no later than the fifth business day of each month. The payments must be provided in a form and manner that the receiving PHA is able and willing to accept.

The initial PHA may not terminate or delay making payments under existing portability billing arrangements as a result of over-leasing or funding shortfalls. The AHA must manage its tenant-based program in a manner that ensures that it has the financial ability to provide assistance for families that move out of its jurisdiction under portability and are not absorbed by receiving PHAs as well as for families that remain within its jurisdiction.

Updates of Form HUD-50058

If the initial PHA is being billed on behalf of a portable family, it should receive an updated form HUD-50058 from the receiving PHA at each reexamination even if there are not changes to the billing [PIH Notice 2016-9]. If the initial PHA fails to receive an updated

50058 by the family's regular reexamination date, the initial PHA should contact the receiving PHA to verify the status of the family.

Subsequent Family Moves

Within the Receiving PHA's Jurisdiction [24 CFR 982.354(e)(1), Notice PIH 2016-9]

The initial PHA has the authority to deny subsequent moves by portable families whom it is assisting under portability billing arrangements if it does not have sufficient funding for continued assistance.

If the AHA determines that it must deny moves on the grounds that it lacks sufficient funding (see section 10-I.B), it will notify all receiving PHAs with which it has entered into portability billing arrangements that they, too, must deny moves to higher cost units by portable families from the AHA's jurisdiction.

The AHA will allow exceptions to this policy for purposes of reasonable accommodation of a family member who is a person with disabilities.

Outside the Receiving PHA's Jurisdiction [Notice PIH2016-9]

If the initial PHA is assisting a portable family under a billing arrangement and the family subsequently decides to move out of the receiving PHA's jurisdiction, the initial PHA is responsible for issuing the family a voucher while the family is either being assisted or has a voucher from the receiving PHA and, if the family wishes to port to another jurisdiction, sending form HUD-52665 and supporting documentation to the new receiving PHA. Any extensions of the initial PHA voucher necessary to allow the family additional search-time to return to the initial PHA's jurisdiction or to move to another jurisdiction would be at the discretion of the initial PHA.

Denial or Termination of Assistance [24 CFR 982.355(c)(17)]

If the initial PHA has grounds for denying or terminating assistance for a portable family that has not been absorbed by the receiving PHA, the initial PHA may act on those grounds at any time. (For AHA policies on denial and termination, see Chapters 3 and 12, respectively.)

10-II.C. RECEIVING PHA ROLE

If a family has a right to lease a unit in the receiving PHA's jurisdiction under portability, the receiving PHA must provide assistance for the family [24 CFR 982.355(a)].

The receiving PHA's procedures and preferences for selection among eligible applicants do not apply, and the receiving PHA's waiting list is not used [24 CFR 982.355(10)]. However, the family's unit or voucher size is determined in accordance with the subsidy standards of the receiving PHA [24 CFR 982.355(12)], and the amount of the family's housing assistance payment is determined in the same manner as for other families in the receiving PHA's voucher program [24 CFR 982.355(e)(2)].

Initial Contact with Family

When a family moves into the AHA's jurisdiction under portability, the family is responsible for promptly contacting the AHA and complying with the AHA's procedures for incoming portable families [24 CFR 982.355(c)(8)].

If the voucher issued to the family by the initial PHA has expired, the receiving PHA does not process the family's paperwork but instead refers the family back to the initial PHA [Notice PIH 2016-9]

When a portable family requests assistance from the receiving PHA, the receiving PHA must promptly inform the initial PHA whether the receiving PHA will bill the initial PHA for assistance on behalf of the portable family or will absorb the family into its own program [24 CFR 982.355(c)(3)]. If the PHA initially bills the initial PHA for the family's assistance, it may later decide to absorb the family into its own program [Notice PIH 2016-9]. (See "Absorbing a Portable Family" for more on this topic.)

Within 14 calendar days after receiving the port packet, the AHA will notify the initial PHA whether it intends to bill the initial PHA on behalf of the portable family or absorb the family into its own program.

If for any reason the receiving PHA refuses to process or provide assistance to a family under the portability procedures, the family must be given the opportunity for an informal review or hearing [Notice PIH 2016-9]. (For more on this topic, see "Denial or Termination of Assistance.")

Briefing

HUD allows the receiving PHA to require a briefing for an incoming portable family as long as the requirement does not unduly delay the family's search [Notice PIH 2016-9].

The AHA will not require the family to attend a briefing. The AHA will provide the family with a briefing packet (as described in Chapter 5) and, in an individual meeting, will orally inform the family about the AHA's payment and subsidy standards, procedures for requesting approval of a unit, the unit inspection process, and the leasing process.

Income Eligibility and Reexamination

HUD allows the receiving PHA to conduct its own income reexamination of a portable family [24 CFR 982.355(c)(11)]. However, the receiving PHA may not delay voucher issuance or unit approval until the reexamination process is complete unless the reexamination is necessary to determine that an applicant family is income eligible for admission to the program in the area where the family wishes to lease a unit [Notice PIH 2016-9]. The receiving PHA does not redetermine income eligibility for a portable family that was already receiving assistance in the initial PHA's voucher program [24 CFR 982.355(c)(9)].

For any family moving into its jurisdiction under portability, the AHA will conduct a reexamination of family income and composition, including criminal background checks on adult household members. However, the AHA will not delay issuing the family a voucher for this reason. Nor will the AHA delay approving a unit for the family until the reexamination process is complete unless the family is an applicant and the AHA cannot otherwise confirm that the family is income eligible for admission to the program in the area where the unit is located.

In conducting its own reexamination, the AHA will rely upon any verifications provided by the initial PHA to the extent that the verification (a) accurately reflect the family's current circumstances and (b) were obtained within the last 120 days. Any new information may

be verified by documents provided by the family and adjusted, if necessary, when third party verification is received.

Voucher Issuance

When a family moves into its jurisdiction under portability, the receiving PHA is required to issue the family a voucher [24 CFR 982.355(c)(13)]. The family must submit a request for tenancy approval to the receiving PHA during the term of the receiving PHA's voucher [24 CFR 982.355(c)(15)].

Timing of Voucher Issuance

HUD expects the receiving PHA to issue the voucher within two weeks after receiving the family's paperwork from the initial PHA if the information is in order, the family has contacted the receiving PHA, and the family complies with the receiving PHA's procedures [Notice PIH 2016-9].

When a family ports into its jurisdiction, the AHA will issue the family a voucher based on the paperwork provided by the family unless the family's paperwork from the initial PHA is incomplete, the family's voucher from the initial PHA has expired or the family does not comply with the AHA's procedures. The AHA will update the family's information when verification has been completed.

Voucher Term

The term of the receiving PHA voucher may not expire before 30 calendar days from the expiration date of the initial PHA voucher [24 CFR 982.355 (13)].

Voucher Extensions [24 CFR 982.355(c)(14), Notice 2016-9]

The receiving PHA may provide additional search time to the family beyond the expiration date of the initial PHA's voucher; however, if it does so, it must inform the initial PHA of the extension. It must also bear in mind the billing deadline provided by the initial PHA. Unless willing and able to absorb the family, the receiving PHA should ensure that any voucher expiration date would leave sufficient time to process a request for tenancy approval, execute a HAP contract, and deliver the initial billing to the initial PHA.

The AHA generally will not extend the term of the voucher that it issues to an incoming portable family unless the AHA plans to absorb the family into its own program, in which case it will follow the policies on voucher extension set forth in section 5-II.E.

The AHA will consider an exception to this policy as a reasonable accommodation to a person with disabilities (see Chapter 2).

Notifying the Initial PHA

The receiving PHA must promptly notify the initial PHA if the family has leased an eligible unit under the program or if the family fails to submit a request for tenancy approval for an eligible unit within the term of the receiving PHA's voucher [24 CFR 982.355(c)(16)]. The receiving PHA is required to use Part II of form HUD-52665, Family Portability Information, for this purpose [Notice PIH2016-9]. (For more on this topic and the deadline for notification, see below under "Administering a Portable Family's Voucher.")

If an incoming portable family ultimately decides not to lease in the jurisdiction of the receiving PHA but instead wishes to return to the initial PHA's jurisdiction or to search in another jurisdiction, the receiving PHA must refer the family back to the initial PHA. In such a case the voucher of record for the family is once again the voucher originally

issued by the initial PHA. Any extension of search time provided by the receiving PHA's voucher is only valid for the family's search in the receiving PHA's jurisdiction. [Notice PIH 2016-9]

Administering a Portable Family's Voucher

Initial Billing Deadline

If a portable family's search for a unit is successful and the receiving PHA intends to administer the family's voucher, the receiving PHA must submit its initial billing notice (Part II of form HUD-52665) (a) no later than 10 business days following the date the receiving PHA **executes** a HAP contract on behalf of the family **and** (b) in time that the notice will be **received** no later than 90 days following the expiration date of the family's voucher issued by the initial PHA [Notice PIH 2016-9]. A copy of the family's form HUD-50058, Family Report, completed by the receiving PHA must be attached to the initial billing notice. The receiving PHA may send these documents by mail, fax, or e-mail.

The AHA will send its initial billing notice by fax, e-mail, or other method that has a delivery confirmation method such as DocuSign to meet the billing deadline.

If the receiving PHA fails to send the initial billing within 10 business days following the date the HAP contract is executed, it is required to absorb the family into its own program unless (a) the initial PHA is willing to accept the late submission or (b) HUD requires the initial PHA to honor the late submission (e.g., because the receiving PHA is over-leased) [Notice PIH 2016-9].

Ongoing Notification Responsibilities [Notice PIH 2016-9, HUD-52665]

Regular reexamination. The receiving PHA must send the initial PHA a copy of a portable family's updated form HUD-50058 after each regular reexamination for the duration of time the receiving PHA is billing the initial PHA on behalf of the family, regardless of whether there is a change in the billing amount.

The AHA will send a copy of the updated HUD-50058 at the same time the participant and owner are notified of the reexamination results.

Change in Billing Amount. The receiving PHA is required to notify the initial PHA, using form HUD-52665, of any change in the billing amount for the family as a result of:

- A change in the HAP amount (because of a reexamination, a change in the applicable payment standard, a move to another unit, etc.)
- An abatement or subsequent resumption of the HAP payments
- Termination of the HAP contract
- Payment of a damage/vacancy loss claim for the family
- Termination of the family from the program

The timing of the notice of the change in the billing amount should correspond with the notification to the owner and the family in order to provide the initial PHA with advance notice of the change. Under no circumstances should the notification be later than 10 business days following the effective date of the change in the billing amount.

Late Payments [Notice PIH 2016-9]

If the initial PHA fails to make a monthly payment for a portable family by the fifth business day of the month, the receiving PHA must promptly notify the initial PHA in writing of the deficiency. The notice must identify the family, the amount of the billing payment, the date the billing payment was due, and the date the billing payment was received (if it arrived late). The receiving PHA must send a copy of the notification to the Office of Public Housing (OPH) in the HUD area office with jurisdiction over the receiving PHA. If the initial PHA fails to correct the problem by the second month following the notification, the receiving PHA may request by memorandum to the director of the OPH with jurisdiction over the receiving PHA that HUD transfer the unit in question. A copy of the initial notification and any subsequent correspondence between the PHAs on the matter must be attached. The receiving PHA must send a copy of the memorandum to the initial PHA. If the OPH decides to grant the transfer, the billing arrangement on behalf of the family ceases with the transfer, but the initial PHA is still responsible for any outstanding payments due to the receiving PHA.

Overpayments [Notice PIH 2016-9]

In all cases where the receiving PHA has received billing payments for billing arrangements no longer in effect, the receiving PHA is responsible for returning the full amount of the overpayment (including the portion provided for administrative fees) to the initial PHA.

In the event that HUD determines billing payments have continued for at least three months because the receiving PHA failed to notify the initial PHA that the billing arrangement was terminated, the receiving PHA must take the following steps:

- Return the full amount of the overpayment, including the portion provided for administrative fees, to the initial PHA.
- Once full payment has been returned, notify the Office of Public Housing in the HUD area office with jurisdiction over the receiving PHA of the date and the amount of reimbursement to the initial PHA.

At HUD's discretion, the receiving PHA will be subject to the sanctions spelled out in Notice PIH 2016-9.

Denial or Termination of Assistance

At any time, the receiving PHA may make a determination to deny or terminate assistance to a portable family for family action or inaction [24 CFR 982.355(c)(17)].

In the case of a termination, the PHA should provide adequate notice of the effective date to the initial PHA to avoid having to return a payment. In no event should the receiving PHA fail to notify the initial PHA later than 10 business days following the effective date of the termination of the billing arrangement. [Notice PIH 2016-9]

If the AHA elects to deny or terminate assistance for a portable family, the AHA will notify the initial PHA within 10 business days after the informal review or hearing if the denial or termination is upheld. The AHA will base its denial or termination decision on the policies set forth in Chapter 3 or Chapter 12, respectively. The informal review or hearing

will be held in accordance with the policies in Chapter 15. The AHA will furnish the initial PHA with a copy of the review or hearing decision.

Absorbing a Portable Family

The receiving PHA may absorb an incoming portable family into its own program when the PHA executes a HAP contract on behalf of the family or at any time thereafter providing that (a) the PHA has funding available under its annual contributions contract (ACC) and (b) absorbing the family will not result in over-leasing [24 CFR 982.355(d)(1), Notice PIH 2016-9].

If the receiving PHA absorbs a family from the point of admission, the admission will be counted against the income targeting obligation of the receiving PHA [24 CFR 982.201(b)(2)(vi)].

If the receiving PHA absorbs a family after providing assistance for the family under a billing arrangement with the initial PHA, HUD encourages the receiving PHA to provide adequate advance notice to the initial PHA to avoid having to return an overpayment. The receiving PHA must specify the effective date of the absorption of the family. [Notice PIH 2016-9]

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

If the AHA decides to absorb a family after that, it will provide the initial PHA with 30 days' advance notice.

Following the absorption of an incoming portable family, the family is assisted with funds available under the consolidated ACC for the receiving PHA's voucher program [24 CFR 982.355(d)], and the receiving PHA becomes the initial PHA in any subsequent moves by the family under portability.

CHAPTER 11

REEXAMINATIONS

INTRODUCTION

The AHA is required to reexamine each family's income and composition regularly, and to adjust the family's level of assistance accordingly. Interim reexaminations are also needed in certain situations. This chapter discusses both annual and interim reexaminations, and the recalculation of family share and subsidy that occurs as a result. HUD regulations and AHA policies concerning reexaminations are presented in three parts:

Part I: Regular Reexaminations. This part discusses the process for conducting regular reexaminations. The schedule is different for families or participants included under MTW activities than those for families not included under MTW activities.

Part II: Interim Reexaminations. This part details the requirements for families to report changes in family income and composition between regular reexaminations. These reporting requirements are different for families or participants included under MTW activities than those for families not included under MTW activities.

Part III: Recalculating Family Share and Subsidy Amount. This part discusses the recalculation of family share and subsidy amounts based on the results of regular and interim reexaminations.

Policies governing reasonable accommodation, family privacy, required family cooperation, and program abuse, as described elsewhere in this plan, apply to both regular and interim reexaminations.

For families and participants included in MTW activities:

The Hardship Policy – Alternative Reexamination Schedule for Households found in Chapter 6 applied to both regular and interim reexaminations.

PART I: REGULAR REEXAMINATIONS [24 CFR 982.516, MTW OPERATIONS NOTICE]

11-I.A. OVERVIEW

The AHA must conduct a reexamination of family income and composition at least annually for families and participants not included in the MTW program and triennially for families and participants included in the MTW program. This includes gathering and verifying current information about family composition, income, and expenses.

Based on this updated information, the family's income and rent must be recalculated. This part discusses the schedule for regular reexaminations, the information to be collected and verified, and regular reexamination effective dates.

11-I.B. SCHEDULING REGULAR REEXAMINATIONS

The AHA must establish a policy to ensure that the regular reexamination for each family is completed *within* the required deadlines.

For families and participants not included in MTW:

This reexamination schedule is a 12-month period, but AHA may require reexaminations more frequently [HCV GB Reexaminations pg. 6].

For families and participants included in MTW:

This reexamination schedule is a 36-month period, but AHA may require reexaminations more frequently. Families receiving zero income or less than \$5,000 per adult annually in income will be required to complete reexaminations annually.

The AHA will begin the regular reexamination process 120 days in advance of its scheduled effective date. Generally, the AHA will schedule regular reexamination effective dates to coincide with the family's anniversary date.

Anniversary date is defined as 12 or 36 months from the effective date of the family's last regular reexamination. The AHA will assign participants to a regular reexamination date based on the AHA's workflow and business needs.

If the family moves to a new unit, the AHA will not perform a new regular reexamination.

The AHA also may schedule a regular reexamination for completion prior to the anniversary date for administrative purposes.

Notification of and Participation in the Regular Reexamination Process

The AHA is required to obtain the information needed to conduct regular reexaminations. How that information will be collected is left to the discretion of the AHA.

For families and participants not included in MTW:

Reexamination interviews will take place annually on a platform of the AHA's choosing which includes, but is not limited to, in-person and virtual meetings, and must be attended by all adult household members. If participation in an in-person interview poses a hardship because of a family member's disability, the family should contact the AHA to request reasonable accommodation (see Chapter 2).

Notification of the reexamination will be sent by first-class mail and will inform the family of the information and documentation that must be provided to the AHA, and the deadline for providing it. Documents will be accepted by mail, by e-mail, by fax, or in person.

For families and participants included in MTW:

Reexamination interviews will take place once every three years on a platform of the AHA's choosing which includes, but is not limited to, in-person and virtual meetings, and must be attended by all adult household members. If participation in an in-person interview poses a hardship because of a family member's disability, the family should contact the AHA to request reasonable accommodation (see Chapter 2).

If a mailed notice is returned by the post office with no forwarding address, a notice of termination (see Chapter 12) will be sent to the family's address of record, as well as to any alternate address provided in the family's file.

An interview will be scheduled if the family requests assistance in providing information or documentation requested by the AHA.

Notification of reexamination interviews will be sent by first-class mail or e-mail and will contain the date, time, and location of the interview. In addition, it will inform the family of the information and documentation that must be brought to the interview.

If the family is unable to attend a scheduled interview, the family should contact the AHA in advance of the interview to schedule a new appointment. If a family misses the scheduled interview without notifying the AHA within 24 hours of the appointment, a notice of termination (see Chapter 12) will be sent to the family's address of record, and to any alternate address provided in the family's file.

An advocate, interpreter, or other assistant may assist the family in the interview process.

11-I.C. CONDUCTING REGULAR REEXAMINATIONS

As part of the regular reexamination process, families are required to provide updated information to the AHA regarding the family's income, expenses, and composition [24 CFR 982.551(b)].

Families will be asked to supply all required information before the deadline specified in the notice. The required information will include an AHA-designated reexamination form, an Authorization for the Release of Information/Privacy Act Notice, as well as supporting documentation related to the family's income, expenses, and family composition.

Any required documents or information that the family is unable to provide at the time of the interview or by other means (mail, e-mail, through the portal, or by fax) must be provided within 14 calendar days of the date the AHA notifies the family. If the family is unable to obtain the information or materials within the required time frame, the family may request an extension.

If the family does not provide the required documents or information within the required time frame (plus any extensions), the family will be sent a notice of termination (See Chapter 12).

The information provided by the family generally must be verified in accordance with the policies in Chapter 7. Unless the family reports a change, or the agency has reason to believe a change has occurred in information previously reported by the family, certain types of information that are verified at admission typically do not need to be re-verified on an annual basis. These include:

- Legal identity
- Age
- Social security numbers
- A person's disability status
- Citizenship or immigration status

Streamlined re-certification for fixed sources of incomes. 24 CFR 982.516

The AHA has selected to adopt a streamlined income determination for any family member with a fixed source of income. Note that the family member may also have non-fixed sources of income, which remain subject to third-party verification.

For the family member's income from fixed sources, the AHA must perform third-party verification at least every three years. The AHA must continue to conduct third-party verification of deductions. For the fixed income source on the first year after the third-party verification, the AHA will determine if the source is a fixed source of income, and if it is, will use a third-party verified cost of living adjustment (COLA) to calculate the increased income. The second year after the third-party verification, the AHA will use a third-party verified cost of living adjustment (COLA) to calculate the increased income. The next year will require a third-party verification of the fixed source of income and not just the COLA. Public sources, such as the Social Security Administration's website can be used to verify a COLA.

Fixed sources of income include income from:

- Social Security payments, to include Supplemental Security Income (SSI) and Supplemental Security Disability Insurance (SSDI);
- Federal, state, local, and private pension plans;
- Other periodic payments received from annuities, insurance policies, retirement funds, disability or death benefits, and other similar types of periodic payments; or
- Any other source of income subject to adjustment by a verifiable COLA or current rate of interest.

Adding New Family Member If adding a new family member to the unit causes overcrowding according to the Housing Quality Standards (HQS) (see Chapter 8), the AHA must issue the family a new voucher, and the family and AHA must try to find an acceptable unit as soon as possible. If an acceptable unit is available for rental by the family, the AHA must terminate the HAP contract in accordance with its terms [24 CFR 982.403].

In the case of a PBV unit, the family and the owner will be notified within 14 calendar days that the family will be offered continued assistance in another unit. This assistance may be in one of the following forms:

- Another project-based unit; or
- A tenant-based voucher;

See Chapter 16 Section 16-VII.C. *Moves Overcrowded, Under-Occupied, and Accessible Units* for timelines for PBV moves.

11-I.D. DETERMINING ONGOING ELIGIBILITY OF CERTAIN STUDENTS [24 CFR 982.552(B)(5)]

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

If a student enrolled in an institution of higher education is under the age of 24, is not a veteran, is not married, and does not have a dependent child, the student's eligibility must be reexamined along with the income eligibility of the student's parents on an annual basis for non-MTW families and on a triennial basis for MTW families. In these cases, both the student and the student's parents must be income eligible for the student to continue to receive HCV assistance. If, however, a student in these circumstances is determined independent from the individual's parents in accordance with AHA policy, the income of the student's parents will not be considered in determining the student's ongoing eligibility.

Students who reside with parents in an HCV assisted unit are not subject to this provision. It is limited to students who are receiving assistance on their own, separately from their parents.

During the regular reexamination process, the AHA will determine the ongoing eligibility of each student who is subject to the eligibility restrictions in 24 CFR 5.612 by reviewing the student's individual income as well as the income of the student's parents. If the student has been determined "independent" from the individual's parents based on the policies in Sections 3-II.E and 7-II.E, the parents' income will not be reviewed.

If the student is no longer income eligible based on the individual's own income or the income of the individual's parents, the student's assistance will be terminated in accordance with the policies in Section 12-I.D.

If the student continues to be income eligible based on his/her own income and the income of the individual's parents (if applicable), the AHA will process a reexamination in accordance with the policies in this chapter.

11-I.E. EFFECTIVE DATES

The AHA must establish policies concerning the effective date of changes that result from a reexamination [24 CFR 982.516].

In general, an *increase* in the family share of the rent that results from a regular reexamination will take effect on the date set by the AHA for the regular reexamination, and the family will be notified at least 30 days in advance.

If less than 30 days remain before the scheduled effective date, the increase will take effect on the first of the month following the end of the 30-day notice period.

If the family causes a delay in processing the regular reexamination, *increases* in the family share of the rent will be applied retroactively, to the scheduled effective date of the regular reexamination. The family will be responsible for any overpaid subsidy and may be offered a repayment agreement in accordance with the policies in Chapter 15.

For families and participants not included in MTW activities:

In general, a *decrease* in the family share of the rent that results from a regular reexamination will take effect on the family's anniversary date.

For families and participants included in MTW activities:

In general, a *decrease* in the family share of the rent that results from a regular reexamination will take effect on the date set by AHA for the regular reexamination.

If the family causes a delay in processing the regular reexamination, *decreases* in the family share of the rent will be applied prospectively, from the first day of the month following completion of the reexamination processing.

Delays in reexamination processing are considered to be caused by the family if the family fails to provide information requested by the AHA by the date specified, and this delay prevents the AHA from completing the reexamination as scheduled.

PART II: INTERIM REEXAMINATIONS [24 CFR 982.516]

11-II.A. OVERVIEW

Family circumstances may change throughout the period between regular reexaminations. HUD and AHA policies dictate what kinds of information about changes in family circumstances must be reported, and under what circumstances the AHA must process interim reexaminations to reflect those changes. HUD regulations also permit the AHA to conduct interim reexaminations of income or family composition at any time. When an interim reexamination is conducted, only those factors that have changed are verified and adjusted.

In addition to specifying what information the family must report, HUD regulations permit the family to request an interim determination if other aspects of the family's income or composition change. However, see below for interim limitations for families included in MTW activities. The AHA must complete the interim reexamination within a reasonable time after the family's request.

This part includes HUD and AHA policies describing what changes families are required to report, what changes families may choose to report, and how the AHA will process both AHA- and family-initiated interim reexaminations.

For families and participants included in MTW activities:

Activity 2022-02 allows the agency to establish a limit on the number of interim reexaminations between regular reexaminations. The AHA is limiting households to one interim per year. Families may follow request additional interims as outlined in the Hardship Policy – Alternative Reexamination Schedule for Households found in Chapter 6.

11-II.B. CHANGES IN FAMILY AND HOUSEHOLD COMPOSITION

The AHA must adopt policies prescribing when and under what conditions the family must report changes in family composition.

New Family Members Not Requiring Approval

The addition of a family member as a result of birth, adoption, or court-awarded custody does not require AHA approval. However, the family is required to promptly notify the AHA of the addition [24 CFR 982.551(h)(2)].

For families and participants not included in MTW activities:

The family must inform the AHA of the birth, adoption or court-awarded custody of a child within 14 calendar days.

For families and participants included in the MTW activities:

Family composition changes for family members not requiring approval would be processed at the next triennial or when the household transfers. The family may request an interim for family composition changes once a year, including an increase in subsidy when the family is over-housed.

New Family and Household Members Requiring Approval

With the exception of children who join the family as a result of birth, adoption, or court-awarded custody, a family must request AHA approval to add a new family member [24 CFR 982.551(h)(2)] or other household member (live-in aide or foster child) [24 CFR 982.551(h)(4)]. Families must request AHA approval to add a new family member, live-in aide, foster child, or foster adult. This includes any person not on the lease who is expected to stay in the unit for more than 14 consecutive days, or 30 cumulative days, within a 12-month period, and therefore no longer qualifies as a “guest.” Requests must be made in writing and approved by the landlord and AHA prior to the individual moving in the unit.

When any new family member is added, the AHA must conduct a reexamination to determine any new income or deductions associated with the additional family member, and to make appropriate adjustments in the family share of the rent and the HAP payment [24 CFR 982.516(e)].

If a change in family size causes a violation of Housing Quality Standards (HQS) space standards (see Chapter 8), the AHA must issue the family a new voucher, and the family and AHA must try to find an acceptable unit as soon as possible. If an acceptable unit is available for rental by the family, the AHA must terminate the HAP contract in accordance with its terms [24 CFR 982.403].

For families and participants included in MTW activities:

The family may request an interim for family composition changes once a year, including an increase in subsidy when the family is over-housed. Interims could be requested for additional adults to meet approved reasonable accommodations at any time.

The AHA will not approve the addition of a new family or household member unless the individual meets the AHA’s eligibility criteria (see Chapter 3).

The AHA will not approve the addition of a foster child or foster adult if it will cause a violation of HQS space standards.

If the AHA determines an individual meets the AHA's eligibility criteria as defined in Chapter 3, the AHA will provide written approval to the family. If the approval of a new family member or live-in aide will cause overcrowding according to HQS standards, the approval letter will explain that the family will be issued another voucher and will be required to move.

If the AHA determines that an individual does not meet the AHA's eligibility criteria as defined in Chapter 3, the AHA will notify the family in writing of its decision to deny approval of the new family or household member and the reasons for the denial.

The AHA will make its determination within 14 calendar days of receiving all information required to verify the individual's eligibility.

Departure of a Family or Household Member

Families must promptly notify the AHA if any family member no longer lives in the unit within 14 calendar days and provide any documentation required by AHA to verify the departure of the family member.

[24 CFR 982.551(h)(3)]. Because household members are considered when determining the family unit (voucher) size [24 CFR 982.402], the AHA also needs to know when any live-in aide, foster child, or foster adult ceases to reside in the unit.

If a household member ceases to reside in the unit, the family must inform the AHA within 14 calendar days and provide any documentation required by AHA to verify the departure of the family member. This requirement also applies to a family member who has been considered temporarily absent at the point that the family concludes the individual is permanently absent.

If a live-in aide, foster child, or foster adult ceases to reside in the unit, the family must inform the AHA within 14 calendar days and provide any documentation required by AHA to verify the departure of the family member.

For families and participants included in MTW activities:

The family may request one interim per year for an income decrease or family composition change. Involuntary household composition changes do not apply towards the interim limit, for example, reporting the death of a family member will not count towards the interim limit.

If the family requests an interim to remove a family member and this would result in the family being over-housed and needing to move the family would be required to downsize one (1) year from the date of the interim.

11-II.C. CHANGES AFFECTING INCOME OR EXPENSES

Interim reexaminations can be scheduled either because the AHA has reason to believe that changes in income or expenses may have occurred, or because the family reports a change. When a family reports a change, the AHA may take different actions depending on whether the family reported the change voluntarily, or because it was required to do so. The AHA will process interims within 45 days of receiving the request.

AHA-Initiated Interim Reexaminations

AHA-initiated interim reexaminations are those that are scheduled based on circumstances or criteria defined by the AHA. They are not scheduled because of changes reported by the family.

The AHA will conduct interim reexaminations in each of the following instances:

For families receiving the Earned Income Disallowance (EID), the AHA will conduct an interim reexamination at the start and conclusion of the second 12-month exclusion period (50 percent phase-in period).

For families and participants included in MTW activities:

Families receiving the Earned Income Disallowance (EID) will receive interims to change their EID portion annually that will not count towards the one interim per year limit.

If the family has reported zero income, the AHA will conduct an interim reexamination every 90 days -as long as the family continues to report that they have no income. If recurring income from outside the house is disclosed on this form, such as family contributions, the income will be added to the family's income for rent calculation purposes.

If at the time of the regular reexamination, tenant-provided documents were used on a provisional basis due to the lack of third-party verification, and third-party verification becomes available, the AHA will conduct an interim reexamination.

The AHA may conduct an interim reexamination at any time in order to correct an error in a previous reexamination, or to investigate a tenant fraud complaint.

Family-Initiated Interim Reexaminations

The AHA must adopt policies prescribing when and under what conditions the family must report changes in family income or expenses [24 CFR 982.516(c)]. These policies differ for families not included in MTW activities versus families included in MTW activities.

For families and participants not included in MTW activities:

HUD regulations require that the family be permitted to obtain an interim reexamination any time the family has experienced a change in circumstances since the last determination [24 CFR 982.516(b)(2)].

For families and participants included in MTW activities:

Income increase(s) resulting in an annual increase of ~~\$10,000~~10% need to be reported. Increases of less than ~~\$10,000~~10% annually do not need to be reported between regular recertifications. Cumulative increases resulting in more than ~~\$10,000~~10% of income increases need to be reported when the ~~\$10,000~~10% level is reached.

For income decreases, the family must show that the gross income loss is going to significantly (greater than 10%) and long-term (more than 6 months) change the family's annual income going forward from the income used at the last income calculation. No interim decreases will be processed during the first six months after initial occupancy.

There is a one interim per year limit for families under MTW activity 2022-02. Most family-initiated interim reexaminations due to income are counted towards the cap, with the

exception that increases of more than \$~~10,000~~10% in income are not counted towards the cap.

Families may request an interim that does not meet the above conditions or additional interims, but the family must meet the qualifications under the Hardship Policy – Alternative Reexamination Schedule for Households found in Chapter 6.

Required Reporting

HUD regulations give the AHA the freedom to determine the circumstances under which families will be required to report changes affecting income.

For families and participants not included in MTW activities:

Families are required to report all increases in income, including new employment, within 14 calendar days of the date the change takes effect.

For families and participants included in MTW activities:

Families must report increases in income that meet the \$~~10,000~~10% threshold within 14 calendar days of the date the change that causes the family to reach the threshold takes effect.

The AHA will conduct interim reexaminations for families that qualify for the earned income disallowance (EID), and only when the EID family's share of rent will change as a result of the increase. The AHA also will conduct an interim reexamination if the tenant reports an annual increase in gross income of \$~~10,000~~10% or more. If the result is an increase in the tenant's portion of the rent, the increase will be effective on the first day of the second month following the month in which the change occurred.

In all other cases, the AHA will note the information in the tenant file but will not conduct an interim reexamination.

Optional Reporting for Families and Participants Not Included in MTW Activities

The family may request an interim reexamination any time the family has experienced a change in circumstances since the last determination [24 CFR 982.516(b)(2)]. The AHA must process the request if the family reports a change that will result in a reduced family income.

Welfare Benefits Decrease

If a family reports a decrease in income from the loss of welfare benefits due to fraud or non-compliance with a welfare agency requirement to participate in an economic self-sufficiency program, the family's share of the rent will not be reduced [24 CFR 5.615]. For more information regarding the requirement to impute welfare income see Chapter 6.

11-II.D. PROCESSING THE INTERIM REEXAMINATION

Method of Reporting

The family must notify the AHA of all changes by submitting a Report of Change on the Rent Café Portal within 14 calendar days.

Generally, the family will not be required to attend an interview for an interim reexamination. However, if the AHA determines that an interview is warranted, the family may be required to attend.

Based on the type of change reported, the AHA will determine the documentation the family will be required to submit. The family must submit any required information or documents within 14 calendar days of receiving a request from the AHA. This time frame may be extended for good cause with AHA approval. The AHA will accept required documentation by mail, by e-mail, through the online portal, by fax, or in-person.

Effective Dates

The AHA must establish the time frames in which any changes that result from an interim reexamination will take effect [24 CFR 982.516(d)]. The changes may be applied either retroactively or prospectively, depending on whether there is to be an increase or a decrease in the family share of the rent, and whether the family reported and provided required information within the required time frames.

If the family share of the rent is to *increase*:

The increase generally will be effective on the first of the month following 30 days' notice to the family. If a family fails to report a change within the required time frames or fails to provide all required information within the required time frames, the increase will be applied retroactively to the date it would have been effective had the information been provided on a timely basis. The family will be responsible for any overpaid subsidy and may be offered a repayment agreement in accordance with the policies in Chapter 15.

If the family share of the rent is to *decrease*:

The decrease will be effective on the first day of the month following the month in which the change was reported, and all required documentation was submitted. In cases where the change cannot be verified until after the date the change has become effective, the change will be made retroactively.

PART III: RECALCULATING FAMILY SHARE AND SUBSIDY AMOUNT

11-III.A. OVERVIEW

After gathering and verifying required information for a regular or interim reexamination, the AHA must recalculate the family share of the rent and the subsidy amount and notify the family and owner of the changes [24 CFR 982.516(d)(2)]. The AHA will review an interim within 72 hours of receiving the interim request and will complete the interim and notify the participants of the results of the interim within 45 days of receiving the interim request. While the basic policies that govern these calculations are provided in Chapter 6, this part lays out policies that affect these calculations during a reexamination.

11-III.B. CHANGES IN PAYMENT STANDARDS AND UTILITY ALLOWANCES

In order to calculate the family share of the rent and HAP amount correctly, changes in payment standards, subsidy standards, or utility allowances may need to be updated and included in the AHA's calculations.

Specific policies governing how subsidy standards, payment standards, and utility allowances are applied are discussed below.

Payment Standards [24 CFR 982.505]

The family share of the rent and HAP calculations must use the correct payment standard for the family, taking into consideration the family unit size, the size of unit, and the area in which the unit is located [HCV GB Payment Standards PG. 1]. See Chapter 6 for information on how to select the appropriate payment standard.

When the AHA changes its payment standards or the family's situation changes, new payment standards are applied at the following times:

- If the AHA's payment standard amount changes during the term of the HAP contract, the date on which the new standard is applied depends on whether the standard has increased or decreased:
 - If the payment standard amount has *increased*, the increased payment standard will be applied at the *first regular reexamination* following the effective date of the increase in the payment standard.
 - If the payment standard amount has *decreased*, the decreased payment standard will be applied at the time of move (transfer) or at the time of an annual that changes the payment standard due to a change in family composition.
- If the family moves to a new unit, the current payment standard applicable to the family will be used when the new HAP contract is processed.
- If a new HAP contract is executed due to changes in the lease (even if the family remains in place and the family composition stays the same) the higher of the old payment standard or the current payment standard will be used.
- For families included in MTW, if the owner requests a rent increase the most current payment standard will be applied if it is higher than the payment standard used in the last rent calculation for the family.

Subsidy Standards [24 CFR 982.505(c)(4)]

If there is a change in the family unit size that would apply to a family during the HAP contract term, either due to a change in family composition, or a change in the AHA's subsidy standards (see Chapter 5), the new family unit size must be used to determine the payment standard amount for the family at the family's *first regular reexamination* following the change in family unit size.

Utility Allowances [24 CFR 982.517(d)]

The family share of the rent and HAP calculations must reflect any changes in the family's utility arrangement with the owner, or in the AHA's utility allowance schedule [HCV GB Utility Allowances PG. 2]. Chapter 15 discusses how utility allowance schedules are established.

When there are changes in the utility arrangement with the owner, the AHA must use the utility allowances in effect at the time the new lease and HAP contract are executed.

At reexamination, the AHA must use the AHA current utility allowance schedule [24 CFR 982.517(d)(2)].

Revised utility allowances will be applied to a family's rent and subsidy calculations at the first regular reexamination after the allowance is adopted.

11-III.C. NOTIFICATION OF NEW FAMILY SHARE AND HAP AMOUNT

The AHA must notify the owner and family of any changes in the amount of the HAP payment [HUD-52641, HAP Contract]. The notice must include the following information [HCV GB Reexaminations PG. 5]:

- The amount and effective date of the new HAP payment
- The amount and effective date of the new family share of the rent
- The amount and effective date of the new tenant rent to owner

The family must be given an opportunity for an informal hearing regarding the AHA's determination of their annual or adjusted income, and the use of such income to compute the housing assistance payment [24 CFR 982.555(a)(1)(i)] (see Chapter 15).

11-III.D. DISCREPANCIES

During a regular or interim reexamination, the AHA may discover that information previously reported by the family was in error, or that the family intentionally misrepresented information. In addition, the AHA may discover errors made by the AHA. When errors resulting in the overpayment or underpayment of subsidy are discovered, corrections will be made in accordance with the policies in Chapter 14.

CHAPTER 12

TERMINATION OF ASSISTANCE AND TENANCY

HUD regulations specify the reasons for which a PHA can terminate a family's assistance, and the ways in which such terminations must take place. They also dictate the circumstances under which an owner may terminate the tenancy of an assisted family. This chapter presents the policies that govern voluntary and involuntary terminations of assistance, and termination of tenancy by the owner. It is presented in three parts:

Part I: Grounds for Termination of Assistance. This part discusses various reasons that a family's assistance may be terminated, including voluntary termination by the family, termination because the family no longer qualifies to receive subsidy, and termination by the AHA based on the family's behavior.

Part II: Approach to Termination of Assistance. This part describes the policies that govern how an involuntary termination takes place. It specifies the alternatives that the AHA may consider in lieu of termination, the criteria the AHA must use when deciding what action to take, and the steps the AHA must take when terminating a family's assistance.

Part III: Termination of Tenancy by the Owner. This part presents the policies that govern the owner's right to terminate an assisted tenancy.

PART I: GROUNDS FOR TERMINATION OF ASSISTANCE

12-I.A. OVERVIEW

HUD requires the AHA to terminate assistance for certain offenses and when the family no longer requires assistance. HUD permits the AHA to terminate assistance for certain other actions family members take or fail to take. In addition, a family may decide to stop receiving HCV assistance at any time by notifying the AHA.

Termination of VASH participants will be in accordance with the VASH regulations, including for failing to comply with case management requirements.

12-I.B. FAMILY NO LONGER REQUIRES ASSISTANCE [24 CFR 982.455]

As a family's income increases, the amount of AHA subsidy goes down. If the amount of HCV assistance provided by the AHA drops to zero and remains at zero for 180 consecutive calendar days the family's assistance terminates automatically.

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

12-I.C. FAMILY CHOOSES TO TERMINATE ASSISTANCE

The family may request that the AHA terminate the family's assistance at any time.

The request to terminate assistance should be made in writing and signed by the head of household, spouse, or cohead. Before terminating the family's assistance, the AHA will follow the notice requirements in Section 12-II.F.

12-I.D. MANDATORY TERMINATION OF ASSISTANCE

HUD requires the AHA to terminate assistance in the following circumstances.

Eviction [24 CFR 982.552(b)(2)]

The AHA must terminate assistance whenever a family is evicted from a unit assisted under the HCV program for a serious or repeated violation of the lease. In keeping with provisions of the Violence Against Women Reauthorization Act of 2022 (VAWA), incidents of actual or threatened violence, dating violence, or stalking may not be construed as serious or repeated violations of the lease by the victim or threatened victim of such violence or stalking.

Serious or repeated lease violations will include, but not be limited to, nonpayment of rent, unauthorized household members, disturbance of neighbors, destruction of property, or living or housekeeping habits that cause damage to the unit or premises and criminal activity. Generally, the criterion to be used is whether the reason for the eviction was through no fault of the tenant or guests.

- A family will be considered *evicted* if the family moves after a legal eviction order has been issued, whether or not physical enforcement of the order was necessary.

If a family moves after the owner has filed an unlawful detainer against the family, but before a legal eviction order has been issued, termination of assistance is not mandatory. However, the AHA will determine whether the family has committed serious or repeated violations of the lease based on available evidence and may terminate assistance or take any of the alternative measures described in Section 12-II.C and other factors as described in Sections 12-II.E. Upon consideration of such alternatives and factors, the AHA may, on a case-by-case basis, choose not to terminate assistance.

Failure to Provide Consent [24 CFR 982.552(b)(3)]

The AHA must terminate assistance if any family member fails to sign and submit any consent form they are required to sign for a reexamination. See Chapter 7 for a complete discussion of consent requirements.

Failure to Document Citizenship [24 CFR 982.552(b)(4) and [24 CFR 5.514(c)]

The AHA must terminate assistance if (1) a family fails to submit required documentation within the required timeframe concerning any family member's citizenship or immigration status; (2) a family submits evidence of citizenship and eligible immigration status in a timely manner, but United States Citizenship and Immigration Services (USCIS) primary and secondary verification does not verify eligible immigration status of the family; or (3) a family member, as determined by the AHA, has knowingly permitted another individual who is not eligible for assistance to reside (on a permanent basis) in the unit.

For (3) above, such termination must be for a period of at least 24 months. This does not apply to ineligible noncitizens already in the household where the family's assistance has been prorated. See Chapter 7 for a complete discussion of documentation requirements.

Failure to Provide Social Security Documentation [24 CFR 5.218(c)]

The AHA must terminate assistance if a participant family fails to provide the documentation or certification required for any family member who obtains a social security number, joins the family, or reaches 6 years of age.

Methamphetamine Manufacture or Production [24 CFR 982.553(b)(1)(ii)]

The AHA must terminate assistance if any household member has ever been convicted of the manufacture or production of methamphetamine on the premises of federally assisted housing.

Failure of Students to Meet Ongoing Eligibility Requirements [24 CFR 982.552(b)(5) and FR 4/10/06]

The AHA must deny or terminate assistance if any family member fails to meet the eligibility requirements concerning individuals enrolled at an institution of higher education as specified in 24 CFR 5.612. (See Chapter 3-II.E)

12-I.E. MANDATORY POLICIES AND OTHER AUTHORIZED TERMINATIONS

Mandatory Policies [24 CFR 982.553(b) and 982.551(I)]

HUD requires the AHA to establish policies that permit the AHA to terminate assistance if the AHA determines that:

- Any household member is currently engaged in any illegal use of a drug or has a pattern of illegal drug use that interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents.
- Any household member's abuse or pattern of abuse of alcohol may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents.
- Any household member has violated the family's obligation not to engage in any drug-related criminal activity.
- Any household member has violated the family's obligation not to engage in violent criminal activity.

Use of Illegal Drugs and Alcohol Abuse

The AHA may terminate a family's assistance if any household member, live-in aide, or guest is currently engaged in any illegal use of a drug or has a pattern of illegal drug use that interferes with the health, safety, or right to peaceful enjoyment of the premises by other residents.

The AHA may terminate assistance if any household member's abuse or pattern of abuse of alcohol threatens the health, safety, or right to peaceful enjoyment of the premises by other residents.

Currently engaged in is defined as any use of illegal drugs during the previous six months. The AHA will consider all credible evidence, including but not limited to, any record of arrests, convictions, or eviction of household members related to the use of illegal drugs or abuse of alcohol.

In making its decision to terminate assistance, the AHA will consider alternatives as described in Section 12-II.C and other factors described in Section 12-II.D. Upon consideration of such alternatives and factors, the AHA may, on a case-by-case basis, choose not to terminate assistance.

Drug-Related and Violent Criminal Activity [24 CFR 5.100]

Drug means a controlled substance as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802).

Drug-related criminal activity is defined by HUD as the illegal manufacture, sale, distribution, or use of a drug, or the possession of a drug with intent to manufacture, sell, distribute or use the drug.

Violent criminal activity means any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage.

The AHA may terminate a family's assistance if any household member, live-in aide, or guest, has violated the family's obligation not to engage in any drug-related or violent criminal activity during participation in the HCV program.

This includes drug related criminal activity, which may have occurred either on or off the premises and includes activities of any family member, live-in aide or guest.

Any family member who engages in drug-related criminal activity according to a preponderance of the evidence, or who allows a live-in aide or guest to engage in such activities, will have his or her assistance terminated. Evidence of such activity includes the following:

- Conviction of a felony involving drugs (e.g., felony possession of a controlled substance);
- Conviction of a misdemeanor for the same activity;
- An incident or pattern of arrests for drug use or possession or sale; or
- A preponderance of evidence exists that a pattern of drug use or possession or use of alcohol that interferes with the health and safety or disturbs the peaceful enjoyment of the premises of others.

In making its decision to terminate assistance, the AHA will consider alternatives as described in Section 12-II.C and other factors described in Section 12-II.D. Upon consideration of such alternatives and factors, the AHA may, on a case-by-case basis, choose not to terminate assistance.

Other Authorized Reasons for Termination of Assistance [24 CFR 982.552(c)]

HUD permits the AHA to terminate assistance under a number of other circumstances. It is left to the discretion of the AHA whether such circumstances in general warrant consideration for the termination of assistance. The Violence Against Women Reauthorization Act of 2005 and as reauthorized in 2022 explicitly prohibits PHAs from considering incidents or actual threatened domestic violence, dating violence, or stalking as reasons for terminating the assistance of a victim of such violence.

The AHA **will not** terminate a family's assistance because of the family's failure to meet its obligations under the Family Self-Sufficiency program.

The AHA may terminate a family's assistance if:

- The family has failed to comply with any family obligations under the program. See Exhibit 12-1 for a listing of family obligations and related AHA policies.
- Any family member has been evicted from federally-assisted housing in the last three years.
- Any PHA has ever terminated assistance under the program for any member of the family.
- Any family member has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program.
- Any family member has committed any criminal activity which may threaten the health, safety or right to peaceful enjoyment of the premises by other residents or persons residing in the immediate vicinity.
- The family currently owes rent or other amounts to any PHA in connection with the HCV, Moderate Rehabilitation or public housing programs. The family will not be terminated for owing rents to an owner of Moderate Rehabilitation units with less than a 30-day notice if 1) the HUD Secretary makes a requisite finding and provides housing providers with the requisite notice during a national emergency, 2) HUD provides information necessary to include in lease termination notices and this information was included in the notice to the tenant, and 3) there is funding available to assist tenants with nonpayment of rent during a national emergency.
- The family has not reimbursed any PHA for amounts the PHA paid to an owner under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease.
- The family has breached the terms of a repayment agreement entered into with the AHA.
- A family member has engaged in or threatened violent or abusive behavior toward AHA personnel.
 - *Abusive or violent behavior towards AHA personnel* includes verbal as well as physical abuse or violence. Use of racial epithets, or other language, written or oral, that is customarily used to intimidate may be considered abusive or violent behavior.
 - *Threatening* refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.
- If the AHA determines, in accordance with HUD requirements, that funding under the consolidated ACC is insufficient to support continued assistance for families in

the program, the assistance of one or more families may be terminated. Families will have their assistance terminated in reverse order of receiving assistance from the Housing Choice Voucher program. The date of admission to the program will be used to determine the order of termination. Families transferring from the PBV program to the HCV program will be ordered by the date of admission to the PBV program.

—Participants in the following programs/categories will not be terminated due to over-leasing, but may be terminated due to underfunding:

- Family Self-Sufficiency
- Mainstream
- Families with Conversion vouchers
- Elderly/disabled families

In making its decision to terminate assistance, the AHA will consider alternatives as described in Section 12-II.C and other factors described in Section 12-II.D and Section 12-II.E. Upon consideration of such alternatives and factors, the AHA may, on a case-by-case basis, choose not to terminate assistance.

Family Absence from the Unit [24 CFR 982.312]

The family may be absent from the unit for brief periods. The AHA must establish a policy on how long the family may be absent from the assisted unit. However, the family may not be absent from the unit for a period of more than 180 consecutive calendar days for any reason [24 CFR 982.312]. Absence means that no member of the family is residing in the unit.

If the family is absent from the unit for more than 180 consecutive calendar days, the family's assistance will be terminated. Notice of termination will be sent in accordance with Sections 12-II.E. and 12-II.F.

A family may be absent for a period of less than 30 calendar days without notifying the Housing Authority unless the absence will interfere with the scheduled regular recertification or regular unit inspection in which case the family must call and make appropriate arrangements.

When an absence will be for 30 calendar days or more, the family must notify the Housing Authority in writing as follows:

Planned Absences: The family must provide 14 calendar days advance written notice of planned absences (e.g., vacations, stays in convalescent care facilities, care or death of family members out of town, or other events which may require an extended time away from the residence.).

Unplanned Absences: The family must advise the Housing Authority in writing within the first 14 calendar days of the absence if the absence is expected to last 30 calendar days or more (e.g., hospital stays, jail, prison sentences, care or death of family members out of town, or other events which may require an extended time away from the residence).

Notification must include documentation in support of the reason for the absence, the anticipated date of return to the unit, and an address and telephone number where the family can be reached during the absence. Such documentation may include but is not limited to travel documents, letter from doctor or similar qualified professional in support of medically-required absence/support to family member, death certificate, long-term or in-patient care documentation. A reason must be given if the family is unable to anticipate a date of return to the unit. If the period of absence is expected to occur during the projected time frame for either regular reexamination or regular Housing Quality Standard (HQS) inspection, the family must make alternative arrangements to meet their family obligations that are acceptable to the AHA. If the assisted lease contains provisions regarding tenant absence from unit, the family must document that it has complied with these lease provisions.

Within 14 calendar days of receipt of this written notice, the Housing Authority will send to the family a written notification of approval or denial of the absence and will advise the family that housing assistance payments will terminate if the family is absent for more than 180 consecutive calendar days. The family must advise the Authority in writing within three calendar days of the family's return to the unit

The Housing Authority also may require additional information or certification that the family is absent from the unit or has returned to it. Failure to provide written notification or other requested information to the Authority related to a family's absence or return to the assisted unit are grounds for termination of housing assistance. The family may only have one long-term absence, i.e., of almost 180 days, away from the unit per year. The Executive Director has the discretion to limit any absences longer than 30 days at any time.

Housing assistance payments terminate if the family is absent for longer than the maximum period permitted. The term of the HAP contract and assisted lease also terminate. The owner must reimburse the AHA for any housing assistance payment for the period after the termination.

The Housing Authority must terminate the Housing Assistance Payment (HAP) contract for an assisted unit if the family is absent from the assisted unit for more than 180 consecutive calendar days. If this occurs, the family must submit a written request to continue in the Housing Choice Voucher (HCV) Program within 14 calendar days of the termination of the HAP contract. This request must be made in writing, and the family must subsequently provide all required information and documents by the specified deadline in order for the AHA to recertify continuing eligibility and issue a new voucher. If a request is not received, or if the family does not provide required documents by deadlines, the family will be notified that the family has been deemed to have voluntarily given up HCV -assistance.

If the family's HAP contract was terminated after the 180 day limit for a previously approved absence and the family cannot submit or complete a request for recertification within 14 calendar days due to special circumstances beyond the family's control, which include, but are not limited to, hospitalization, convalescent care, or disability, (but not including incarceration), the Executive Director may permit an additional period of time for the family to request readmission or resumption of assistance.

PART II: APPROACH TO TERMINATION OF ASSISTANCE

12-II.A. OVERVIEW

The AHA is required by regulation to terminate a family's assistance if certain program rules are violated. For other types of offenses, the regulations give the AHA the discretion to either terminate the family's assistance or to take another action. This part discusses the various actions the AHA may choose to take when it has discretion and outlines the criteria the AHA will use to make its decision about whether or not to terminate assistance. It also specifies the requirements for the notice that must be provided before terminating assistance.

12-II.B. METHOD OF TERMINATION [24 CFR 982.552(A)(3)]

The way in which the AHA terminates assistance depends upon individual circumstances. HUD permits the AHA to terminate assistance by:

- Terminating housing assistance payments under a current HAP contract,
- Refusing to approve a request for tenancy or to enter into a new HAP contract, or
- Refusing to process a request for or to provide assistance under portability procedures.

12-II.C. ALTERNATIVES TO TERMINATION OF ASSISTANCE

Change in Household Composition

As a condition of continued assistance, the AHA may require that any household member who participated in or was responsible for an offense no longer resides in the unit [24 CFR 982.552(c)(2)(ii)].

As a condition of continued assistance, the head of household must certify that the culpable family member has vacated the unit and will not be permitted to visit or to stay as a guest in the assisted unit. The family must present evidence of the former family member's current address upon AHA request. Any further information received by the AHA that the culpable family member has returned to the unit, for any length of time, will be adequate documentation of a violation of this condition and will be grounds for termination of assistance for the entire family.

Repayment of Family Debts

If a family owes amounts to the AHA, as a condition of continued assistance, the AHA will require the family to be current on an existing payment agreement or repay the full amount or to enter into a repayment agreement if none currently exists, within 30 days of receiving notice from the AHA of the amount owed. See Chapter 15 for policies on repayment agreements.

12-II.D. CRITERIA FOR DECIDING TO TERMINATE ASSISTANCE

Evidence

For criminal activity, HUD permits the AHA to terminate assistance if a *preponderance of the evidence* indicates that a household member has engaged in the activity, regardless of whether the household member has been arrested or convicted [24 CFR 982.553(c)].

The AHA will use the concept of the preponderance of the evidence as the standard for making all termination decisions.

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

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

The AHA is permitted, but not required, to consider all relevant circumstances when determining whether a family's assistance should be terminated.

The AHA will consider the following factors when making its decision to terminate assistance:

- The seriousness of the case, especially with respect to how it would affect other residents
- The effects that termination of assistance may have on other members of the family who were not involved in the action or failure
- The extent of participation or culpability of individual family members, including whether the culpable family member is a minor or a person with disabilities or (as discussed further in Section 12-II.E) a victim of domestic violence, dating violence, or stalking
- The length of time since the violation occurred, the family's recent history and the likelihood of favorable conduct in the future
- In the case of drug or alcohol abuse, whether the culpable household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program or has otherwise been rehabilitated successfully
 - The AHA may require the family to submit evidence of the household member's current participation in or successful completion of a supervised drug or alcohol rehabilitation program, or evidence of otherwise having been rehabilitated successfully.

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

If the family includes a person with disabilities, the AHA's decision to terminate the family's assistance is subject to consideration of reasonable accommodation in accordance with 24 CFR Part 8.

If a family indicates that the behavior of a family member with a disability is the reason for a proposed termination of assistance, the AHA will determine whether the behavior is

related to the disability. If so, upon the family's request, the AHA will determine whether alternative measures are appropriate as a reasonable accommodation. The AHA will only consider accommodations that can reasonably be expected to address the behavior that is the basis of the proposed termination of assistance. See Chapter 2 for a discussion of reasonable accommodation.

12-II.E. TERMINATING THE ASSISTANCE OF DOMESTIC VIOLENCE, DATING VIOLENCE, OR STALKING VICTIMS AND PERPETRATORS [PUB.L. 113-114]

The Violence Against Women Reauthorization Act of 2022 (VAWA) provides that criminal activity directly relating to domestic violence, dating violence, sexual assault or stalking, engaged in by a member of a tenant's household or any guest or other person under the tenant's control shall not be a cause for termination of assistance, tenancy, or occupancy rights if the tenant or an immediate member of the tenant's family is the victim or threatened victim of that domestic violence, dating violence, or stalking. Applicants and tenants may not be denied assistance or have assistance terminated under a covered housing program on the basis of or as a direct result of the fact that the applicant or tenant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking.

VAWA also gives the AHA the authority to terminate assistance to any individual who is a tenant or lawful occupant and who engages in criminal acts of physical violence against family members or others, without evicting, removing, terminating assistance to, or otherwise penalizing the victim of such violence who is also a tenant or lawful occupant.

VAWA does not prohibit the AHA or owner from terminating assistance or evicting a tenant if the AHA or owner can demonstrate an actual and imminent threat to other tenants or those employed at or providing services to the property would be present if that tenant or lawful occupant is not evicted or terminated from assistance.

When a participant family is facing termination of assistance because of the actions of a participant, household member, guest, or other person under the participant's control and a participant or immediate family member of the participant's family claims that she or he is the victim of such actions and that the actions are related to domestic violence, dating violence, sexual assault or stalking, the claim will be addressed per VAWA regulations before the termination of assistance is completed.

Under most circumstances, a survivor need only to self-certify in order to exercise their rights under VAWA, ensuring third-party documentation does not cause a barrier in a survivor expressing their rights and receiving the protections needed to keep themselves safe.

In cases where both parties are claiming protection under VAWA AHA can require one of the following elements:

- Form HUD-5382; or
- A statement signed by an employee, agent, or volunteer of a victim service provider; an attorney, a medical professional or another knowledgeable

professional from whom the victim has sought assistance relating to domestic violence, dating violence, sexual assault, or stalking or the effects of abuse. The professional must attest under penalty of perjury that the professional believes in the occurrence of the incident that is the ground for protection and remedies under the VAWA Final Rule and that the incident meets the applicable definition of domestic violence, dating violence, sexual assault, or stalking under 24 CFR 5.2003. The applicant or tenant must sign or attest to the statement. Or,

- A record from a Federal, State, tribal, territorial, or local law enforcement agency, court, or administrative agency documenting the situation.
- At the discretion of a covered housing provider, a statement or other evidence provided by the applicant or participant.

The required certification and supporting documentation must be submitted to the AHA within 14 business days after the AHA issues its written request. The 14-day deadline may be extended at the AHA's discretion. If the individual does not provide the required certification and supporting documentation within 14 business days, or the approved extension period, the AHA may proceed with assistance termination.

If the applicant or tenant fails to provide documentation that meets the criteria in 24 CFR 5.2007 within 14 business days after receiving the written request for that documentation, or within the designated extension period, nothing in VAWA Final Rule may be construed to limit the authority of the covered housing provider to:

- a) Deny admission by the applicant or tenant to the housing or program;
- b) Deny assistance under the covered housing program to the applicant or tenant;
- c) Terminate the participation of the tenant in the covered housing program; or
- d) Evict the tenant, or a lawful occupant that commits a violation of a lease.

If the AHA can demonstrate an actual and imminent threat to other participants or those employed at or providing service to the property if the participant's tenancy is not terminated, the AHA will bypass the standard process and proceed with the immediate termination of the family's assistance. In determining this course of action, the AHA will consider any possible actions that may reduce or eliminate an actual and imminent threat and, if possible, use an alternative measure to prevent or remedy the situation rather than terminate the victim's assistance.

Although VAWA provides assistance termination protection for victims of domestic violence, it does not provide protection for perpetrators. Members of the household may not engage in criminal activity or criminal activity directly related to domestic violence. AHA will process termination of the perpetrator for violations of the family obligations found at 24 CFR 982.551(l) Crime by household members. The VAWA Final Rule provides that a participant who receives assistance under a covered housing program will not be terminated or evicted from housing on the basis of or as a direct result of having been a victim of criminal activity related to domestic violence, dating violence, sexual assault, or stalking.

When the actions of a participant or other family member result in an AHA decision to terminate the family's assistance and another family member claims that the actions involve criminal acts of physical violence against family members or others, the AHA will request that the victim submit the above required certification and supporting documentation in accordance with the stated time frame. If the certification and supporting documentation are submitted within the required time frame, or any approved extension period, the AHA will terminate the perpetrator's assistance. If the victim does not provide the certification and supporting documentation, as required, the AHA will proceed with termination of the family's assistance. If the AHA denies VAWA protections, it will follow its established procedures for grievance hearings, informal hearings, or informal reviews.

AHA Confidentiality Requirements

All information provided to the AHA regarding domestic violence, dating violence, sexual assault or stalking, including the fact that an individual is a victim of such violence or stalking, must be retained in confidence and may neither be entered into any shared data base nor provided to any related entity, except to the extent that the disclosure (a) is requested or consented to in writing by the individual (victim) in a time-limited release, (b) is required for use in an eviction proceeding or hearing regarding termination of assistance from the covered program, or (c) is otherwise required by applicable law.

12-II.F. TERMINATION NOTICE

If a family's assistance is to be terminated, whether voluntarily or involuntarily, the AHA must give the family and the owner written notice that specifies:

- The reasons for which assistance has been terminated,
- The effective date of the termination,
- The family's right to an informal hearing as described in Chapter 15.

If a criminal record is the basis of the termination, a copy of the record must accompany the notice. A copy of the criminal record also must be provided to the subject of the record [24 CFR 982.553(d)].

When termination is initiated by the AHA, the notice to terminate will be sent to the family and the owner at least 30 calendar days prior to the effective date of the termination. However, if a family vacates the unit without informing the AHA, 30 days notice will not be given. In these cases, the notice to terminate will be sent at the time the AHA learns the family has vacated the unit.

When a family requests to be terminated from the program they must do so in writing to the AHA (see section 12-I.C.). The AHA will then send a confirmation notice to the family and the owner within 14 calendar days of the family's request, but no later than the termination effective date (as requested by the family).

Notice of Termination Based on Citizenship Status [24 CFR 5.514 (c) and (d)]

The AHA must terminate assistance if (1) a family fails to submit required documentation within the required timeframe concerning any family member's citizenship or eligible immigration status; (2) evidence of citizenship and eligible immigration status is submitted

timely, but USCIS primary and secondary verification does not verify eligible immigration status of a family; or (3) the AHA determines that a family member has knowingly permitted another individual who is not eligible for assistance to reside (on a permanent basis) in the unit. For (3) above, such termination must be for a period of at least 24 months.

The notice of termination must advise the family of the reasons their assistance is being terminated, that they may be eligible for proration of assistance, the criteria and procedures for obtaining relief under the provisions for preservation of families, that they have the right to request an appeal to the USCIS of the results of secondary verification of immigration status and to submit additional documentation or a written explanation in support of the appeal, and that they have the right to request an informal hearing with the AHA either upon completion of the USCIS appeal or in lieu of the USCIS appeal. Informal hearing procedures are contained in Chapter 15.

The notice to terminate will be sent to the family and the owner at least 30 calendar days prior to the effective date of the termination.

12-II.G. HOW TERMINATION OF ASSISTANCE AFFECTS THE HAP CONTRACT AND LEASE

When the family's assistance is terminated, the lease and HAP contract terminate automatically [Form HUD-52641].

The owner may offer the family a separate unassisted lease at the owner's discretion, but the family will be responsible for the entire rent to owner.

PART III: TERMINATION OF TENANCY BY THE OWNER

12-III.A. OVERVIEW

Termination of an assisted tenancy is a matter between the owner and the family; the AHA is not directly involved. However, the owner is under some constraints when terminating an assisted tenancy and the reasons for which a tenancy is terminated dictate whether assistance also will be terminated.

12-III.B. GROUNDS FOR OWNER TERMINATION OF TENANCY [24 CFR 982.310 AND FORM HUD-52641-A, TENANCY ADDENDUM]

During the term of the lease, the owner is not permitted to terminate the tenancy except for serious or repeated violations of the lease, certain violations of state or local law, or other good cause.

Serious or Repeated Lease Violations

The owner is permitted to terminate the family's tenancy for serious or repeated violations of the terms and conditions of the lease. This includes failure to pay rent or other amounts due under the lease, except when the violations are related to incidents of actual or threatened domestic violence, dating violence, or stalking against that participant. However, the AHA's failure to make a HAP payment to the owner is not a violation of the lease between the family and the owner.

Violation of Federal, State, or Local Law

The owner is permitted to terminate the tenancy if a family member violates federal, state, or local law that imposes obligations in connection with the occupancy or use of the premises.

Criminal Activity or Alcohol Abuse

The owner may terminate tenancy during the term of the lease if any *covered person*, meaning any member of the household, a guest or another person under the tenant's control commits any of the following types of criminal activity (for applicable definitions see 24 CFR 5.100):

- Any criminal activity that threatens the health or safety of, or the right to peaceful enjoyment of the premises by, other residents (including property management staff residing on the premises);
- Any criminal activity that threatens the health or safety of, or the right to peaceful enjoyment of their residences by, persons residing in the immediate vicinity of the premises;
- Any violent criminal activity on or near the premises; or
- Any drug-related criminal activity on or near the premises.

The owner may terminate tenancy during the term of the lease if any member of the household is:

- Fleeing to avoid prosecution, custody, or confinement after conviction for a crime or an attempt to commit a crime that is a felony under the laws of the place from which the individual flees, or that, in the case of the State of New Jersey, is a high misdemeanor; or
- Violating a condition of probation or parole imposed under federal or state law.

The owner may terminate tenancy for criminal activity by a household member in accordance with this section if the owner determines that the household member has committed the criminal activity, regardless of whether the household member has been arrested or convicted for such activity.

The owner may terminate tenancy during the term of the lease if any member of the household has engaged in abuse of alcohol that threatens the health, safety, or right to peaceful enjoyment of the premises by other residents.

Evidence of Criminal Activity

The owner may terminate tenancy and evict by judicial action a family for criminal activity by a covered person if the owner determines they have engaged in the criminal activity, regardless of arrest or conviction and without satisfying the standard of proof used for a criminal conviction; except when the violations are related to incidents of actual or threatened domestic violence, dating violence, or stalking against that participant.

Other Good Cause

During the initial lease term, the owner may not terminate the tenancy for "other good cause" unless the owner is terminating the tenancy because of something the family did or failed to do. During the initial lease term or during any extension term, other good cause

includes the disturbance of neighbors, destruction of property, or living or housekeeping habits that cause damage to the unit or premises.

After the initial lease term, “other good cause” for termination of tenancy by the owner includes:

- Failure by the family to accept the offer of a new lease or revision;
- The owner's desire to use the unit for personal or family use, or for a purpose other than as a residential rental unit; or
- A business or economic reason for termination of the tenancy (such as sale of the property, renovation of the unit, or desire to lease the unit at a higher rent).

For PBV units, terminating tenancy for good cause does not include doing so for a business or economic reason or a desire to use the unit for personal or family use or other non-personal or family use or other non-residential purpose. [24 CFR 982.310]

After the initial lease term, the owner may give the family notice at any time, in accordance with the terms of the lease.

Non-Compliance with Supportive Services Requirement [24 CFR 983.257(b)]

If a family is living in a PBV unit that is excepted from the 25 percent per project cap on project-basing because of participation in an FSS or other supportive services program, and the family fails without good cause to complete its FSS contract of participation or supportive services requirement, such failure is grounds for lease termination by the owner.

12-III.C. EVICTION [24 CFR 982.310(E) AND (F) AND FORM HUD-52641-A, TENANCY ADDENDUM]

The owner must give the tenant a written notice that specifies the grounds for termination of tenancy during the term of the lease. The tenancy does not terminate before the owner has given this notice, and the notice must be given at or before commencement of the eviction action.

The notice of grounds may be included in, or may be combined with, any owner eviction notice to the tenant.

Owner eviction notice means a notice to vacate, or a complaint or other initial pleading used under state or local law to commence an eviction action. The owner may only evict the tenant from the unit by instituting a court action. The owner must give the AHA a copy of any eviction notice at the same time the owner notifies the family. The family is also required to give the AHA a copy of any eviction notice (see Chapter 5).

If the eviction action is finalized in court, the owner must provide the AHA with documentation related to the eviction, including notice of the eviction date, as soon as possible, but no later than 7 calendar days following the court-ordered eviction.

12-III.D. DECIDING WHETHER TO TERMINATE TENANCY [24 CFR 982.310(H)]

An owner who has grounds to terminate a tenancy is not required to do so, and may consider all of the circumstances relevant to a particular case before making a decision. These might include:

- The nature of the offending action;
- The seriousness of the offending action;
- The effect on the community of the termination, or of the owner's failure to terminate the tenancy;
- The extent of participation by the leaseholder in the offending action;
- The effect of termination of tenancy on household members not involved in the offending activity;
- The demand for assisted housing by families who will adhere to lease responsibilities;
- The extent to which the leaseholder has shown personal responsibility and taken all reasonable steps to prevent or mitigate the offending action;
- The effect of the owner's action on the integrity of the program.

The owner may require a family to exclude a household member in order to continue to reside in the assisted unit, where that household member has participated in or been culpable for action or failure to act that warrants termination.

In determining whether to terminate tenancy for illegal use of drugs or alcohol abuse by a household member who is no longer engaged in such behavior, the owner may consider whether such household member is participating in or has successfully completed a supervised drug or alcohol rehabilitation program, or has otherwise been rehabilitated successfully (42 U.S.C. 13661). For this purpose, the owner may require the tenant to submit evidence of the household member's current participation in, or successful completion of, a supervised drug or alcohol rehabilitation program or evidence of otherwise having been rehabilitated successfully.

The owner's termination of tenancy actions must be consistent with the fair housing and equal opportunity provisions in 24 CFR 5.105.

An owner's decision to terminate tenancy for incidents related to domestic violence, dating violence, or stalking is limited by the Violence Against Women Reauthorization Act of 2022 (VAWA). (See Section 12-II.E.)

12-III.E. EFFECT OF TERMINATION OF TENANCY ON THE FAMILY'S ASSISTANCE

If a termination is not due to a serious or repeated violation of the lease, and if the AHA has no other grounds for termination of assistance, the AHA may issue a new voucher so that the family can move with continued assistance (see Chapter 10).

EXHIBIT 12-1: STATEMENT OF FAMILY OBLIGATIONS

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

Providing Complete and Accurate Information

1. The family must supply all sources of income for all family members (including any money received on behalf of or by children, e.g., child support, social security, wages, etc.).
2. The family must supply all required forms and documentation including Social Security numbers and citizenship/immigration status as requested.
3. Any new family member must be reported within 14 calendar days of moving into the unit. Proposed additions to the household are subject to the AHA's approval and screening process. Anyone receiving mail at the assisted address or spending more than one week at a time (or 30 days/nights in a calendar year) is considered to be a member of the household.
4. The family must notify the Housing Authority in writing within 14 calendar days if any family member no longer lives in the unit. The family must provide verification of the new address if requested.
5. The family must supply, in a timely manner, any information the AHA requests for a regular, interim or special reexamination of family income or composition, or for an investigation of potential family obligation violations.
6. All information supplied by the family must be true and complete. Information submitted will be subject to third party verification.
7. The family must not owe rent or other monies to the AHA or to another Housing Authority, unless the family has signed and is current with payments on a Repayment Agreement.

Drugs, Alcohol or Violent Criminal Activity

8. The family must not commit fraud, bribery or any other corrupt or criminal act in connection with the program.
9. At any time, the AHA may terminate assistance if any member of the family, live-in aide or guest engages in:
 - a) Illegal drug related activity
 - b) Violent criminal activity
 - c) Criminal behavior that results in becoming a state-registered lifetime sex offender.
 - d) Alcohol use that interferes with the health and safety of others.
 - e) 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.

10. The AHA may deny or terminate assistance if the preponderance of evidence indicates that a family member, live-in aide or guest has engaged in such activity, regardless of whether the activity resulted in arrest or conviction.

Complying With the Lease

11. The family must not commit serious or repeated lease violations. The AHA will determine if a family has committed serious or repeated violations of the lease based on available evidence, including but not limited to, a court-ordered eviction, written notice from the owner of the serious/repeated lease violation, police reports, arrest logs, neighbor complaints, or other third party information. Violations can include: non-payment of rent, failure to allow the owner to make necessary repairs, unauthorized people in the household, disturbing the quiet and peaceful enjoyment of the premises by others, or criminal activity.
12. The family must pay utility bills and provide and maintain any appliances that the owner is not required to provide under the lease.
13. The family must allow the AHA to inspect the unit at reasonable times and after reasonable notice.
14. The family is responsible for any Housing Quality Standards breach caused by the family, including failure to pay tenant-provided utilities or appliances or damages to the dwelling unit or premises beyond normal wear and tear caused by any member of the household or guest.
15. The family must live in the unit for the lease term. The family must give proper notice to the owner, with a copy to the AHA, in order to move.
16. The family must give the AHA a copy of any eviction notice received from the owner.
17. The family must report all absences longer than 30 days in length.
18. The family must use the assisted unit for residence by the family. The unit must be the family's only residence.
19. The family must not receive housing assistance in a unit owned by a parent, child, grandparent, grandchild, sister or brother of any member of the family. The family cannot own or have any interest in the unit.
20. The family cannot sublease, rent, assign or transfer the unit. Subleasing includes receiving payment to cover rent and utility costs by a person living in the unit who is not listed as a family member.
21. An assisted family or member of the family must not receive program assistance while receiving another housing subsidy for the same unit or a different unit under any other federal, state or local housing assistance program.

CHAPTER 13

OWNERS

INTRODUCTION

Owners play a central role in the HCV program by supplying decent, safe, sanitary, and in good repair housing for participating families.

The term “owner” refers to any person or entity with the legal right to lease or sublease a unit to a participant in the HCV program [24 CFR 982.4(b)]. The term “owner” includes a principal or other interested party [24 CFR 982.453; 24 CFR 982.306(f)], such as a designated agent of the owner.

Owners have numerous responsibilities under the program, including screening and leasing to families, maintaining the dwelling unit, enforcing the lease, and complying with various contractual obligations. However, this chapter is not meant to be an overview of all aspects of owner participation in the HCV program.

The chapter is organized in four parts:

Part I: Owners in the HCV Program. This part discusses the role of an owner in the AHA’s HCV program and highlights key owner rights and responsibilities.

Part II: HAP Contracts. This part explains provisions of the HAP contract and the relationship between the AHA and the owner as expressed in the HAP contract.

Part III: Owners and the MTW Landlord Cohort. This part explains the activities undertaken by the AHA to increase landlord participation in the Housing Choice Voucher program.

For detailed information about HCV program responsibilities and processes, including AHA policies in key areas, owners will need to refer to several other chapters in this plan. Where appropriate, Chapter 13 will reference the other chapters.

PART I. OWNERS IN THE HCV PROGRAM

13-I.A. OWNER RECRUITMENT AND RETENTION

Recruitment

PHAs are responsible for ensuring that very low income families have access to all types and ranges of affordable housing in the PHA’s jurisdiction, particularly housing outside areas of poverty or minority concentration. A critical element in fulfilling this responsibility is for the PHA to ensure that a sufficient number of owners, representing all types and ranges of affordable housing in the PHA’s jurisdiction, are willing to participate in the HCV program.

To accomplish this objective, PHAs must identify and recruit new owners to participate in the program.

The AHA will conduct owner outreach to ensure that owners are familiar with the program and its advantages. The AHA will actively recruit property owners with property located

outside areas of poverty and minority concentration. These outreach strategies will include:

- Distributing printed material about the program to property owners and managers
- Contacting property owners and managers by phone or in-person
- Holding owner recruitment/information meetings at least once a year
- Participating in community-based organizations comprised of private property and apartment owners and managers
- Developing working relationships with owners and real estate brokers associations

Outreach strategies will be monitored for effectiveness, and adapted accordingly.

Retention

In addition to recruiting owners to participate in the HCV program, the AHA must also provide the kind of customer service that will encourage participating owners to remain active in the program.

All AHA activities that may affect an owner's ability to lease a unit will be processed as rapidly as possible, in order to minimize vacancy losses for owners. See Part IV for monetary vacancy loss payments under the MTW program.

The AHA will provide owners with a handbook that explains the program, including HUD and AHA policies and procedures, in easy-to-understand language.

The AHA will give special attention to helping owners succeed through activities such as:

- Maintaining a free listing of units available to searching families and updating it at least weekly.
- Providing the owner with a designated AHA contact person for each assisted family.
- Coordinating inspection and leasing activities between the AHA, the owner, and the family.
- Initiating telephone contact with the owner to explain the inspection process, and providing an inspection booklet and other resource materials about HUD housing quality standards.
- Providing other written information about how the program operates, including answers to frequently asked questions.
- Implement the landlord incentive activities in Part IV.

Additional services may be undertaken on an as-needed basis, and as resources permit.

13-I.B. BASIC HCV PROGRAM REQUIREMENTS

HUD requires the AHA to aid families in their housing search by providing the family with a list of landlords or other parties known to the AHA who may be willing to lease a unit to the family, or to help the family find a unit. Although the AHA cannot maintain a list of owners that are pre-qualified to participate in the program, owners may indicate to the

AHA their willingness to lease a unit to an eligible HCV family, or to help the HCV family find a unit [24 CFR 982.301(b)(11)].

Owners that wish to indicate their willingness to lease a unit to an eligible HCV family or to help the HCV family find a unit must notify the AHA. The AHA will maintain a listing of such owners and provide this listing to the HCV family as part of the informational briefing packet. Under MTW, the AHA will pre-inspect units owners are willing to make available to HCV families and indicate that on any listings maintained by the AHA.

When a family approaches an owner to apply for tenancy, the owner is responsible for screening the family and deciding whether to lease to the family, just as the owner would with any potential tenant. The AHA has no liability or responsibility to the owner or other persons for the family's behavior or suitability for tenancy. See Chapters 3 and 9 for more detail on tenant family screening policies and process.

If the owner is willing, the family and the owner must jointly complete a Request for Tenancy Approval (RFTA, Form HUD 52517), which constitutes the family's request for assistance in the specified unit, and which documents the owner's willingness to lease to the family and to follow the program's requirements. When submitted to the AHA, this document is the first step in the process of obtaining approval for the family to receive the financial assistance it will need in order to occupy the unit. See Chapter 9 for more detail on request for tenancy approval policies and process.

HUD regulations stipulate that an assisted tenancy can be approved only under certain conditions.

The owner must be qualified to participate in the program [24 CFR 982.306]. Some owners are precluded from participating in the program, or from renting to a particular family, either because of the family's past history with this or another federal housing program, or because of certain conflicts of interest. Owner qualifications are discussed later in this chapter.

The selected unit must be of a type that is eligible for the program [24 CFR 982.305(a)]. Certain types of dwelling units cannot be assisted under the HCV program. Other types may be assisted under certain conditions. In addition, the owner must document legal ownership of the specified unit. See Chapter 9 for more detail on unit eligibility policies and process.

The selected unit must meet HUD's Housing Quality Standards (HQS) and/or equivalent state or local standards approved by HUD [24 CFR 982.305(a)]. The AHA will inspect the owner's dwelling unit at various stages of HCV program participation, to ensure that the unit continues to meet HQS requirements. See Chapter 8 for a discussion of the HQS standards, as well as the process for HQS inspections at initial lease-up and throughout the family's tenancy.

The AHA must determine that the cost of the unit is reasonable [24 CFR 982.305(a)]. The rent must be reasonable in relation to comparable unassisted units in the area and must not be in excess of rents charged by the owner for comparable, unassisted units on the premises. See Chapter 8 for a discussion of requirements and policies on rent reasonableness, rent comparability and the rent reasonableness determination process.

At initial lease-up of a unit, the AHA must determine that the share of rent to be paid by the family does not exceed 40 percent of the family's monthly adjusted income [24 CFR 982.305(a)]. See Chapter 6 for a discussion of the calculation of family income, family share of rent and HAP.

The dwelling lease must comply with all program requirements [24 CFR 982.308]. Owners are encouraged to use their standard leases when renting to an assisted family. However, the AHA requires that the Tenancy Addendum, which helps standardize the tenancy requirements for all assisted families, be attached to that lease. See Chapter 9 for a discussion of the dwelling lease and tenancy addendum, including lease terms and provisions.

The AHA and the owner enter into a formal contractual relationship by executing the Housing Assistance Payment (HAP) Contract (Form HUD-52641). The HAP contract format is prescribed by HUD. See Chapter 9 for a discussion of the HAP contract execution process. Specific HAP contract provisions and responsibilities are discussed later in this chapter.

13-I.C. OWNER RESPONSIBILITIES [24 CFR 982.452]

The basic owner responsibilities in the HCV program are outlined in the regulations as follows:

- Performing all of the owner's obligations under the Housing Assistance Payments (HAP) contract and the lease
- Performing all management and rental functions for the assisted unit, including selecting a voucher-holder to lease the unit, and deciding if the family is suitable for tenancy of the unit
- Maintaining the unit in accordance with the Housing Quality Standards (HQS), including performance of ordinary and extraordinary maintenance
- Complying with equal opportunity requirements
- Preparing and furnishing to the AHA information required under the HAP contract
- Collecting from the family any security deposit, the tenant's contribution to rent (that part of rent to owner not covered by the housing assistance payment from the AHA), and any charges for unit damage by the family.
- Enforcing tenant obligations under the dwelling lease
- Paying for utilities and services (unless paid by the family under the lease)
- Making or allowing modifications to a dwelling unit occupied or to be occupied by a disabled person [24 CFR 100.203]

13-I.D. OWNER QUALIFICATIONS

The AHA does not formally approve an owner to participate in the HCV program. However, there are a number of criteria where the AHA may deny approval of an assisted

tenancy based on past owner behavior, conflict of interest, or other owner-related issues. No owner has a right to participate in the HCV program [24 CFR 982.306(e)].

Owners Barred from Participation [24 CFR 982.306(a) and (b)]

The AHA must not approve the assisted tenancy if the AHA has been informed that the owner has been debarred, suspended, or subject to a limited denial of participation under 24 CFR part 24. HUD may direct the AHA not to approve a tenancy request if a court or administrative agency has determined that the owner violated the Fair Housing Act or other federal equal opportunity requirements, or if such an action is pending.

Leasing to Relatives [24 CFR 982.306(d), HCV GB HAP Contracts PG. 4]

The AHA must not approve a RFTA if the owner is the parent, child, grandparent, grandchild, sister, or brother of any member of the family. The AHA may make an exception as a reasonable accommodation for a family member with a disability. The owner is required to certify that no such relationship exists. This restriction applies at the time that the family receives assistance under the HCV program for occupancy of a particular unit.

Conflict of Interest [24 CFR 982.161, HCV GB HAP Contracts PG. 4]

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

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

HUD may waive the conflict of interest requirements, except for members of Congress, for good cause. The AHA must submit a waiver request to the appropriate HUD Field Office for determination.

Any waiver request submitted by the AHA must include:

- Complete statement of the facts of the case;
- Analysis of the specific conflict of interest provision of the HAP contract and justification as to why the provision should be waived;
- Analysis of and statement of consistency with state and local laws. The local HUD office, the AHA, or both parties may conduct this analysis. Where appropriate, an opinion by the state's attorney general should be obtained;
- Opinion by the local HUD office as to whether there would be an appearance of impropriety if the waiver were granted;

- Statement regarding alternative existing housing available for lease under the HCV program or other assisted housing if the waiver is denied;
- If the case involves a hardship for a particular family, statement of the circumstances and discussion of possible alternatives;
- If the case involves a public official or member of the governing body, explanation of his/her duties under state or local law, including reference to any responsibilities involving the HCV program;
- If the case involves employment of a family member by the AHA or assistance under the HCV program for an eligible AHA employee, explanation of the responsibilities and duties of the position, including any related to the HCV program;
- If the case involves an investment on the part of a member, officer, or employee of the AHA, description of the nature of the investment, including disclosure/divestiture plans.

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

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

Owner Actions That May Result in Disapproval of a Tenancy Request [24 CFR 982.306(c)]

HUD regulations permit the AHA, at the AHA's discretion, to refuse to approve a request for tenancy if the owner has committed any of a number of different actions.

If the AHA disapproves a request for tenancy because an owner is not qualified, it may not terminate the HAP contract for any assisted families that are already living in the owner's properties unless the owner has violated the HAP contract for those units [HCV GB HAP Contracts PG. 3].

The AHA will refuse to approve a request for tenancy if any of the following are true:

- The owner has violated obligations under a HAP contract under Section 8 of the 1937 Act (42 U.S.C. 1437f);
- The owner has committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;
- The owner has engaged in any drug-related criminal activity or any violent criminal activity;
- The owner has a history or practice of non-compliance with the HQS for units leased under the tenant-based programs, or with applicable housing standards for

units leased with project-based Section 8 assistance or leased under any other federal housing program;

- The owner has a history or practice of failing to terminate tenancy of tenants of units assisted under Section 8 or any other federally assisted housing program for activity engaged in by the tenant, any member of the household, a guest or another person under the control of any member of the household that: (i) Threatens the right to peaceful enjoyment of the premises by other residents; (ii) Threatens the health or safety of other residents, of employees of the AHA, or of owner employees or other persons engaged in management of the housing; (iii) Threatens the health or safety of, or the right to peaceful enjoyment of their residences, by persons residing in the immediate vicinity of the premises; or (iv) Is drug-related criminal activity or violent criminal activity
- The owner has a history or practice of renting units that fail to meet state or local housing codes;
- The owner has not paid state or local real estate taxes, fines, or assessment
- —The owner is 30 days delinquent in repaying the AHA housing assistance overpayments after receiving written notification from the AHA.

In considering whether to disapprove owners for any of the discretionary reasons listed above, the AHA will consider any mitigating factors. Such factors may include, but are not limited to, the seriousness of the violation in relation to program requirements, the impact on the ability of families to lease units under the program, health and safety of participating families, among others.

Legal Ownership of Unit

The following represents AHA policy on legal ownership of a dwelling unit to be assisted under the HCV program.

The AHA will only enter into a contractual relationship with the legal owner of a qualified unit. No tenancy will be approved without acceptable documentation of legal ownership (e.g., deed of trust, proof of taxes for most recent year).

13-I.E. NON-DISCRIMINATION [HAP CONTRACT – FORM HUD-52641]

The owner must not discriminate against any person because of race, color, religion, sex, national origin, age, familial status, or disability, in connection with any actions or responsibilities under the HCV program and the HAP contract with the AHA.

The owner must cooperate with the AHA and with HUD in conducting any equal opportunity compliance reviews and complaint investigations in connection with the HCV program and the HAP contract with the AHA.

See Chapter 2 for a more thorough discussion of Fair Housing and Equal Opportunity requirements in the HCV program.

PART II. HAP CONTRACTS

13-II.A. OVERVIEW

The HAP contract represents a written agreement between the AHA and the owner of the dwelling unit occupied by a HCV assisted family. The contract spells out the owner's responsibilities under the program, as well as the AHA's obligations. Under the HAP contract, the AHA agrees to make housing assistance payments to the owner on behalf of a specific family occupying a specific unit.

The HAP contract is used for all HCV program tenancies except for assistance under the Section 8 homeownership program, and assistance to families that own a manufactured home and lease the space. See Chapter 15 for a discussion of any special housing types included in the AHA's HCV program.

If the AHA has given approval for the family of the assisted tenancy, the owner and the AHA execute the HAP contract. See Chapter 9 for a discussion of the leasing process, including provisions for execution of the HAP contract.

13-II.B. HAP CONTRACT CONTENTS

The HAP contract format is required by HUD, specifically Housing Assistance Payment (HAP) Contract, Form HUD-52641.

The HAP contract contains three parts.

Part A of the contract includes basic **contract information** about the name of the tenant family, address of the contract unit, names of all household members, first and last dates of initial lease term, amount of initial monthly rent to owner, amount of initial housing assistance payment, utilities and appliances to be supplied by owner and tenant, signatures of PHA and owner [HCV GB, Housing Assistance Payments (HAP) Contracts page 9].

In general, the HAP contract cannot be modified. However, PHAs do have the discretion to add language to Part A of the HAP contract which prohibits the owner from collecting a security deposit in excess of private market practices or in excess of amounts charged to unassisted tenants. AHA policy on the amount of security deposit an owner may collect is found in Chapter 9.

In addition, PHAs have the discretion to add language to Part A of the HAP contract that defines when the housing assistance payment by the AHA is deemed received by the owner (e.g., upon mailing by the AHA or actual receipt by the owner).

The AHA has not adopted a policy that defines when the housing assistance payment by the AHA is deemed received by the owner. Therefore, no modifications to the HAP contract will be necessary.

Part B is the body of the contract. It describes in detail program requirements affecting the owner and owner roles and responsibilities under the HCV program. Most of the requirements contained in Part B of the HAP contract are outlined elsewhere in this plan. Topics addressed in Part B include:

- Lease of Contract Unit
- Maintenance, Utilities, and Other Services
- Term of HAP Contract

- Provision and Payment of Utilities and Appliances
- Rent to Owner: Reasonable Rent
- AHA Payment to Owner
- Prohibition of Discrimination
- Owner's Breach of HAP Contract
- AHA and HUD Access to Premises and Owner's Records
- Exclusion of Third Party Rights
- Conflict of Interest
- Assignment of the HAP Contract
- Written Notices
- Entire Agreement Interpretation

Part C of the contract includes the Tenancy Addendum (Form HUD-52641-A). The addendum sets forth the tenancy requirements for the program and the composition of the household, as approved by the AHA. The owner must sign the HUD Tenancy Addendum with the prospective tenant, and the tenant has the right to enforce the Tenancy Addendum against the owner. The terms of the Tenancy Addendum prevail over any other provisions of the lease.

13-II.C. HAP CONTRACT PAYMENTS

General

During the term of the HAP contract, and subject to the provisions of the HAP contract, the AHA must make monthly HAP payments to the owner on behalf of the family, at the beginning of each month. If a lease term begins after the first of the month, the HAP payment for the first month is prorated for a partial month.

The amount of the HAP payment is determined according to the policies described in Chapter 6, and is subject to change during the term of the HAP contract. The AHA must notify the owner and the family in writing of any changes in the HAP payment.

HAP payments can be made only during the lease term, and only while the family is residing in the unit.

The monthly HAP payment by the AHA is credited toward the monthly rent to owner under the family's lease. The total of the rent paid by the tenant, plus the AHA HAP payment, should be equal to the rent specified in the lease (the rent to owner).

The family is not responsible for payment of the HAP payment, and the AHA is not responsible for payment of the family share of rent.

The family's share of the rent cannot be more than the difference between the total rent to the owner and the HAP payment. The owner may not demand or accept any rent payment from the tenant in excess of this maximum [24 CFR 982.451(b)(4)]. The owner may not charge the tenant extra amounts for items customarily included in rent in the locality, or provided at no additional cost to unsubsidized tenants in the premises [24 CFR

982.510(c)]. See Chapter 9 for a discussion of separate, non-lease agreements for services, appliances and other items that are not included in the lease.

If the owner receives any excess HAP from the AHA, the excess amount must be returned immediately. If the AHA determines that the owner is not entitled to all or a portion of the HAP, the AHA may deduct the amount of overpayment from any amounts due to the owner, including amounts due under any other Section 8 HCV contract. See Chapter 15 for additional detail on owner reimbursement of HAP overpayments.

Owner Certification of Compliance

Unless the owner complies with all provisions of the HAP contract, the owner is not entitled to receive housing assistance payments under the HAP contract [HAP Contract – Form HUD-52641].

By endorsing the monthly check from the AHA or receiving electronic payment and not immediately notifying the AHA to take back the payment, the owner certifies to compliance with the terms of the HAP contract. This includes certification that the owner is maintaining the unit and premises in accordance with HQS; that the contract unit is leased to the tenant family and, to the best of the owner's knowledge, the family resides in the unit as the family's only residence; the rent to owner does not exceed rents charged by the owner for comparable unassisted units on the premises; and that the owner does not receive (other than rent to owner) any additional payments or other consideration for rent of the contract unit during the HAP term.

Late HAP Payments [24 CFR 982.451(a)(5)]

The AHA is responsible for making HAP payments promptly when due to the owner, in accordance with the terms of the HAP contract. After the first two calendar months of the HAP contract term, the HAP contract provides for penalties if the AHA fails to make the HAP payment on time.

Penalties for late HAP payments can only be imposed if 1) the penalties are in accordance with generally accepted local rental market practices and law governing penalties for late payment by tenants; 2) it is the owner's normal business practice to charge late payment penalties for both assisted and unassisted families; and 3) the owner charges the assisted family for late payment of the family's share of the rent.

The AHA is not required to pay a late payment penalty if HUD determines that the payment is late for reasons beyond the AHA's control. In addition, late payment penalties are not required if the AHA intentionally delays or denies payment as a remedy to an owner breach of the HAP contract [HCV GB Housing Assistance Payments (HAP) Contracts page 8].

Termination of HAP Payments

The AHA must continue making housing assistance payments to the owner in accordance with the HAP contract as long as the tenant continues to occupy the unit and the HAP contract is not violated.

HAP payments terminate when the HAP contract terminates or when the tenancy is terminated in accordance with the terms of the lease.

If the owner has initiated eviction proceedings against the family and the family continues to reside in the unit, the AHA must continue to make housing assistance payments to the owner until the owner has obtained a court judgment or other process allowing the owner to evict the tenant.

The owner must inform the AHA when the owner has initiated eviction proceedings against the family and the family continues to reside in the unit.

The owner must inform the AHA when the owner has obtained a court judgment or other process allowing the owner to evict the tenant, and provide the AHA with a copy of such judgment or determination.

After the owner has obtained a court judgment or other process allowing the owner to evict the tenant, the AHA will continue to make HAP payments to the owner until the family actually moves from the unit or until the family is physically evicted from the unit, whichever is earlier. The owner must inform the AHA of the date when the family actually moves from the unit or the family is physically evicted from the unit.

13-II.D. BREACH OF HAP CONTRACT [24 CFR 982.453]

Any of the following actions by the owner constitutes a breach of the HAP contract:

- If the owner violates any obligations under the HAP contract including failure to maintain the unit in accordance with HQS;
- If the owner has violated any obligation under any other Section 8 housing assistance payment contract;
- If the owner has committed fraud, bribery or any other corrupt or criminal act in connection with any federal housing program;
- For projects with mortgages insured by HUD or loans made by HUD, if the owner has failed to comply with the regulation for the applicable program; or if the owner has committed fraud, bribery or any other corrupt or criminal act in connection with the mortgage or loan;
- If the owner has engaged in drug-related criminal activity; or
- If the owner has committed any violent criminal activity

If the AHA determines that a breach of the HAP contract has occurred, it may exercise any of its rights and remedies under the HAP contract.

The AHA rights and remedies against the owner under the HAP contract include recovery of any HAP overpayment, suspension of housing assistance payments, abatement or reduction of the housing assistance payment, termination of the payment or termination the HAP contract. The AHA may also obtain additional relief by judicial order or action.

The AHA must notify the owner of its determination and provide in writing the reasons for the determination. The notice may require the owner to take corrective action by an established deadline. The AHA must provide the owner with written notice of any reduction in housing assistance payments or the termination of the HAP contract.

Before the AHA invokes a remedy against an owner, the AHA will evaluate all information and documents available to determine if the contract has been breached.

If relevant, the AHA will conduct an audit of the owner's records pertaining to the tenancy or unit.

If it is determined that the owner has breached the contract, the AHA will consider all of the relevant factors including the seriousness of the breach, the effect on the family, the owner's record of compliance and the number and seriousness of any prior HAP contract violations.

13-II.E. HAP CONTRACT TERM AND TERMINATIONS

The term of the HAP contract runs concurrently with the term of the dwelling lease [24 CFR 982.451(a)(2)], beginning on the first day of the initial term of the lease and terminating on the last day of the term of the lease, including any lease term extensions.

The HAP contract and the housing assistance payments made under the HAP contract terminate if [HCV GB page 5-6]:

- The owner or the family terminates the lease;
- The lease expires;
- The AHA terminates the HAP contract;
- The AHA terminates assistance for the family;
- The family moves from the assisted unit. In this situation, the owner may keep the housing assistance payment for the month when the family moves out of the unit.
- 180 calendar days have elapsed since the AHA made the last housing assistance payment to the owner;
- The family is absent from the unit for longer than the maximum period permitted by the AHA;
- The Annual Contributions Contract (ACC) between the AHA and HUD expires
- The AHA elects to terminate the HAP contract.

The AHA may elect to terminate the HAP contract in each of the following situations:

- Available program funding is not sufficient to support continued assistance for families in the program [24 CFR 982.454];
- The unit does not meet HQS size requirements due to change in family composition [24 CFR 982.403] – see Chapter 8;
- The unit does not meet HQS [24 CFR 982.404] – see Chapter 8;
- The family breaks up [HUD Form 52641] – see Chapter 3;
- The owner breaches the HAP contract [24 CFR 982.453(b)] – see Section 13-II.D.

If the AHA terminates the HAP contract, the AHA must give the owner and the family written notice. The notice must specify the reasons for the termination and the effective date of the termination. Once a HAP contract is terminated, no further HAP payments may be made under that contract.

In all cases, the HAP contract terminates at the end of the calendar month that follows the calendar month in which the AHA gives written notice to the owner. The owner is not entitled to any housing assistance payment after this period, and must return to the AHA any housing assistance payment received after this period.

If the family moves from the assisted unit into a new unit, even if the new unit is in the same building or complex as the assisted unit, the HAP contract for the assisted unit terminates. A new HAP contract would be required [HCV GB HAP Contracts PG. 23].

When the family moves from an assisted unit into a new unit, the term of the HAP contract for the new unit may begin in the same month in which the family moves out of its old unit. This is not considered a duplicative subsidy [HCV GB HAP Contracts PG. 6].

13-II.F. CHANGE IN OWNERSHIP / ASSIGNMENT OF THE HAP CONTRACT [HUD-52641]

The HAP contract cannot be assigned to a new owner without the prior written consent of the AHA.

An owner under a HAP contract must notify the AHA in writing prior to a change in the legal ownership of the unit. The owner must supply all information as requested by the AHA.

The assignment will be approved only if the new owner is qualified to become an owner under the HCV program according to the policies in Section 13-I.D. of this chapter.

Prior to approval of assignment to a new owner, the new owner must agree to be bound by and comply with the HAP contract. The agreement between the new owner and the former owner must be in writing and in a form that the AHA finds acceptable. The new owner must provide the AHA with a copy of the executed agreement.

The AHA must receive a signed, written request from the existing owner stating the name and address of the new HAP payee and the effective date of the assignment in order to change the HAP payee under an outstanding HAP contract.

Within 14 calendar days of receiving the owner's request, the AHA will inform the current owner in writing whether the assignment may take place.

The new owner must provide a written certification to the AHA that includes:

- A copy of the escrow statement or other document showing the transfer of title and recorded deed;
- A copy of the owner's IRS Form W-9, Request for Taxpayer Identification Number and Certification, or the social security number of the new owner;
- The effective date of the HAP contract assignment;
- A written agreement to comply with the terms of the HAP contract; and

- Confirmation that the new owner is not a prohibited relative.

If the new owner does not agree to an assignment of the HAP contract, or fails to provide the necessary documents, the AHA will terminate the HAP contract with the old owner. If the new owner wants to offer the family a new lease, and the family elects to stay with continued assistance, the AHA will process the leasing in accordance with the policies in Chapter 9.

PART III. HCV OWNERS AND THE MTW LANDLORD COHORT

13-III.A. MTW ACTIVITIES

The following approved MTW activities are designed to increase landlord participation in the Housing Choice Voucher (HCV) program. Owners of project-based assistance (Shelter Plus Care, Moderate Rehabilitation, and Project-Based Voucher) units are not eligible for the following activities. Also, owners that are required to participate in the HCV program either through a regulatory agreement or participation in the LIHTC program are not eligible for these incentives.

- Activity 2022-04 Vacancy Loss
- Activity 2022-05 Other Landlord Incentives
- Activity 2022-11 Front-End Vacancy Loss

13-III.B. Vvacancy Loss

Activities 2022-04 and 2022-11 allow landlords to receive vacancy loss when renting to an HCV family.

Activity 2022-04 allows the AHA to make a payment to a landlord whose unit was vacated by a participant of the Housing Choice Voucher program and is occupied by a different participant of the Housing Choice Voucher program.

ACTIVITY 2022-04 allows the AHA to make a payment to a landlord whose unit was not vacated by a participant of the Housing Choice Voucher program and is subsequently occupied by a participant of the Housing Choice Voucher program.

Vacancy Loss Payment Amount

Vacancy loss payments may be up to one month's rent payment. The payment would be capped at the reasonable rent to the owner minus any payments the owner received that month from any source. For example, if the unit was occupied by an HCV family who vacated at the beginning of the month, and the landlord retained the remainder of the HAP for the family moving out, the AHA will reduce any vacancy payment by that amount if the vacancy is filled within 30 days.

Timing of Vacancy Loss Payment

Vacancy loss payments will be made after the execution of the HAP contract along with the first payment under the HAP contract.

See Chapter 16 for vacancy loss policies for Project-Based Voucher units.

13-III.C. Other Landlord Incentives

Activity 2022-05 allows the AHA to pay the landlord an incentive to lease up a Housing Choice Voucher (HCV) program participant.

Landlord Incentives

The AHA offers the following incentives:

- First-time Rental incentive
- Accessible unit incentive
- [HQS Inspection](#) incentive
- Returning Landlord incentive: maximum of \$1,000

First-time Rental Incentive

A first-time rental incentive would be paid to a landlord that is bringing a unit that has never been leased with the same landlord under the HCV program before. The maximum amount of the incentive is \$1,500. The AHA will pay the maximum unless the incentive restriction has been reached.

Accessible Unit Incentive

The accessible unit incentive would be paid to landlords providing a unit that meets or mostly meets the requirements for an ADA accessible unit to a family with a member with a disability. The maximum amount of the incentive is \$2,000. The AHA will pay the maximum unless the incentive restriction has been reached.

[HQS Inspection](#) Incentive

The [HQS Inspection](#) incentive would be paid to landlords whose unit passed an initial housing quality standards inspection the first time and resulted in a participant of the HCV program renting the unit. The maximum amount of the incentive is \$100. The AHA will pay the maximum unless the incentive restriction has been reached.

Returning Landlord Incentive

The returning landlord incentive would be paid to a landlord leasing a unit to an HCV participant that has been on the program prior. The maximum amount of the incentive is \$1,000. The AHA will pay the maximum unless the incentive restriction has been reached.

Landlord Incentive Payment Restriction

The AHA offers an array of incentives, but the total incentive paid to one landlord could not exceed more than one month of the contract rent of the unit.

Timing of Landlord Incentive Payment

Landlord incentive payments will be made after the execution of the HAP contract along with the first payment under the HAP contract.

CHAPTER 14

PROGRAM INTEGRITY

INTRODUCTION

The AHA is committed to ensuring that subsidy funds made available to the AHA are spent in accordance with HUD requirements.

This chapter covers HUD and AHA policies designed to prevent, detect, investigate and resolve instances of program abuse or fraud. It also describes the actions that will be taken in the case of unintentional errors and omissions.

Part I: Preventing, Detecting, and Investigating Errors and Program Abuse. This part presents AHA policies related to preventing, detecting, and investigating errors and program abuse.

Part II: Corrective Measures and Penalties. This part describes the corrective measures the AHA must and may take when errors or program abuses are found.

PART I: PREVENTING, DETECTING, AND INVESTIGATING ERRORS AND PROGRAM ABUSE

14-I.A. PREVENTING ERRORS AND PROGRAM ABUSE

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

To ensure that the AHA's HCV program is administered effectively and according to the highest ethical and legal standards, the AHA will employ a variety of techniques to ensure that both errors and intentional program abuse are rare.

- The AHA will discuss program compliance and integrity issues during the voucher briefing sessions described in Chapter 5.
- The AHA will provide each applicant and participant with the publication *Things You Should Know (HUD-1140-OIG)* that explains the types of actions a family must avoid and the penalties for program abuse.
- (1)● The AHA will place a warning statement about the penalties for fraud (as described in the False Statement Act, U.S.C. 1001 and 1010) on key AHA forms and form letters that request information from a family or owner.
- AHA staff will review and explain the contents of HCV Family Obligations and HUD- and AHA-required forms to program participants.
- The AHA will provide each AHA employee with the necessary training on program rules and the organization's standards of conduct and ethics.

For purposes of this chapter the term *error* refers to an unintentional error or omission. *Program abuse or fraud* refers to a single act or pattern of actions that constitute a false

statement, omission, or concealment of a substantial fact, made with the intent to deceive or mislead.

14-I.B. DETECTING ERRORS AND PROGRAM ABUSE

In addition to taking steps to prevent errors and program abuse, the AHA will use a variety of activities to detect errors and program abuse.

Quality Control and Analysis of Data

Under the Section 8 Management Assessment Program (SEMAP), HUD requires the AHA to review a random sample of tenant records annually to determine if the records conform to program requirements and to conduct quality control inspections of a sample of units to ensure HQS compliance [24 CFR, Part 985]. (See Chapter 15 for additional information about SEMAP requirements).

In addition to the SEMAP quality control requirements, the AHA will employ a variety of methods to detect errors and program abuse.

- The AHA routinely will use available sources of up-front income verification to compare with family-provided information.
- At each regular reexamination, current information provided by the family will be compared to information provided at the last regular reexamination to identify inconsistencies and incomplete information.
- The AHA will compare family-reported income and expenditures to detect possible unreported income.

Independent Audits and HUD Monitoring

OMB Circular A-133 requires all PHAs that expend \$500,000 or more in federal awards annually to have an independent audit (IPA). In addition, HUD conducts periodic on-site and automated monitoring of PHA activities and notifies the PHA of errors and potential cases of program abuse.

The AHA will use the results reported in any IPA or HUD monitoring reports to identify potential program abuses as well as to assess the effectiveness of the AHA's error detection and abuse prevention efforts.

Individual Reporting of Possible Errors and Program Abuse

The AHA will encourage staff, program participants, owners and the public to report possible program abuse.

14-I.C. INVESTIGATING ERRORS AND PROGRAM ABUSE

When the AHA Will Investigate

The AHA 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 AHA 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.

The AHA will investigate inconsistent information related to the family that is identified through file reviews and the verification process.

Consent to Release of Information [24 CFR 982.516]

The AHA may investigate possible instances of error or abuse using all available AHA and public records. If necessary, the AHA will require families to give consent to the release of additional information.

Mandatory Tenant Conference

If a meeting with the family is deemed necessary by the AHA to discuss any suspected errors or program abuse, all adult household members will be required to attend a mandatory tenant conference via a platform of the AHA's choosing (i.e. in-person, virtual, or by phone). If participation in an in-person interview poses a hardship because of a family member's disability, the family should contact the AHA to request reasonable accommodation (see Chapter 2).

Analysis and Findings

The AHA will base its evaluation on a preponderance of the evidence collected during its investigation.

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

For each investigation the AHA will determine (1) whether an error or program abuse has occurred, (2) whether any amount of money is owed the AHA, and (3) what corrective measures or penalties will be assessed.

Consideration of Remedies

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

In the case of family-caused errors or program abuse, the AHA will take into consideration (1) the seriousness of the offense and the extent of participation or culpability of individual family members, (2) any special circumstances surrounding the case, (3) any mitigating circumstances related to the disability of a family member, (4) the effects of a particular remedy on family members who were not involved in the offense.

In the case of owner-caused errors or program abuse, the AHA will take into consideration (1) the seriousness of the offense, (2) the length of time since the violation has occurred, and (3) the effects of a particular remedy on family members who were not involved in the offense.

Notice and Appeals

The AHA will inform the relevant party in writing of its findings and remedies within 14 calendar days of the conclusion of the investigation. The notice will include (1) a

description of the error or program abuse, (2) the basis on which the AHA determined the error or program abuses, (3) the remedies to be employed, and (4) the families right to appeal the results through the informal review or hearing process, if applicable (see Chapter 15).

PART II: CORRECTIVE MEASURES AND PENALTIES

14-II.A. SUBSIDY UNDER- OR OVERPAYMENTS

A subsidy under- or overpayment includes (1) an incorrect housing assistance payment to the owner, (2) an incorrect family share established for the family, and (3) an incorrect utility reimbursement to a family.

Corrections

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

Increases in the family share will be implemented only after the family has received 30 days' notice.

Any decreases in family share will become effective the first of the month following the discovery of the error.

Reimbursement

Whether the family or owner is required to reimburse the AHA or the AHA is required to make retroactive subsidy payments to the owner or family depends upon which party is responsible for the incorrect subsidy payment and whether the action taken was an error or program abuse. Policies regarding reimbursement are discussed in the three sections that follow.

14-II.B. FAMILY-CAUSED ERRORS AND PROGRAM ABUSE

Family obligations and general administrative requirements for participating in the program are discussed throughout this plan. This section deals specifically with errors and program abuse by family members.

An incorrect subsidy determination caused by a family generally would be the result of incorrect reporting of family composition, income, assets, or expenses, but also would include instances in which the family knowingly allows the AHA to use incorrect information provided by a third party.

Family Reimbursement to AHA

In the case of family-caused errors or program abuse, the family will be required to repay any excess subsidy received. The AHA may, but is not required to, offer the family a repayment agreement in accordance with Chapter 15. If the family fails to repay the excess subsidy, the AHA will terminate the family's assistance in accordance with the policies in Chapter 12.

AHA Reimbursement to Family

The AHA will not reimburse the family for any underpayment of assistance when the underpayment clearly is caused by the family.

Prohibited Actions

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

- Make a false statement to the AHA [Title 18 U.S.C. Section 1001].
- Commit fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program [24 CFR 982.552(c)(iv)].

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

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

The AHA may determine other actions to be program abuse based upon a preponderance of the evidence, as defined earlier in this chapter.

Penalties for Program Abuse

In the case of program abuse caused by a family the AHA may, at its discretion, impose any of the following remedies.

- The AHA may require the family to repay excess subsidy amounts paid by the AHA, as described earlier in this section.
- The AHA may require, as a condition of receiving or continuing assistance, that a culpable family member not reside in the unit. See policies in Chapter 3 (for applicants) and Chapter 12 (for participants).
- The AHA may deny or terminate the family's assistance following the policies set forth in Chapter 3 and Chapter 12 respectively.
- The AHA may refer the family for state or federal criminal prosecution as described in section 14-II.E.

14-II.C. OWNER-CAUSED ERROR OR PROGRAM ABUSE

Owner requirements that are part of the regular process of offering, leasing, and maintaining a unit (e.g., HQS compliance, fair housing) are addressed in the appropriate chapters of this plan. This section focuses on errors and program abuse by owners.

An incorrect subsidy determination caused by an owner generally would be the result of an incorrect owner statement about the characteristics of the assisted unit (e.g., the number of bedrooms, which utilities are paid by the family). It also includes accepting duplicate housing assistance payments for the same unit in the same month, or after a family no longer resides in the unit.

Owner Reimbursement to the AHA

In all cases of overpayment of subsidy caused by the owner, the owner must repay to the AHA any excess subsidy received. The AHA may recover overpaid amounts by withholding housing assistance payments due for subsequent months, or if the debt is large, the AHA may allow the owner to pay in installments over a period of time.

In cases where the owner has received excess subsidy, the AHA will require the owner to repay the amount owed in accordance with the policies in Section 15-IV.B.

Prohibited Owner Actions

An owner participating in the HCV program must not:

- Make any false statement to the AHA [Title 18 U.S.C. Section 1001].
- Commit fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program [24 CFR 982.453(a)(3)] including:
 - Any of the following will be considered evidence of owner program abuse:
 - Charging the family rent above or below the amount specified by the AHA
 - Charging a security deposit other than that specified in the family's lease
 - Charging the family for services that are provided to unassisted tenants at no extra charge
 - Knowingly accepting housing assistance payments for any month(s) after the family has vacated the unit
 - Knowingly accepting incorrect or excess housing assistance payments
 - Offering bribes or illegal gratuities to the AHA Board of Commissioners, employees, contractors, or other AHA representatives
 - Offering payments or other incentives to an HCV family as an inducement for the family to make false or misleading statements to the AHA

- Residing in the unit with an assisted family

Remedies and Penalties

When the AHA determines that the owner has committed program abuse, the AHA may take any of the following actions:

- Require the owner to repay excess housing assistance payments, as discussed earlier in this section and in accordance with the policies in Chapter 15.
- Terminate the HAP contract (See Chapter 13).
- Bar the owner from future participation in any AHA programs.
- Refer the case to state or federal officials for criminal prosecution as described in section 14-II.E.

14-II.D. AHA-CAUSED ERRORS OR PROGRAM ABUSE

The responsibilities and expectations of AHA staff with respect to normal program administration are discussed throughout this plan. This section specifically addresses actions of an AHA staff member that are considered errors or program abuse related to the HCV program. Additional standards of conduct may be provided in the AHA personnel policies.

AHA-caused incorrect subsidy determinations include (1) failing to correctly apply HCV rules regarding family composition, income, assets, and expenses, (2) assigning the incorrect voucher size to a family, and (3) errors in calculation.

Repayment to the AHA

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

AHA Reimbursement to Family or Owner

The AHA must reimburse a family for any underpayment of subsidy, regardless of whether the underpayment was the result of staff-caused error or staff or owner program abuse. Funds for this reimbursement must come from the AHA's administrative fee reserves.

Prohibited Activities

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

- Failing to comply with any HCV program requirements for personal gain
- Failing to comply with any HCV program requirements as a result of a conflict of interest relationship with any applicant, participant, or owner
- Seeking or accepting anything of material value from applicants, participating families, vendors, owners, contractors, or other persons who provide services or materials to the AHA
- Disclosing confidential or proprietary information to outside parties

- Gaining profit as a result of insider knowledge of AHA activities, policies, or practices
- Misappropriating or misusing HCV funds
- Destroying, concealing, removing, or inappropriately using any records related to the HCV program
- Committing any other corrupt or criminal act in connection with any federal housing program

14-II.E. CRIMINAL PROSECUTION

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

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

14-II.F. FRAUD AND PROGRAM ABUSE RECOVERIES

The AHA may retain a portion of program fraud losses that the AHA recovers from a family or owner through litigation, court order, or a repayment agreement [24 CFR 982.163].

The AHA must be the principal party initiating or sustaining the action to recover amounts due from tenants that are due as a result of fraud and abuse. 24 CFR 792.202 permits the AHA to retain the greater of:

- 50 percent of the amount it actually collects from a judgment, litigation (including settlement of a lawsuit) or an administrative repayment agreement, or
- Reasonable and necessary costs that the AHA incurs related to the collection including costs of investigation, legal fees, and agency collection fees.

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

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

CHAPTER 15

PROGRAM ADMINISTRATION

INTRODUCTION

This chapter discusses administrative policies and practices that are relevant to the activities covered in this plan. The policies are discussed in eight parts as described below:

Part I: Administrative Fee and Housing Assistance Payment Reserves. This part describes the AHA's policies with regard to oversight of expenditures from its administrative fee reserve and Housing Assistance Payment Reserves.

Part II: Setting Program Standards and Schedules. This part describes what payment standards are, and how they are updated, as well as how utility allowances are established and revised.

Part III: Informal Reviews and Hearings. This part outlines the requirements and procedures for informal reviews and hearings, and for informal hearings regarding citizenship status.

Part IV: Owner or Family Debts to the AHA. This part describes policies for recovery of monies that the AHA has overpaid on behalf of families, or to owners, and describes the circumstances under which the AHA will offer repayment agreements to owners and families. Also discussed are the consequences for failure to make payments in accordance with a repayment agreement.

Part V: Section 8 Management Assessment Program (SEMAP). This part describes what the SEMAP scores represent, how they are established, and how those scores affect AHA.

Part VI: Record-Keeping. All aspects of the program involve certain types of record-keeping. This part outlines the privacy rights of applicants and participants and record retention policies the AHA will follow.

Part VII: Reporting and Record Keeping for Children with Environmental Intervention Blood Lead Level. This part describes the AHA's responsibilities for reporting, data collection, and record keeping relative to children with environmental intervention blood lead levels that are less than six years of age and are receiving HCV assistance.

Part VIII: Special Housing Types. This part describes what Special Housing Types the AHA will operate.

PART I: ADMINISTRATIVE FEE AND HOUSING ASSISTANCE PAYMENT RESERVES [MTW OPERATING NOTICE]

Funds Fungibility

As an MTW agency, the AHA has the flexibility to apply fungibility among Housing Choice Voucher Housing Assistance Payments and Administrative Fee assistance. These flexibilities expand the eligible uses of each covered funding stream, but do not negate

the need for both the PHA and HUD to be able to account for the funding from its original source to the date of its ultimate eligible use¹⁸ by the PHA, comply with federal grant and financial management requirements, and use funds effectively and efficiently for their eligible purposes.

Certain provisions of Sections 8 and 9 of the 1937 Act and implementing requirements are waived as necessary to implement this flexibility. Once the MTW agency receives its MTW designation through the execution of the MTW ACC Amendment, this flexibility in the use of MTW Funding does not require prior HUD approval.

The MTW agency may use MTW Funding covered by MTW flexibility for any eligible activity under Sections 9(d)(1), 9(e)(1) and Section 8(o) of the 1937 Act and for the local, non-traditional activities specified in Appendix I of the MTW Operations Notice. All MTW agency expenditures must be consistent with the MTW agency's charter, approved 5-Year and Annual PHA Plans, and the approved MTW Supplement to the Annual PHA Plan.

Administrative Fee Reserves

For reserves that the AHA has accumulated prior to signing its MTW ACC Amendment, the AHA must use those reserves for their originally appropriated purposes and is not allowed to use the funds flexibly. However, per the Final MTW Operations Notice, in HUD's fiscal year 2020 appropriations act, Congress provided temporary relief from this requirement, providing that an MTW agency may use reserves accumulated prior to the MTW designation flexibly. This additional flexibility has not expired as of the revision of this chapter and due to the fact that the AHA received its MTW designation in March 2022, the AHA may use reserves accumulated after this date flexibly. If Congress makes changes to this portion of the appropriations act in subsequent years and the AHA continues to hold reserves from before its MTW designation, the AHA will maintain that the administrative fee reserve accumulated prior to its MTW designation will be used to pay program administrative expenses in excess of administrative fees paid by HUD for a AHA fiscal year. If funds in the administrative fee reserve are not needed to cover AHA administrative expenses, the AHA may use these funds for other housing purposes permitted by Federal, State and local law.

If the AHA has not adequately administered any Section 8 program, HUD may prohibit use of funds in the administrative fee reserve, and may direct the AHA to use funds in the reserve to improve administration of the program or to reimburse ineligible expenses. HUD also may prohibit use of the funds for certain purposes.

HUD requires the AHA Board of Commissioners or other authorized officials to establish the maximum amount that may be charged against the administrative fee reserve without specific approval.

Expenditures from the administrative fee or other AHA reserves will be made in accordance with all applicable Federal requirements and the AHA procurement policy. The Board of Commissioners through the AHA budget process must approve all expenditure line items. The AHA's Board of Commissioners must approve contracts in excess of \$250,000.

Housing Assistance Payment Reserves

Because the 2016 Expansion Statute does not expressly authorize accumulated reserves to be used in accordance with this fungibility, any previously appropriated prior year funds (i.e., reserves) provided to the AHA prior to the date of its executed MTW Annual Contribution Contract (ACC) Amendment must be used for their originally appropriated purposes and cannot be used flexibly. However, Congress granted MTW Expansion Agencies, including AHA, temporary relief from this requirement in the Fiscal Year (FY) 2022 Appropriations Act, which permitted an MTW Expansion Agency to use its prior year funds flexibly for any MTW-eligible purpose during FY 2022. Congress again provided this funding flexibility in the Consolidated Appropriations Act, 2023 (Public Law 117-328), which was signed into law by the President on December 29, 2022. Consequently, MTW Expansion PHA(s) may utilize funding flexibility for prior-year reserves through September 30, 2023.

Under the MTW program, AHA may use its Housing Assistance Payment (HAP) funds flexibly as allowed by HUD. In addition to the normal HAP uses, these funds may be used to fund MTW activities such as landlord incentives or the cost of administration of the program.

PART II: SETTING PROGRAM STANDARDS AND SCHEDULES

15-II.A. OVERVIEW

Although many of the program's requirements are established centrally by HUD, the HCV program's regulations recognize that some flexibility is required to allow the AHA to adapt the program to local conditions. This part discusses how the AHA establishes and updates certain schedules and standards that are used to administer the program locally. Details about how these schedules are applied to individual families are provided in other chapters. The schedules and standards discussed here include:

- *Payment Standards*, which dictate the maximum subsidy a family can receive (application of the payment standards is discussed in Chapter 6); and
- *Utility Allowances*, which specify how a family's payment should be adjusted to account for tenant-paid utilities (application of utility allowances is discussed in Chapter 6).

Copies of the payment standard and utility allowance schedules are available for review in the AHA's offices during normal business hours or through its website at www.alamedahsg.org.

The AHA will maintain documentation to support its annual review of payment standards and utility allowance schedules. This documentation will be retained for at least 3 years.

15-II.B. PAYMENT STANDARDS [24 CFR 982.503; HCV GB PAYMENT STANDARDS; MTW OPERATIONS NOTICE]

The payment standard sets the maximum subsidy payment a family can receive from the AHA each month [24 CFR 982.505(a)]. Payment standards are based on fair market rents (FMRs) published annually by HUD. FMRs are set at a percentile within the rent distribution of standard quality rental housing units in each FMR area. Alameda is one

FMR area. For most jurisdictions FMRs are set at the 40th percentile of rents in the market area.

The AHA has established a payment standard schedule that establishes payment standard amounts for the AHA's jurisdiction, and for each unit size. For each unit size, the AHA has established a single payment standard amount for the whole FMR area.

For families and participants not included in the MTW activities:

Unless HUD grants an exception, the AHA is required to establish a payment standard within a "basic range" established by HUD – between 90 and 110 percent of the published FMR for each unit size.

For families and participants included in the MTW activities:

Activity 2022-01 allows the AHA to set the payment standard between 80 and 150 percent of the published FMR for each unit size. As such, the AHA has waived 24 CFR 982.503 (b)(v), and a reasonable accommodation may be granted for a person with a disability to be given a payment standard up to 150% of FMR. To receive this higher payment standard, a rigorous review will be made and all of the following must be determined:

- The increased payment standard is approved only for specific units and not while the family is still searching;
- The family must disclose the features the selected unit possesses that other less expensive units in the jurisdiction do not possess;
- A knowledgeable professional must provide a clear nexus between the selected unit and the disability i.e., the knowledgeable professional must establish the need for the unit due to a disability-related need that other less expensive units cannot meet;
- The rent for the unit must be determined reasonable by the 3rd party software used by AHA for all rent reasonableness tests;
- The family may not select a unit that is over the subsidy size of the voucher; and
- The AHA must not be in shortfall.

If the AHA is in shortfall, any request over 120% of the FMR as allowed under 24 CFR 982.503 (b)(v) will be reviewed by the HUD Field Office.

Updating Payment Standards

When HUD updates its FMRs, the AHA will update its payment standards if the standards are no longer within the basic range [24 CFR 982.503(b)]. HUD may require the AHA to make further adjustments if it determines that rent burdens for assisted families in the AHA's jurisdiction are unacceptably high [24 CFR 982.503(g)].

The AHA will review the appropriateness of the payment standards on an annual basis when the new FMR is published. In addition to ensuring the payment standards do not

exceed the standard approved by HUD. The AHA will consider the following factors when determining whether an adjustment should be made to the payment standard schedule:

Funding Availability: The AHA will review the budget to determine the impact projected subsidy adjustments will have on funding available for the program and the number of families served. The AHA will compare the number of families who could be served under revised payment standard amounts with the number assisted under current payment standard amounts.

Rent Burden of Participating Families: Rent burden will be determined by identifying the percentage of families, for each unit size, that are paying more than 30 percent of their monthly adjusted income as the family share. When 40 percent or more of families, for any given unit size, are paying more than 30 percent of adjusted monthly income as the family share, the AHA will consider increasing the payment standard. In evaluating rent burdens, the AHA will not include families renting a larger unit than their family unit size.

Quality of Units Selected: The AHA will review the quality of units selected by participant families when making the determination of the percent of income families are paying for housing, to ensure that payment standard increases are only made when needed to reach the mid-range of the market.

Changes in Rent to Owner: The AHA may review a sample of the units to determine how often owners are increasing or decreasing rents and the average percent of increases/decreases by bedroom size.

Unit Availability: The AHA will review the availability of units for each unit size, particularly in areas with low concentrations of poor and minority families.

Lease-up Time and Success Rate: The AHA will consider the percentage of families that are unable to locate suitable housing before the voucher expires and whether families are leaving the jurisdiction to find affordable housing.

Payment standards for new contracts will go into effect when a family moves. For an offer of new lease, the higher of the old payment standard or the current payment standard will be used if the family composition remains the same. For ongoing contracts, if the payment standard increases, the new payment standard will be effective at the next regular reexamination. If the payment standard decreases, the new payment standard will be implemented at the time of move (transfer) or at the time of a regular reexamination that changes the payment standard due to a change in family composition. If the payment standard decreases due to decreases in the FMR published by HUD, the new payment standard will be implemented at the second regular reexamination.

Exception Payment Standards for Families and Participants Not Included in MTW Activities [982.503(c)]

The AHA must request HUD approval to establish payment standards that are higher than the basic range. At HUD's sole discretion, HUD may approve a payment standard amount that is higher than the basic range for a designated part of the FMR area. HUD may approve an exception payment standard amount (in accordance with program

requirements) for all units, or for all units of a given size, leased by program families in the exception area. Any PHA with jurisdiction in the exception area may use the HUD-approved exception payment standard amount. The total population of all HUD-approved exception areas in an FMR area may not include more than 50 percent of the population of the FMR area.

Unit-by-Unit Exceptions [24 CFR 982.505]

Unit-by-unit exceptions to the AHA's payment standards generally are not permitted. However, an exception may be made as a reasonable accommodation for a family that includes a person with disabilities. (See Chapter 2 for a discussion of reasonable accommodations.) This type of exception does not affect the AHA's payment standard schedule.

When needed as a reasonable accommodation, the AHA may make an exception to the payment standard without HUD approval if the exception amount does not exceed 120 percent of the applicable FMR for the unit size. The AHA must maintain documentation that the unit has the feature(s) required to meet the needs of the person with disabilities.

A family that requires a reasonable accommodation may request a higher payment standard at the time the Request for Tenancy Approval (RFTA) is submitted. The family must document the need for the exception. In order to approve an exception, the AHA must determine that:

There is a shortage of affordable units that would be appropriate for the family;

The family's TTP would otherwise exceed 40 percent of adjusted monthly income; and

The rent for the unit is reasonable.

"Success Rate" Payment Standard Amounts for Families and Participants Not Included in MTW Activities [24 CFR 982.503(e)]

If a substantial percentage of families have difficulty finding a suitable unit, the AHA may request a "success rate payment standard" that applies to the entire jurisdiction. If approved by HUD, a success rate payment standard allows the AHA to set its payment standards at 90-110 percent of a higher FMR (the 50th, rather than the 40th percentile FMR) for families and participants not included in MTW. To support the request, the AHA must demonstrate that during the most recent 6-month period for which information is available:

- Fewer than 75 percent of families who were issued vouchers became participants;
- The AHA had established payment standards for all unit sizes, and for the entire jurisdiction, at 110 percent of the published FMR for families and participants not included in MTW; and
- The AHA had a policy of allowing voucher holders who made sustained efforts to locate units at least 90 days to search for a unit.

Although HUD approves the success rate payment standard for all unit sizes in the FMR area, the AHA may choose to adjust the payment standard for only some unit sizes in all, or a designated part, of the AHA's jurisdiction within the FMR area.

Decreases in the Payment Standard Below the Basic Range for Families and Participants Not Included in MTW [24 CFR 982.503(d)]

The AHA must request HUD approval to establish a payment standard amount that is lower than the basic range. At HUD's sole discretion, HUD may approve establishment of a payment standard lower than the basic range. HUD will not approve a lower payment standard if the family share for more than 40 percent of program participants exceeds 30 percent of adjusted monthly income.

15-II.C. UTILITY ALLOWANCES [24 CFR 982.517]

An AHA-established utility allowance schedule is used in determining family share and AHA subsidy. The AHA will maintain a utility allowance schedule for (1) all tenant-paid utilities, (2) the cost of tenant-supplied refrigerators and ranges, and (3) other tenant-paid housing services such as trash collection.

The utility allowance schedule must be determined based on the typical cost of utilities and services paid by energy-conservative households that occupy housing of similar size and type in the same locality. In developing the schedule, the AHA must use normal patterns of consumption for the community as a whole, and current utility rates.

The utility allowance must include the utilities and services that are necessary in the locality to provide housing that complies with housing quality standards. Per HUD regulations, costs for telephone, cable/satellite television, and internet services are not included in the utility allowance schedule.

In the utility allowance schedule, the AHA will classify utilities and other housing services according to the following categories:

- Gas heating;
- Electric heating;
- Gas cooking;
- Electric cooking;
- Gas water heating;
- Electric water heating;
- Water and sewer;
- Trash collection and recycling;
- Other electric;
- Cost of tenant-supplied refrigerator;
- Cost of tenant-supplied range.

The cost of each utility and housing service will be stated separately by unit size and type. The HCV Guidebook chapter *Utility Allowances* provides detailed guidance to the AHA about establishing utility allowance schedules.

Air Conditioning

An allowance for air conditioning will be provided when the majority of housing units in the market have central air conditioning or are wired for tenant-installed air conditioners.

Due to the negligible number of housing units with air conditioning, the AHA has not included an allowance for air conditioning in its schedule.

Reasonable Accommodation

The AHA will approve a utility allowance amount higher than shown on the AHA's schedule if a higher allowance is needed as a reasonable accommodation for a family member with a disability. For example, if a family member with a disability requires such an accommodation, the AHA will approve an allowance for air-conditioning, even if the AHA has determined that an allowance for air-conditioning generally is not needed or the AHA will approve the use of the utility allowance for the actual unit leased if the family is in a unit higher than their voucher size (see Chapter 2 for policies regarding the request and approval of reasonable accommodations).

Utility Allowance Revisions

The AHA will review its schedule of utility allowances at least annually, and must revise the schedule if there has been a change of 10 percent or more in any utility rate since the last time the allowance for that utility was revised. The AHA will maintain information supporting its annual review of utility allowance and any revisions made in its utility allowance schedule.

PART III: INFORMAL REVIEWS AND HEARINGS

15-III.A. OVERVIEW

When the AHA makes a decision that has a negative impact on a family, the family is often entitled to appeal the decision. For applicants, the appeal takes the form of an informal review; for participants, or for applicants denied admission because of citizenship issues, the appeal takes the form of an informal hearing.

PHAs are required to include in their administrative plans, informal review procedures for applicants and informal hearing procedures for participants [24 CFR 982.54(d)(12) and (13)].

15-III.B. INFORMAL REVIEWS

Informal reviews are provided for program applicants. An applicant is someone who has applied for admission to the program, but is not yet a participant in the program. Informal reviews are intended to provide a "minimum hearing requirement" [24 CFR 982.554], and need not be as elaborate as the informal hearing requirements. (Federal Register Volume 60, No. 127, p 36490).

Decisions Subject to Informal Review

The AHA must give an applicant the opportunity for an informal review of a decision denying assistance [24 CFR 982.554(b)]. Denial of assistance may include any or all of the following [24 CFR 982.552(a)(2)]:

- Denying listing on the AHA waiting list
- Denying or withdrawing a voucher

- Refusing to enter into a HAP contract or approve a lease
- Refusing to process or provide assistance under portability procedures
- Denying assistance based on an unfavorable history that may be the result of domestic violence, dating violence, or stalking. (See Section 3-III.G)

Informal reviews are *not* required for the following reasons [24 CFR 982.554(c)]:

- Discretionary administrative determinations by the AHA
- General policy issues or class grievances
- A determination of the family unit size under the AHA subsidy standards
- An AHA determination not to grant approval of the tenancy
- An AHA determination that the unit is not in compliance with the HQS
- An AHA determination that the unit is not in accordance with the HQS due to family size or composition

The AHA will only offer an informal review to applicants for whom assistance is being denied. Denial of assistance includes: denying listing on the AHA waiting list; denying or withdrawing a voucher; refusing to enter into a HAP contract or approve a lease; refusing to process or provide assistance under portability procedures.

Notice to the Applicant [24 CFR 982.554(a)]

The AHA must give an applicant prompt notice of a decision denying assistance. The notice must contain a brief statement of the reasons for the AHA decision, and must also state that the applicant may request an informal review of the decision. The notice must describe how to obtain the informal review.

Scheduling an Informal Review

A request for an informal review must be made in writing and delivered to the AHA either in person or by first class mail, by the close of the business day, no later than 14 calendar days from the date of the AHA's denial of assistance.

The AHA must schedule and send written notice of the informal review within 14 calendar days of the family's request.

Informal Review Procedures [24 CFR 982.554(b)]

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

The applicant must be provided an opportunity to present written or oral objections to the decision of the AHA.

The person conducting the review will make a recommendation to the AHA, but the AHA is responsible for making the final decision as to whether assistance should be granted or denied.

Informal Review Decision [24 CFR 982.554(b)]

The AHA must notify the applicant of the AHA's final decision, including a brief statement of the reasons for the final decision.

In rendering a decision, the AHA will evaluate the following matters:

- Whether or not the grounds for denial were stated factually in the Notice.
- The validity of grounds for denial of assistance. If the grounds for denial are not specified in the regulations, then the decision to deny assistance will be overturned.
- The validity of the evidence. The AHA will evaluate whether the facts presented prove the grounds for denial of assistance. If the facts prove that there are grounds for denial, and the denial is required by HUD, the AHA will uphold the decision to deny assistance.
- If the facts prove the grounds for denial, and the denial is discretionary, the AHA will consider the recommendation of the person conducting the informal review in making the final decision whether to deny assistance.

The AHA will notify the applicant of the final decision, including a statement explaining the reason(s) for the decision. The notice will be mailed within 14 calendar days of the informal review, to the applicant and his or her representative, if any, along with proof of mailing. Informal hearings may be held via a platform of the AHA's discretion i.e., in-person or remotely. If remote hearings are scheduled, AHA will ensure equal opportunity and nondiscrimination for individuals with disabilities and limited English proficient (LEP) persons under Section 504 of the Rehabilitation Act of 1973 (Section 504), the Americans with Disabilities Act of 1990 (ADA), Title VI of the Civil Rights Act of 1964, and the Fair Housing Act.

AHAs will make reasonable accommodations in policies, practices, and procedures to ensure persons with disabilities have a full and equal opportunity to participate in and benefit from all aspects of the hearing process. This obligation is in addition to the obligation to ensure effective communication under Section 504 and the ADA.

15-III.C. INFORMAL HEARINGS FOR PARTICIPANTS [24 CFR 982.555]

PHAs must offer an informal hearing for certain AHA determinations relating to the individual circumstances of a participant family. A participant is defined as a family that has been admitted to the AHA's HCV program and is currently assisted in the program. The purpose of the informal hearing is to consider whether the AHA's decisions related to the family's circumstances are in accordance with the law, HUD regulations and AHA policies.

The AHA is not permitted to terminate a family's assistance until the time allowed for the family to request an informal hearing has elapsed, and any requested hearing has been completed. Termination of assistance for a participant may include any or all of the following:

- Refusing to enter into a HAP contract or approve a lease
- Terminating housing assistance payments under an outstanding HAP contract

- Refusing to process or provide assistance under portability procedures

Decisions Subject to Informal Hearing

Circumstances for which the AHA must give a participant family an opportunity for an informal hearing are as follows:

- A determination of the family's annual or adjusted income, and the use of such income to compute the housing assistance payment
- A determination of the appropriate utility allowance (if any) for tenant-paid utilities from the AHA utility allowance schedule
- A determination of the family unit size under the AHA's subsidy standards
- A determination to terminate assistance for a participant family because of the family's actions or failure to act
- A determination to terminate assistance because the participant has been absent from the assisted unit for longer than the maximum period permitted under AHA policy and HUD rules
- A determination to terminate a family's Family Self-Sufficiency contract, withhold supportive services, or propose forfeiture of the family's escrow account [24 CFR 984.303(i)]
- A determination to terminate assistance based on an unfavorable history that may be the result of domestic violence, dating violence, or stalking
- A determination to deny a request for reasonable accommodation
- A change in the rent calculation as a result of an increase requested by the owner

Even though not required by regulation [24 CFR 982.555(b)(4)], the AHA also will offer participants the opportunity for an informal hearing when the AHA determines not to approve an extension of or suspends a voucher term.

Circumstances for which an informal hearing is not required are as follows [24 CFR 982.555(b)]:

- Discretionary administrative determinations by the AHA
- General policy issues or class grievances
- Establishment of the AHA schedule of utility allowances for families in the program
- An AHA determination not to approve a unit or tenancy
- An AHA determination that a unit is not in compliance with the HQS according to the regulations [24 CFR 982.555(b)(6)]
- An AHA determination that the unit is not in accordance with HQS because of family size
- A determination by the AHA to exercise or not to exercise any right or remedy against an owner under a HAP contract

A family may request an informal hearing for the calculation of their rent portion under the rules; however, the rent requested by the owner is not determined by the AHA, so an Informal Hearing is not appropriate for a family contesting the amount of rent the owner is requesting.

Informal Hearing Procedures

***Notice to the Family* [24 CFR 982.555(c)]**

When the AHA makes a decision that is subject to informal hearing procedures, the AHA must inform the family of its right to an informal hearing at the same time that it informs the family of the decision.

For decisions related to the family's annual or adjusted income, the determination of the appropriate utility allowance, and the determination of the family unit size, the AHA must notify the family that they may ask for an explanation of the basis of the determination, and that if they do not agree with the decision, they may request an informal hearing on the decision.

For decisions related to the termination of the family's assistance, or the denial of a family's request for an exception to the AHA's subsidy standards, the notice must contain a brief statement of the reasons for the decision, a statement that if the family does not agree with the decision, the family may request an informal hearing on the decision, and a statement of the deadline for the family to request an informal hearing.

In cases where the AHA makes a decision for which an informal hearing must be offered, the notice to the family will include all of the following:

- The proposed action or decision of the AHA.
- A brief statement of the reasons for the decision including the regulatory reference.
- The date the proposed action will take place.
- A statement of the family's right to an explanation of the basis for the AHA's decision.
- A statement that if the family does not agree with the decision the family may request an informal hearing of the decision.
- A deadline for the family to request the informal hearing.
- To whom the hearing request should be addressed.
- A copy of the AHA's hearing procedures.

Scheduling an Informal Hearing [24 CFR 982.555(d)]

When an informal hearing is required, the AHA must proceed with the hearing in a reasonably expeditious manner upon the request of the family.

A request for an informal hearing must be made in writing and delivered to the AHA either in person by first class mail, through the online portal, or by e-mail, by the close of the business day, no later than 14 calendar days from the date of the AHA's decision or notice to terminate assistance.

The AHA must schedule and send written notice of the informal hearing to the family within 14 calendar days of the family's request.

The family may request to reschedule a hearing for good cause, or if it is needed as a reasonable accommodation for a person with disabilities. Good cause is defined as an unavoidable conflict, which seriously affects the health, safety or welfare of the family. Requests to reschedule a hearing must be made orally or in writing prior to the hearing date. At its discretion, the AHA may request documentation of the "good cause" prior to rescheduling the hearing.

If the family does not appear at the scheduled time and was unable to reschedule the hearing in advance due to the nature of the conflict, the family must contact the AHA within 24 hours of the scheduled hearing date, excluding weekends and holidays. The AHA will reschedule the hearing only if the family can show good cause for the failure to appear, or if it is needed as a reasonable accommodation for a person with disabilities.

Pre-Hearing Right to Discovery [24 CFR 982.555(e)]

Participants and the AHA are permitted pre-hearing discovery rights. The family must be given the opportunity to examine before the hearing any AHA documents that are directly relevant to the hearing. The family must be allowed to copy any such documents at their own expense. If the AHA does not make the document available for examination on request of the family, the AHA may not rely on the document at the hearing.

The AHA hearing procedures may provide that the AHA must be given the opportunity to examine at the AHA offices before the hearing, any family documents that are directly relevant to the hearing. The AHA must be allowed to copy any such document at the AHA's expense. If the family does not make the document available for examination on request of the AHA, the family may not rely on the document at the hearing.

For the purpose of informal hearings, *documents* include records and regulations.

The family will be allowed to copy any documents related to the hearing at a cost of \$0.10 per page. The family must request discovery of AHA documents no later than 12:00 p.m. on the business day prior to the scheduled hearing date.

The AHA must be given an opportunity to examine, at the AHA offices before the hearing, any family documents that are directly relevant to the hearing. Whenever a participant requests an informal hearing, the AHA may request a copy of all documents that the participant intends to present or utilize at the hearing. The participant must make the documents available no later than 12:00 p.m. on the business day prior to the scheduled hearing date. All hearing documentation will be provided to the hearing officer no later than the day before hearing including the AHA's hearing brief and participant supplied documents.

Participant's Right to Bring Counsel [24 CFR 982.555(e)(3)]

At its own expense, the family may be represented by a lawyer or other representative at the informal hearing.

Recording of the Hearing

All in-person informal hearings will be recorded by audiotape or a digital recorder. The AHA will not provide a transcript of a recorded hearing. The recording will be retained for a period of 90 days from the date of the “Notice of Final Decision” at which time the recording or tape may be deleted or destroyed. If the hearing is conducted virtually, the AHA will record the virtual meeting electronically and will retain the electronic file for a period of 90 days from the date of the “Notice of Final Decision” at which time the file will be deleted.

Informal Hearing Officer [24 CFR 982.555(e)(4)]

Informal hearings will be conducted by a person or persons approved by the AHA, other than the person who made or approved the decision or a subordinate of the person who made or approved the decision.

Attendance at the Informal Hearing

Hearings may be attended by a hearing officer and the following applicable persons:

- An AHA representative and any witnesses for the AHA
- Other professionals deemed necessary by the AHA such as translators or security personnel
- The participant and any witnesses for the participant
- The participant’s counsel or other representative
- Any other person approved by the AHA as a reasonable accommodation for a person with a disability

Conduct at Hearings

The person who conducts the hearing may regulate the conduct of the hearing in accordance with the AHA’s hearing procedures [24 CFR 982.555(4)(ii)].

The hearing officer is responsible to manage the order of business and to ensure that hearings are conducted in a professional and businesslike manner. Attendees are expected to comply with all hearing procedures established by the hearing officer and guidelines for conduct. Any person demonstrating disruptive, abusive or otherwise inappropriate behavior will be excused from the hearing at the discretion of the hearing officer.

Evidence [24 CFR 982.555(e)(5)]

The AHA and the family must be given the opportunity to present evidence and question any witnesses. In general, all evidence is admissible at an informal hearing. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

Any evidence to be considered by the hearing officer must be presented no later than the day before the hearing. The hearing officer may only consider evidence provided before the close of the informal hearing. There are four categories of evidence.

 Oral evidence: the testimony of witnesses

Documentary evidence: a writing, which is relevant to the case, for example, a letter written to the AHA. Writings include all forms of recorded communication or representation, including letters, words, pictures, sounds, videotapes or symbols or combinations thereof.

Demonstrative evidence: Evidence created specifically for the hearing and presented as an illustrative aid to assist the hearing officer, such as a model, a chart or other diagram.

Real evidence: A tangible item relating directly to the case.

Hearsay Evidence is evidence of a statement that was made, other than by a witness while testifying at the hearing, and that is offered to prove the truth of the matter. Even though evidence, including hearsay, is generally admissible, hearsay evidence alone cannot be used as the sole basis for the hearing officer's decision.

If either the AHA or the family fail to comply with the discovery requirements described above, the hearing officer will refuse to admit such evidence.

Other than the failure of a party to comply with discovery, the hearing officer has the authority to overrule any objections to evidence.

The hearing officer may ask the family for additional information and/or might adjourn the hearing in order to reconvene at a later date, before reaching a decision. If the family misses an appointment or deadline ordered by the hearing officer, the action of the AHA will take effect.

Hearing Officer's Decision [24 CFR 982.555(e)(6)]

The person who conducts the hearing must issue a written decision, stating briefly the reasons for the decision. Factual determinations relating to the individual circumstances of the family must be based on a preponderance of evidence presented at the hearing. A copy of the hearing must be furnished promptly to the family, generally within 14 calendar days.

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

AHA Notice to the Family: The hearing officer will determine if the reasons for the AHA's decision are factually stated in the Notice.

Discovery: The hearing officer will determine if the AHA and the family were given the opportunity to examine any relevant documents in accordance with AHA policy.

AHA Evidence to Support the AHA Decision: The evidence consists of the facts presented. Evidence is not conclusion and it is not argument. The hearing officer will evaluate the facts to determine if they support the AHA's conclusion.

Validity of Grounds for Termination of Assistance (when applicable): The hearing officer will determine if the termination of assistance is for one of the grounds specified in the HUD regulations and AHA policies. If the grounds for termination are not specified in the regulations or in compliance with AHA policies, then the decision of the AHA will be overturned.

The hearing officer will issue a written decision promptly to the family and the AHA, generally no later than 14 calendar days after the hearing. The report will contain the following information:

- **Hearing information:**
 - Name of the participant;
 - Date, time and place of the hearing;
 - Name of the hearing officer;
 - Name of the AHA representative; and
 - Name of family representative (if any).
- **Background:** A brief, impartial statement of the reason for the hearing.
- **Summary of the Evidence:** The hearing officer will summarize the testimony of each witness and identify any documents that a witness produced in support of his/her testimony and that are admitted into evidence.
- **Findings of Fact:** The hearing officer will include all findings of fact, based on a preponderance of the evidence. *Preponderance of the evidence* is defined as evidence which is of greater weight or more convincing than the evidence which is offered in opposition to it; that is, evidence which as a whole shows that the fact sought to be proved is more probable than not. Preponderance of the evidence may not be determined by the number of witnesses, but by the greater weight of all evidence.
- **Conclusions:** The hearing officer will render a conclusion derived from the facts that were found to be true by a preponderance of the evidence. The conclusion will result in a determination of whether these facts uphold the AHA's decision.
- **Order:** The hearing report will include a statement of whether the AHA's decision is upheld or overturned. If it is overturned, the hearing officer will instruct the AHA to change the decision in accordance with the hearing officer's determination. In the case of termination of assistance, the hearing officer will instruct the AHA to restore the participant's program status.

AHA Notice of Final Decision [24 CFR 982.555(f)]

The AHA is not bound by the decision of the hearing officer for matters in which the AHA is not required to provide an opportunity for a hearing, decisions that exceed the authority of the hearing officer, decisions that conflict with or contradict HUD regulations, requirements, or are otherwise contrary to Federal, State or local laws.

If the AHA determines it is not bound by the hearing officer's decision in accordance with HUD regulations, the AHA must promptly notify the family of the determination and the reason for the determination.

The AHA will mail a "Notice of Final Decision" including the hearing officer's report, to the participant and their representative. This Notice will be sent by first-class mail, postage pre-paid with an affidavit of mailing enclosed. The participant will be mailed the original "Notice of Final Decision" and a copy of the proof of mailing. A copy of the "Notice of Final Decision" along with the original proof mailing will be maintained in the AHA's file.

Once the “Notice of Final Decision” has been sent, the family’s time to obtain a judicial review of that decision through administrative mandamus is limited to 90 days after service of the “Notice of Final Decision.”

15-III.D. HEARING AND APPEAL PROVISIONS FOR NON-CITIZENS [24 CFR 5.514]

Denial or termination of assistance based on immigration status is subject to special hearing and notice rules. Applicants who are denied assistance due to immigration status are entitled to an informal hearing, not an informal review.

Assistance to a family may not be delayed, denied, or terminated on the basis of immigration status at any time prior to a decision under the United States Citizenship and Immigration Services (USCIS) appeal process. Assistance to a family may not be terminated or denied while the AHA hearing is pending, but assistance to an applicant may be delayed pending the completion of the informal hearing.

A decision against a family member, issued in accordance with the USCIS appeal process or the AHA informal hearing process, does not preclude the family from exercising the right, that may otherwise be available, to seek redress directly through judicial procedures.

Notice of Denial or Termination of Assistance [24 CFR 5.514(d)]

As discussed in Chapters 3 and 11, the notice of denial or termination of assistance for non-citizens must advise the family:

- That financial assistance will be denied or terminated, and provide a brief explanation of the reasons for the proposed denial or termination of assistance.
- The family may be eligible for proration of assistance.
- In the case of a participant, the criteria and procedures for obtaining relief and the provisions for preservation of families [24 CFR 5.514 and 5.518].
- That the family has a right to request an appeal to the USCIS of the results of secondary verification of immigration status and to submit additional documentation or explanation in support of the appeal.
- That the family has a right to request an informal hearing with the AHA either upon completion of the USCIS appeal or in lieu of the USCIS appeal.
- For applicants, assistance may not be delayed until the conclusion of the USCIS appeal process, but assistance may be delayed during the period of the informal hearing process.

USCIS Appeal Process [24 CFR 5.514(e)]

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

The AHA will notify the family in writing of the results of the USCIS secondary verification within 14 calendar days of receiving the results.

The family must provide the AHA with a copy of the written request for appeal and proof of mailing within 14 calendar days of sending the request to the USCIS. The family must provide the AHA with a copy of the written decision.

The AHA will send written notice to the family of its right to request an informal hearing within 14 calendar days of receiving notice of the USCIS decision regarding the family's immigration status.

Informal Hearing Procedures for Applicants [24 CFR 5.514(f)]

After notification of the USCIS decision on appeal, or in lieu of an appeal to the USCIS, the family may request that the AHA provide a hearing. The request for a hearing must be made either within 30 days of receipt of the AHA notice of denial or termination, or within 30 days of receipt of the USCIS appeal decision.

For the informal hearing procedures that apply to participant families whose assistance is being terminated based on immigration status, see Section 15-III.C.

The informal hearing procedures for applicant families are described below.

Informal Hearing Officer

The AHA must provide an informal hearing before an impartial individual, other than a person who made or approved the decision under review, and other than a person who is a subordinate of the person who made or approved the decision.

Evidence

The family must be provided the opportunity to examine and copy at the family's expense, at a reasonable time in advance of the hearing, any documents in the possession of the AHA pertaining to the family's eligibility status, or in the possession of the USCIS (as permitted by USCIS requirements), including any records and regulations that may be relevant to the hearing.

The family will be allowed to copy any documents related to the hearing at a cost of \$0.10 per page copy. The family must request discovery of AHA documents no later than 12:00 p.m. on the business day prior to the hearing.

The family must be provided the opportunity to present evidence and arguments in support of eligible status. Evidence may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

The family must also be provided the opportunity to refute evidence relied upon by the AHA, and to confront and cross-examine all witnesses on whose testimony or information the AHA relies.

Representation and Interpretive Services

The family is entitled to be represented by an attorney or other designee, at the family's expense, and to have such person make statements on the family's behalf.

The family is entitled to arrange for an interpreter to attend the hearing, at the expense of the family, or the AHA, as may be agreed upon by the two parties.

Recording of the Hearing

The family is entitled to have the hearing recorded. The AHA may, but is not required to provide a transcript of the hearing.

The AHA will not provide a transcript of a recorded hearing.

Hearing Decision

The AHA must provide the family with a written final decision, based solely on the facts presented at the hearing, within 14 calendar days of the date of the informal hearing. The decision must state the basis for the decision.

Retention of Documents [24 CFR 5.514(h)]

The AHA must retain for a minimum of 5 years the following documents that may have been submitted to the AHA by the family, or provided to the AHA as part of the USCIS appeal or the AHA informal hearing process:

- The application for assistance
- The form completed by the family for income reexamination
- Photocopies of any original documents, including original USCIS documents
- The signed verification consent form
- The USCIS verification results
- The request for an USCIS appeal
- The final USCIS determination
- The request for an informal hearing
- The final informal hearing decision

PART IV: OWNER OR FAMILY DEBTS TO THE AHA

15-IV.A. OVERVIEW

PHAs are required to include in the administrative plan, policies concerning repayment by a family of amounts owed to the AHA [24 CFR 982.54]. This part describes the AHA's policies for recovery of monies that have been overpaid on behalf of families, or to owners.

When an action or inaction of an owner or participant results in the overpayment of housing assistance, the AHA holds the owner or participant liable to return any overpayments to the AHA.

The AHA will enter into repayment agreements with participants in accordance with the policies contained in this part as a means to recover monies owed.

When an owner or participant refuses to repay monies owed to the AHA, the AHA will utilize other available collection alternatives including, but not limited to, the following:

- Collection agencies
- Small claims court
- Civil law suit

15-IV.B. REPAYMENT POLICY

Owner Debts to the AHA

Any amount due to the AHA by an owner will be deducted from the next HAP payment by the amount owed. If the amount owed is more than the HAP payment, the balance is due within 30 days.

If the owner is not entitled to future HAP payments, the entire amount owed must be repaid by the owner within 30 days of the AHA determination of the debt.

If the owner refuses to repay the debt, the AHA will ban the owner from future participation in the program and pursue other modes of collection.

Family Debts to the AHA

Any amount due to the AHA by an HCV participant must be repaid by the family. If the family is unable to repay the debt within 30 days, the AHA may offer to enter into a repayment agreement in accordance with the policies below.

The family must be in good standing with the AHA and the debt amount must be \$3,000 or less. To be in good standing, a participant must not have any other outstanding debts related to an existing repayment agreement or be under the termination process for another program violation. If the amount owed is greater than \$3,000 a repayment agreement may only be entered into with the Executive Director's approval. If such an agreement is not approved, then the participant's assistance will be terminated.

If the family refuses to repay the debt, enter into a repayment agreement, or breaches a repayment agreement, the AHA will terminate the assistance upon notification to the family and pursue other modes of collection.

Repayment Agreement [24 CFR 792.103, PIH Notice 2018-18]

The term *repayment agreement* refers to a formal document signed by a tenant or owner and provided to the AHA in which a tenant or owner acknowledges a debt, in a specific amount, and agrees to repay the amount due at specific time periods.

Repayment Agreement Guidelines

Payment Requirement Terms for Overpaid Rental Assistance

A repayment agreement will contain the following provisions:

- Total amount owed
- Amount of lump sum payment made at time of execution
- Monthly repayment amount
- Reference to the reason for non-compliance and that the family may be subject to termination of tenancy or assistance or both
- Monthly retroactive rent payment amount is in addition to the family's regular rent contribution and is payable to AHA
- The terms of the agreement may be renegotiated if there is a decrease or an increase in the family's income

- Late and missed payments constitute default of the repayment agreement and may result in termination of tenancy and/or assistance

Down Payment Requirement

Prior to the execution of a repayment agreement, the owner or family must pay 10 percent of the balance owed to the AHA.

Payment Thresholds

The debt amount must be \$3,000 or less. If the amount owed is greater than \$3,000 a repayment agreement may only be entered into with the Executive Director's approval. If such an agreement is not approved, then the participant's assistance will be terminated.

- Amounts between \$2,001 to \$3,000 must be repaid within 36 months.
- Amounts between \$901 and \$2,000 must be repaid within 24 months.
- Amounts between \$451 and \$900 must be repaid within 12 months.
- Amounts under \$450 must be repaid within 6 months.

Repayment agreements will normally require a minimum monthly payment of at least \$25.

Adjustments to the above can only be made with Executive Director approval. For participants that will continue to receive assistance, the AHA may cap monthly payments and tenant portion of rent to owner at 40% of tenant's income and allow the repayment agreement to go longer; however, this change must be approved by the Executive Director or designee. Repayment agreements over 36 months require Executive Director approval.

Execution of the Agreement

The head of household and spouse/cohead (if applicable) must sign the repayment agreement.

Due Dates

All payments are due by the close of business on the 1st business day of the month.

Non-Payment

A late or partial payment is considered a missed payment. The AHA will issue a notice of termination to participants who miss more than one monthly installment under the payment agreement within a 12-month period, the balance of the debt must be paid in full or the participant family will be terminated from the HCV program. The Executive Director must approve any exceptions to these guidelines.

Families, whose assistance is terminated, have the opportunity to request an informal hearing.

No Offer of Repayment Agreement

The AHA will not enter into a repayment agreement if there is already a repayment agreement in place with the family.

PART V: RECORD KEEPING

15-V.A. OVERVIEW

The AHA 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 or the Comptroller General of the United States upon request.

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

15-V.B. RECORD RETENTION [24 CFR 982.158]

During the term of each assisted lease, and for at least three years thereafter, the AHA must keep:

- A copy of the executed lease;
- The HAP contract; and
- The application from the family.
- -In addition, the AHA must keep the following records for at least three years:
 - Records that provide income, racial, ethnic, gender, and disability status data on program applicants and participants;
 - An application from each ineligible family and notice that the applicant is not eligible;
 - HUD-required reports;
 - Unit inspection reports;
 - Lead-based paint records as required by 24 CFR 35, Subpart B.
 - Accounts and other records supporting AHA budget and financial statements for the program;
 - Records to document the basis for AHA determination that rent to owner is a reasonable rent (initially and during the term of a HAP contract); and
 - Other records specified by HUD.

The AHA will retain any documents relating to the family's participation in the Housing Choice Voucher Program, including, but not limited to, written notice from the owner of serious or repeated lease violations, police reports, neighbor complaints or other third party information. These documents will be retained in the file for the term of the family's participation in the program, and for at least three years thereafter. Electronic storage of the required documents, in a system such as Laserfiche or Yardi, will suffice for the records retention requirement. The originals do not also need to be retained.

If an informal hearing to establish a family's citizenship status is held, longer retention requirements apply for some types of documents. For specific requirements, see Section 15-III.D., Retention of Documents.

15-V.C. RECORDS MANAGEMENT

PHAs must maintain applicant and participant files and information in accordance with the regulatory requirements described below.

All applicant and participant information will be kept in a secure location and access will be limited to authorized AHA staff.

AHA staff will not discuss personal family information unless there is a business reason to do so. Inappropriate discussion of family information or improper disclosure of family information by staff will result in disciplinary action.

Privacy Act Requirements [24 CFR 5.212 and Form-9886-A]

The collection, maintenance, use, and dissemination of social security numbers (SSN), employer identification numbers (EIN), any information derived from these numbers, and income information of applicants and participants must be conducted, to the extent applicable, in compliance with the Privacy Act of 1974, and all other provisions of Federal, State, and local law.

Applicants and participants, including all adults in the household, are required to sign a consent form, HUD-9886-A, Authorization for Release of Information. This form incorporates the Federal Privacy Act Statement and describes how the information collected using the form may be used, and under what conditions HUD or the AHA may release the information collected.

HUD Form-9886-A may be required to be signed by participants between regular reexaminations. See Section 7-I.A. Family Consent to Release Information for more information on this requirement.

Upfront Income Verification (UIV) Records

The AHA, which accesses UIV data through HUD's Enterprise Income Verification (EIV) System, are required to adopt and follow specific security procedures to ensure that all EIV data is protected in accordance with Federal laws, regardless of the media on which the data is recorded (e.g. electronic, paper). These requirements are contained in the HUD-issued document *Enterprise Income Verification (EIV) System Security Procedures for Upfront Income Verification Data*.

Prior to utilizing HUD's EIV system, the AHA will adopt and implement EIV security procedures required by HUD.

Criminal Records

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

The AHA must establish and implement a system of records management that ensures that any criminal record received by the AHA 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 AHA action without institution of a challenge or final disposition of any such litigation [24 CFR 5.903(g)].

The AHA must establish and implement a system of records management that ensures that any sex offender registration information received by the AHA from a State or local agency is maintained confidentially, not misused or improperly disseminated, and destroyed, once the purpose for which the record was requested has been accomplished, including expiration of the period for filing a challenge to the AHA 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 AHA other than under 24 CFR 5.905.

Medical/Disability Records

PHAs are not permitted to inquire about the nature or extent of a person's disability. The AHA may not inquire about a person's diagnosis or details of treatment for a disability or medical condition. If the AHA receives a verification document that provides such information, the AHA should not place this information in the tenant file. The AHA should destroy the document.

PART VI: REPORTING AND RECORD KEEPING FOR CHILDREN WITH ENVIRONMENTAL INTERVENTION BLOOD LEAD LEVEL

15-VI.A. OVERVIEW

The AHA has certain responsibilities relative to children with environmental intervention blood lead levels that are receiving HCV assistance. The notification, verification, and hazard reduction requirements are discussed in Chapter 8. This part deals with the reporting requirements, and data collection and record keeping responsibilities that the AHA is subject to.

15-VI.B. REPORTING REQUIREMENT [24 CFR 35.1225(E)]

The AHA must report the name and address of a child identified as having an environmental intervention blood lead level to the public health department within 5 business days of being so notified by any other medical health care professional.

The AHA will provide the public health department written notice of the name and address of any child identified as having an environmental intervention blood lead level.

15-VI.C. DATA COLLECTION AND RECORD KEEPING [24 CFR 35.1225(F)]

At least quarterly, the AHA must attempt to obtain from the public health department(s) with a similar area of jurisdiction, the names and/or addresses of children less than 6 years old with an identified environmental intervention blood lead level.

If the AHA obtains names and addresses of environmental intervention blood lead level children from the public health department(s), the AHA must match this information with the names and addresses of families receiving HCV assistance, unless the public health department performs such a procedure. If a match occurs, the AHA must carry out the

notification, verification, and hazard reduction requirements discussed in Chapter 8, and the reporting requirement discussed above.

At least quarterly, the AHA must also report an updated list of the addresses of units receiving assistance under the HCV program to the same public health department(s), unless the public health department(s) states that it does not wish to receive such a report.

The public health department(s) has stated they **do not** wish to receive a report of an updated list of the addresses of units receiving assistance under the HCV program, on a quarterly basis. Therefore, the AHA is not providing such a report.

PART VII: REPORTING REQUIREMENTS OF VIOLENCE AGAINST WOMEN REAUTHORIZATION ACT OF 2022 (VAWA)

15-VII.A. NOTIFICATION TO PARTICIPANTS [PUB. L. 113-4]

VAWA requires the AHA to notify housing choice voucher participants of their rights under this law, including their right to confidentiality and the limits thereof. The AHA will provide all participants with notification of their protections and rights under VAWA with any AHA notification of eviction or terminations of assistance and during the annual recertification or lease renewal process.

15-VII.B. NOTIFICATION TO APPLICANTS

The AHA will provide all applicants with notification of their protections and rights under VAWA at the time the individual is provided assistance or admission and at the time the applicant is denied assistance or admission. The notice also will inform each applicant of AHA confidentiality requirements.

15-VII.C. NOTIFICATION TO OWNERS AND MANAGERS [PUB.L. 113-4]

VAWA requires the AHAs to notify owners and managers of their rights and responsibilities under this law. HUD encourages PHAs to identify opportunities to provide notice and/or training to owners participating in the HCV program of their rights and obligations under VAWA. The AHA will inform property owners and managers of their screening and termination responsibilities related to VAWA. The AHA will utilize any or all of the following means to notify owners of their VAWA responsibilities:

- As appropriate, in day- -to- -day interactions with owners and managers.
- Inserts in HAP payments, 1099s, owner workshops, classes, orientations, and/or newsletters.
- Signs in the AHA lobby and/or mass mailings which include model VAWA certification forms.

PART VIII: SPECIAL HOUSING TYPES [24 CFR 982 SUBPART M]

15-VIII.A. OVERVIEW

Subpart M of 24 CFR 982 allows for the operation of Special Housing Types. These include: Single Room Occupancy (SRO), Congregate Housing, Group Home, Shared

Housing, Cooperative, Manufactured Home, Manufactured Home Space Rental, and Homeownership Option.

The AHA will allow Shared Housing in cases where it expands the housing choice for voucher holders. All regulations at 24 CFR 982.615 through 982.618 must be met in order for Shared Housing to be approved. These include:

- The resident owner may not be related to the assisted family by blood or marriage.
- An approved live-in aide may reside with the family.
- The other persons in the unit (a house or an apartment) may be assisted or not assisted under the tenant-based program.
- There is a separate HAP contract and lease for each assisted family.
- The pro-rata portion of the rent must be reasonable.
- The entire unit, including the portion of the unit available for use by the assisted family under its lease, must meet housing quality standards.
- The facilities available for use under the lease for the assisted family must include a living room, sanitary facilities, and food preparation and refuse disposal facilities.
- The entire unit must provide adequate space and security for all residents.
- Each unit must contain private space for each assisted family which must contain at least one bedroom for each two persons in the family.

CHAPTER 16

PROJECT-BASED VOUCHERS

INTRODUCTION

This chapter describes HUD regulations and PHA policies related to the project-based voucher (PBV) program in nine parts:

Part I: General Requirements. General provisions of the PBV program including maximum budget authority requirements, relocation requirements, and equal opportunity requirements.

Part II: PBV Owner Proposals. Policies related to the submission and selection of owner proposals for PBV assistance. This part describes the factors the PHA will consider when selecting proposals, the type of housing that is eligible to receive PBV assistance, the cap on assistance at projects receiving PBV assistance, subsidy layering requirements, site selection standards, and environmental review requirements.

Part III: Dwelling Units. Requirements related to housing quality standards, the type and frequency of inspections, and housing accessibility for persons with disabilities.

Part IV: Rehabilitated and Newly Constructed Units. Requirements and policies related to the development and completion of rehabilitated and newly constructed housing units that will be receiving PBV assistance.

Part V: Housing Assistance Payments Contract. HAP contract requirements and policies including the execution, term, and termination of the HAP contract. In addition, this part describes how the HAP contract may be amended and identifies provisions that may be added to the HAP contract at the PHA's discretion.

Part VI: Selection of PBV Program Participants. Requirements and policies governing how the PHA and the owner will select a family to receive PBV assistance.

Part VII: Occupancy. Occupancy requirements related to the lease, and describes under what conditions families are allowed or required to move.

Part VIII: Determining Rent to Owner. Determining the initial rent to owner, and how rent will be redetermined throughout the life of the HAP contract. Rent reasonableness requirements are also discussed.

Part IX: Payments to Owner. Types of payments owners may receive under this program.

PART I: GENERAL REQUIREMENTS

16-I.A. OVERVIEW [24 CFR 983.5]

The project-based voucher (PBV) program allows the AHA, which already administers a tenant-based voucher program under an annual contributions contract (ACC) with HUD, to operate a PBV program using up to 50 percent of its voucher unit allocation under an approved MTW activity and attach the funding to specific units rather than using it for tenant-based assistance [24 CFR 983.6]. The AHA will only operate a PBV program, at its discretion up to 50 percent of its voucher unit allocation if the AHA has the funding for these units, consistent with its Annual Plan, and the goal of deconcentrating poverty and expanding housing and economic opportunities [42 U.S.C. 1437f(o)(13)].

PBV assistance may be attached to existing housing or newly constructed or rehabilitated housing [24 CFR 983.52]. The AHA is responsible for determining the amount of budget authority that is available for project-based vouchers and ensuring that the amount of assistance that is attached to units is within the amounts available under the ACC [24 CFR 983.6].

16-I.B. TENANT-BASED VS. PROJECT-BASED VOUCHER ASSISTANCE [24 CFR 983.2]

Except as otherwise noted in this chapter, or unless specifically prohibited by PBV program regulations, the AHA policies for the tenant-based voucher program contained in this administrative plan also apply to the PBV program and its participants.

16-I.C. RELOCATION REQUIREMENTS [24 CFR 983.7]

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

The cost of required relocation assistance may be paid with funds provided by the owner, local public funds, or funds available from other sources. The AHA will not use voucher program funds to cover relocation costs.

The acquisition of real property for a PBV project is subject to the URA and 49 CFR part 24, subpart B. It is the responsibility of the AHA to ensure the owner and any representatives of the owner, such as a property manager, comply with these requirements.

16-I.D. EQUAL OPPORTUNITY REQUIREMENTS [24 CFR 983.8]

The AHA, owners and property managers must comply with all equal opportunity requirements under federal law and regulations in its implementation of the PBV program. This includes the requirements and authorities cited at 24 CFR 5.105(a).

In addition, the AHA will comply with the AHA Plan certification on civil rights and affirmatively furthering fair housing, submitted in accordance with 24 CFR 903.7(o).

PART II: PBV OWNER PROPOSALS

16-II.A. OVERVIEW

In this document, the AHA will describe the procedures for owner or owner's designee submission of PBV proposals, AHA selection of PBV proposals, describe how the AHA will determine that PBV proposals comply with HUD program regulations and requirements, that proposals comply with the cap on the number of PBV units per project, and meet site selection standards.

Under approved MTW Activity 2022-10, AHA can award project-based voucher units to a property owned by a single-asset entity (S.A.E.) of the AHA without engaging in a selection process after conducting a Subsidy Layering Review, ensuring the property is compliant with HUD's site selection requirements, and having a 3rd party conduct HQS inspections of the units. Therefore, Section 16-II.B. does not apply if the AHA decides to award PBV units under this activity.

16-II.B. OWNER PROPOSAL SELECTION PROCEDURES [24 CFR 983.51]

The AHA will select PBV proposals in accordance with the selection procedures in this AHA Administrative Plan. If a selection process is to be used (MTW Activity 2022-10 allows award without a selection process), the AHA will select PBV proposals by either of the following two methods.

- AHA request for PBV Proposals. The AHA may solicit proposals by using a Request For Proposals (RFP) to select proposals on a competitive basis in response to the AHA request. The AHA may not limit proposals to a single site or impose restrictions that explicitly or practically preclude owner submission of proposals for PBV housing on different sites.
- AHA selection of a proposal previously selected based on a competition. This may include selection of a proposal for housing assisted under a federal, state, or local government housing assistance program that was subject to a competition in accordance with the requirements of the applicable program, community development program, or supportive services program that requires competitive selection of proposals (e.g., HOME, and units for which competitively awarded LIHTCs have been provided), where the proposal has been selected in accordance with such program's competitive selection requirements within three years of the PBV proposal selection date, and the earlier competitive selection proposal did not involve any consideration that the project would receive PBV assistance.

Under approved MTW Activity 2022-10 Elimination of PBV Selection Process for PHA-owned Projects without Improvement, Development, or Replacement, AHA may award project-based voucher units to a property owned by a single-asset entity (S.A.E.) of the AHA without engaging in a selection process. This MTW activity allows the AHA to award vouchers, without using the PBV proposal process, to units in the AHA's portfolio that qualify for PBV after conducting a Subsidy Layering Review, ensuring the property is compliant with HUD's site selection requirements, and having a 3rd party conduct HQS inspections of the units. The decision to use this MTW Activity versus the full RFP process as outlined above is at the discretion of the AHA.

Solicitation and Selection of PBV Proposals [24 CFR 983.51(b) and (c)]

AHA procedures for selecting PBV proposals are designed and operated to provide broad public notice of the opportunity to offer PBV proposals for consideration by the AHA.

AHA Request for Proposals Units

The AHA will advertise its request for proposals (RFP) for rehabilitated, newly constructed and/or existing housing in one of the following newspapers:

- Alameda Journal/Bay Area Newsgroup
- Alameda Sun

In addition, the AHA will post the RFP and proposal submission and selection procedures on its website (www.alamedahsg.org).

The AHA will publish its notice at least once in the newspapers mentioned above. The notice will specify the number of units the AHA estimates that it will be able to assist under the funding the AHA is making available. Proposals will be due in the AHA office by close of business no less than three weeks from the date of publication.

In order for the proposal to be considered, the owner or owner's designee (hereinafter referred to as "owner") must submit the proposal to the AHA by the published deadline date and time, and the proposal must respond to all requirements as outlined in the RFP. Incomplete proposals will not be reviewed. All proposals will be time and date stamped upon submission.

The AHA will rate and rank proposals for rehabilitated, newly constructed, or existing housing using the criteria listed on the corresponding Ranking and Selection Checklist in the RFP advertisement and on the AHA website.

An application that does not meet the minimum points in each category will not be considered. The minimum number of points an application must have to proceed in the process is 60% of the total maximum available points. If there are a limited number of vouchers available, as stated in the RFP, the vouchers will be awarded to the applicant with the highest number of points. In the event of a tie, the RFP will specify the method used to break the tie such as the date and time of submission or random selection.

The Ranking and Selection Checklist for rehabilitated or newly constructed housing will include, but is not limited to, the following scoring components:

- Site location adequacy (such as proximity to transit, recreation and parks, libraries, supermarkets, community centers, pharmacies, and other mainstream services);
- Design adequacy (amenities and physical layout of project to meet the needs of the population served);
- Project Feasibility – Financial;
- Project Feasibility – Developer and Management experience;
- Owner experience and capability to build or rehabilitate housing as identified in the RFP;

- Extent to which the project furthers the goal of deconcentrating poverty and expanding housing and economic opportunities;
- Social Services provided onsite; and
- Other criteria stated in the RFP.

The Ranking and Selection Checklist for Existing Housing will include, but will not be limited to, the following scoring components:

- Site location (such as proximity to transit, recreation and parks, libraries, supermarkets, community centers, pharmacies, and other mainstream services);
- Owner experience and capability to build or rehabilitate housing as identified in the RFP;
- Extent to which the project furthers the goal of deconcentrating poverty and expanding housing and economic opportunities; and
- Other criteria stated in the RFP.

AHA Selection of Proposals Subject to a Previous Competition under a Federal, State, or Local Housing Assistance Program

The AHA will accept proposals for PBV assistance from owners that were competitively selected under another federal, state or local housing assistance program, including projects that were competitively awarded Low-Income Housing Tax Credits after an announcement of its acceptance of proposals. AHA will ensure that the Previous Competitive Selection which is the basis for selection for PBV assistance is made without regard to the possibility of PBV assistance.

The AHA may periodically advertise that it is accepting proposals, specifying the number of vouchers available for this purpose in one of the following newspapers:

- Alameda Journal/ Bay Area Newsgroup
- Alameda Sun

The AHA will evaluate each proposal on its merits using the following factors:

- Extent to which the project furthers the AHA goal of deconcentrating poverty and expanding housing and economic opportunities; and
- Extent to which the proposal complements other local activities such as the HOME program, CDBG activities, other development activities in a HUD-designated Enterprise Zone, Economic Community, or Renewal Community; and
- The rating factors outlined in the previous section.

The AHA may decide not to make an award if the selection of the project is not consistent with the AHA's Annual Plan or voucher leasing strategy, such as the AHA does not have additional funds to assist additional contract commitments.

AHA-owned Units [24 CFR 983.51(e) and 983.59]

If the AHA chooses to accept RFP proposals through the above processes and AHA submits a proposal for project-based housing that is owned or controlled by the AHA, as defined by PIH Notice 2017-21, AHA will:

- Seek HUD approval to have an independent entity review the proposal and determine if the AHA's proposal should be selected. If HUD does not approve of the independent entity, the AHA will seek HUD's review of the AHA's proposal.
- Use an independent entity which meets HUD approval to perform HQS inspections.
- Use an independent entity which meets HUD approval to determine rents and rent reasonableness.
- Will obtain HUD approval for the services of these entities prior to selecting the proposal for AHA-owned housing.

The AHA can use its ongoing administrative fee income to compensate the independent entity. Under MTW, the AHA can also use other sources of funds for these payments provided that such use is consistent with the Annual Plan and MTW Supplement. The AHA, independent entity, and appraiser may not charge the family any fee for the appraisal or the services provided by the independent entity.

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

Within 14 calendar days of the AHA making a selection, the AHA will notify the selected owner in writing of the owner's selection for the PBV program. The AHA will also notify in writing all owners that submitted proposals that were not selected and advise such owners of the name of the selected owner(s).

In addition, the AHA will publish its notice for selection of PBV proposals in the same newspapers that the AHA used to solicit the proposals. The announcement will include the name of the owner and address of units selected for the PBV program. The AHA will also post the notice of owner selection on its website.

The AHA will make available to any interested party its rating and ranking sheets and documents that identify the AHA basis for selecting the proposal. These documents will be available for review by the public and other interested parties for one month after publication of the notice of owner selection. The AHA will not make available sensitive owner information that is privileged, such as financial statements and similar information about the owner.

The AHA will make these documents available for review at the AHA during normal business hours. The cost for reproduction of allowable documents will be 10¢ per page.

16-II.C. HOUSING TYPE [24 CFR 983.52]

The AHA will attach PBV assistance for units in existing housing or for newly constructed or rehabilitated housing developed under and in accordance with an agreement to enter into a housing assistance payments contract that was executed prior to the start of construction. A housing unit is considered an existing unit for purposes of the PBV program if, at the time of notice of AHA selection, the units exist and substantially comply with HQS. "Substantially" is defined as any unit that has an accumulation of items that would cost less than \$1,000 and take less than one month's time to comply fully with HQS requirements. Units for which new construction or rehabilitation was started in

accordance with PBV program requirements do not qualify as existing housing. The AHA choice of housing type will be reflected when it solicits proposals.

16-II.D. PROHIBITION OF ASSISTANCE FOR CERTAIN UNITS

Ineligible Housing Types [24 CFR 983.53]

The AHA will not attach or pay PBV assistance to shared housing units; units on the grounds of a penal reformatory, medical, mental, or similar public or private institution; nursing homes or facilities providing continuous psychiatric, medical, nursing services, board and care, or intermediate care (except that assistance may be provided in assisted living facilities); units that are owned or controlled by an educational institution or its affiliate and are designated for occupancy by students; manufactured homes or pads; and transitional housing. In addition, the AHA will not attach or pay PBV assistance for a unit occupied by an owner and the AHA will not select or enter into an AHAP or enter into a HAP contract for a unit occupied by a family ineligible for participation in the PBV program.

Subsidized Housing [24 CFR 983.54]

The AHA will not attach or pay PBV assistance to units in any of the following types of subsidized housing:

- A public housing unit;
- A unit subsidized with any other form of Section 8 assistance;
- A unit subsidized with any governmental rent subsidy;
- A unit subsidized with any governmental subsidy that covers all or any part of the operating costs of the housing;
- A unit subsidized with Section 236 rental assistance payments (except that the AHA could attach assistance to a unit subsidized with Section 236 interest reduction payments);
- A Section 202 project for non-elderly with disabilities;
- Section 811 project-based supportive housing for persons with disabilities;
- Section 202 supportive housing for the elderly;
- A Section 101 rent supplement project;
- A unit subsidized with any form of tenant-based rental assistance;
- A unit with any other duplicative federal, state, or local housing subsidy, as determined by HUD or the AHA in accordance with HUD requirements.

Other Ineligible Housing Types

Due to the need for more one-, two-, and three- bedroom units, the AHA will not attach or pay PBV assistance for group homes or single room occupancy (SRO) units.

16-II.E. SUBSIDY LAYERING REQUIREMENTS [24 CFR 983.55]

The AHA will provide PBV assistance only in accordance with HUD subsidy layering regulations [24 CFR 4.13] and other requirements. The subsidy layering review is intended to prevent excessive public assistance by combining (layering) housing assistance payment subsidy under the PBV program with other governmental housing assistance from federal, state, or local agencies, including assistance such as tax concessions or tax credits.

A subsidy layering review is not required for existing housing.

The AHA will submit the necessary documentation to HUD for a subsidy layering review for new construction and rehabilitation projects. The AHA will not enter into an AHAP contract until HUD (or an independent entity approved by HUD) has conducted any required subsidy layering review and determined that the PBV assistance is in accordance with HUD subsidy layering requirements.

The HAP contract will contain the owner's certification 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 assistance disclosed in the subsidy layering review in accordance with HUD requirements.

If before or during the HAP contract, the owner receives additional HUD or other governmental assistance for the project that results in an increase in project financing in an amount that is equal to or greater than 10 percent of the original development budget, the Owner must report such changes to the PHA and the PHA must notify the HCA, or HUD (if there is no participating HCA in their jurisdiction), that a further subsidy layering review is required.

16-II.F. CAP ON NUMBER OF PBV UNITS IN EACH PROJECT

Under MTW, the AHA can waive 24 CFR 983.56(a) as amended by HERA and HOTMA which caps PBV projects at 25 units or 25 percent of a project. This allows the AHA to award more than the cap of the greater of 25 units or 25% of the units at a complex to receive Project-Based Voucher assistance. The AHA may select to award up to 100% of the units at a project regardless of the supportive services being provided or if the units are for the elderly; however, the AHA would include this information in any notices of acceptance of proposals such as a request for proposals. The AHA is not required to assist projects at the 100% level as the AHA will limit PBV assistance to make the project viable without over subsidizing the project.

PBV units selected prior to the AHA's implementation of MTW Activities (June 2023) will meet the conditions under which the unit was selected or the contract was executed. For example, if the units were selected because they were providing supportive services, the complex must continue to provide supportive services and verification of providing those services.

Supportive Services

The types of supportive services offered to families for a project to qualify for the exception are those intended to promote self-sufficiency, including:

- Outreach
- Case management, counseling
- Health care, psychiatric and mental health care, substance abuse treatment
- Life skills, parenting skills
- Child care, transportation, housing search assistance, budgeting
- Employment assistance, job training/placement
- Education, vocational opportunities

Supportive services do not have to be provided at the project site. When supportive services are provided, whether or site or not, the following conditions apply:

- The AHA will ensure that only families eligible to receive supportive services are assisted.

To qualify, a family must have at least one member eligible to receive at least one qualifying supportive service. The AHA will not require participation in supportive services. A family that becomes ineligible for the supportive services may not be terminated from the program or evicted from the unit.

The AHA will monitor the complexes offering of supportive services for contracts signed requiring supportive services. Monitoring will be accomplished by requiring the owner to provide annual reports on the services offered and confirming this information with the tenant at the regularly scheduled re-examination.

16-II.G. SITE SELECTION STANDARDS

Compliance with PBV Goals, Civil Rights Requirements, and HQS Site Standards [24 CFR 983.57(b)5]

The AHA will not select a proposal for existing, newly constructed, or rehabilitated PBV housing on a site or enter into an AHAP contract or HAP contract for units on the site, unless the AHA has determined that PBV assistance for housing at the selected site is consistent with the goal of deconcentrating poverty and expanding housing and economic opportunities. The standard for deconcentrating poverty and expanding housing and economic opportunities will be consistent with the Agency Plan under 24 CFR 903 and this Administrative Plan.

In addition, prior to selecting a proposal, the AHA will determine that the site is suitable from the standpoint of facilitating and furthering full compliance with the applicable Civil Rights Laws, regulations, and Executive Orders (See Chapter 2), and that the site meets the HQS site and neighborhood standards at 24 CFR 982.401(f)983.55.

It is the AHA's goal to select sites for PBV housing that provide for deconcentrating poverty and expanding housing and economic opportunities. In complying with this goal the AHA will limit approval of sites for PBV housing in census tracts that have family poverty concentrations of 20 percent or less.

The AHA will grant exceptions to the 20 percent standard where the AHA determines that the PBV assistance will complement other local redevelopment activities designed to deconcentrate poverty and expand housing and economic opportunities in census tracts with poverty concentrations greater than 20 percent, such as sites census tracts where:

- The proposed PBV development will be located in a HUD-designated Enterprise Zone, Economic Community, or Renewal Community;
- The concentration of assisted units will be or has decreased as a result of public housing demolition and HOPE VI redevelopment;
- The proposed PBV development will be located is undergoing significant revitalization as a result of state, local, or federal dollars invested in the area;
- New market rate units are being developed where such market rate units will positively impact the poverty rate in the area;
- There has been an overall decline in the poverty rate within the past five years; or
- There are meaningful opportunities for educational and economic advancement.

Existing and Rehabilitated Housing Site and Neighborhood Standards [24 CFR 983.557(d)]

The AHA will not enter into an AHAP for units that will be rehabilitated, nor execute a HAP contract for existing units until it has determined that the site complies with the HUD required site and neighborhood standards. The site must:

- Be adequate in size, exposure, and contour to accommodate the number and type of units proposed;
- Have adequate utilities and streets available to service the site;
- Promote a greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons;
- Be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services equivalent to those found in neighborhoods consisting largely of unassisted similar units; and
- Be located so that travel time and cost via public transportation or private automobile from the neighborhood to places of employment is not excessive.

New Construction Site and Neighborhood Standards [24 CFR 983.557(e)]

In order to be selected for PBV assistance, a site for newly constructed housing must meet the following HUD-required site and neighborhood standards:

- The site must be adequate in size, exposure, and contour to accommodate the number and type of units proposed;
- The site must have adequate utilities and streets available to service the site;
- The site must not be located in an area of minority concentration unless the AHA determines that sufficient, comparable opportunities exist for housing for minority families in the income range to be served by the proposed project outside areas of minority concentration or that the project is necessary to meet overriding housing needs that cannot be met in that housing market area;

- The site must not be located in a racially mixed area if the project will cause a significant increase in the proportion of minority to non-minority residents in the area.
- The site must promote a greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons;
- The neighborhood must not be one that is seriously detrimental to family life or in which substandard dwellings or other undesirable conditions predominate;
- The housing must be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services equivalent to those found in neighborhoods consisting largely of unassisted similar units; and
- Except for housing designed for elderly persons, the housing must be located so that travel time and cost via public transportation or private automobile from the neighborhood to places of employment is not excessive.

16-II.H. ENVIRONMENTAL REVIEW [24 CFR 983.586]

The AHA's activities under the PBV program are subject to HUD environmental regulations in 24 CFR parts 50 and 58. The *responsible entity* (i.e., City of Alameda) is responsible for performing the federal environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.). The AHA will not enter into an AHAP contract nor enter into a HAP contract until it has complied with the environmental review requirements.

In the case of existing housing, the City of Alameda, responsible for the environmental review under 24 CFR part 58, must determine whether or not PBV assistance is categorically excluded from review under the National Environmental Policy Act and whether or not the assistance is subject to review under the laws and authorities listed in 24 CFR 58.5.

The AHA will not enter into an agreement to enter into a HAP contract or a HAP contract with an owner, and the AHA, the owner, and its contractors may not acquire, rehabilitate, convert, lease, repair, dispose of, demolish, or construct real property or commit or expend program or local funds for PBV activities under this part, until the environmental review is completed.

The AHA will supply all available, relevant information necessary for the responsible entity to perform any required environmental review for any site. The AHA requires the owner to carry out mitigating measures required by the City of Alameda (or HUD, if applicable) as a result of the environmental review.

PART III: DWELLING UNITS

16-III.A. OVERVIEW

This part identifies the special housing quality standards that apply to the PBV program, housing accessibility for persons with disabilities, and special procedures for conducting housing quality standards inspections.

16-III.B. HOUSING QUALITY STANDARDS [24 CFR 983.101]

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

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

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

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

16-III.C. HOUSING ACCESSIBILITY FOR PERSONS WITH DISABILITIES

Housing will 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 AHA will ensure that the percentage of accessible dwelling units complies with the requirements of Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), as implemented by HUD's regulations at 24 CFR 8, subpart C.

Housing first occupied after March 13, 1991, will comply with design and construction requirements of the Fair Housing Amendments Act of 1988 and implementing regulations at 24 CFR 100.205, as applicable. (24 CFR 983.102)

16-III.D. INSPECTING UNITS

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

The AHA will examine the proposed site before the proposal selection date. If the units to be assisted already exist, the AHA will inspect all the units before the proposal selection date, and will determine whether the units substantially (as previously defined in Section 16-II.C.) comply with HQS. To qualify as existing housing, units must substantially comply with HQS on the proposal selection date. The AHA, however, will not execute the HAP contract until the units fully comply with HQS.

~~Pre-HAP Contract~~ Initial Inspections [24 CFR 983.103(b) and 983.103(c)]

The AHA will inspect each contract unit before execution of the HAP contract. The AHA will not enter into a HAP contract covering a unit until the unit fully complies with HQS. Under MTW Activity 2022-06, the AHA may pre-qualify a unit by inspecting it up to 90 days prior to the HAP contract execution.

Turnover Inspections [24 CFR 983.103(ed)]

Before providing assistance to a new family in a contract unit, the AHA will inspect the unit. The AHA will not provide assistance on behalf of the family until the unit fully complies with HQS.

Annual-Periodic Inspections [24 CFR 983.103(de)]

At least annually during the term of the HAP contract, the AHA will inspect a random sample, consisting of at least 20 percent of the contract units in each building to determine if the contract units and the premises are maintained in accordance with HQS. The sample will be selected at random. A database of the units will be maintained which can be exported to a random number generator, such as contained in Excel or random.org, that will allow 20 percent of the total units to be selected at random. Turnover inspections are not counted toward meeting this annual inspection requirement.

If more than 20 percent of the annual sample of inspected contract units in a building fails the initial inspection, the AHA will reinspect 100 percent of the contract units in the building.

Other Inspections [24 CFR 983.103(ef)]

If the AHA receives notice from a participant family or government official that a life-threatening condition exists in a unit, an inspection will be performed within 24 hours. If a reported deficiency is non-life-threatening, an inspection will be performed within 15 days of the report.

The AHA will inspect contract units whenever needed to determine that the contract units comply with HQS and that the owner is providing maintenance, utilities, and other services in accordance with the HAP contract. The AHA will take into account complaints and any other information coming to its attention in scheduling inspections.

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

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

Inspecting AHA-owned Units [24 CFR 983.103(gf)]

In the case of AHA-owned units, the inspections will be performed by an independent agency designated by the AHA and approved by HUD. The independent entity will furnish a copy of each inspection report to the AHA and to the HUD San Francisco field office. The AHA will take all necessary actions in response to inspection reports from the independent agency, including exercise of contractual remedies for violation of the HAP contract by the AHA-owner.

PART IV: REHABILITATED AND NEWLY CONSTRUCTED UNITS

16-IV.A. OVERVIEW [24 CFR 983.151]

There are specific requirements that apply to PBV assistance for newly constructed or rehabilitated housing that do not apply to PBV assistance in existing housing. This part describes the requirements unique to this type of assistance.

Housing selected for this type of assistance may not at a later date be selected for PBV assistance as existing housing.

16-IV.B. AGREEMENT TO ENTER INTO HAP CONTRACT

In order to offer PBV assistance in rehabilitated or newly constructed units, the AHA will enter into an agreement to enter into an AHAP contract with the owner of the property. The Agreement will be in the form required by HUD [24 CFR 983.1542(a)].

In the AHAP, the owner agrees to develop the PBV contract units to comply with HQS, and the AHA agrees that, upon timely completion of such development in accordance with the terms of the Agreement, the AHA will enter into a HAP contract with the owner for the contract units [24 CFR 983.1526(b)].

Content of the Agreement [24 CFR 983.1524(e)]

At a minimum, the AHAP will describe the following features of the housing to be developed and assisted under the PBV program:

- Site and the location of the contract units;
- Number of contract units by area (size) and number of bedrooms and bathrooms;
- Services, maintenance, or equipment to be supplied by the owner without charges in addition to the rent;
- Utilities available to the contract units, including a specification of utility services to be paid by the owner and utility services to be paid by the tenant;
- ~~An indication of whether or not the design and construction requirements of the Fair Housing Act and section 504 of the Rehabilitation Act of 1973 apply to units under the Agreement. If applicable, any required work item resulting from these requirements will be included in the description of work to be performed under the Agreement~~A description of any required work item necessary to comply with the accessibility requirements of 983.153(e);
- A description of work to install broadband infrastructure;
- Estimated initial rents to owner for the contract units;
- Description of the work to be performed under the Agreement. For rehabilitated units, the description will include the rehabilitation work write up and, where determined necessary by the AHA, specifications and plans. For new construction units, the description will include the working drawings and specifications;
- Deadline for completion of the work to be performed under the Agreement; and

- Any additional requirements for quality, architecture, or design over and above HQS.

Execution of the AHAP [24 CFR 983.153]

The AHAP will be executed “promptly” after AHA notice of proposal selection to the selected owner. The AHA, however, will not enter into the AHAP with the owner until the subsidy layering review is completed. Likewise, the AHA will not enter into the AHAP until the environmental review is completed and the AHA has received environmental approval. Promptly, in this case, requires the selected owner to have completed the necessary reviews for the project and be ready to enter into an AHAP within one year from the date of notification that the project is awarded PBV assistance. The AHA has the option to grant an extension to this one year limit provided the owner can demonstrate that progress is being made and that the project will go to AHAP within the extended time frame.

16-IV.C. CONDUCT OF DEVELOPMENT WORK

Labor Standards [24 CFR 983.154(b)]

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

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

Equal Opportunity [24 CFR 983.154(c)]

The owner must comply with Section 3 of the Housing and Urban Development Act of 1968 and the implementing regulations at 24 CFR part 135. The owner must also comply with federal equal employment opportunity requirements.

Owner Disclosure [24 CFR 983.154(d) and (e)]

The AHAP and HAP contracts must include a certification by the owner that the owner and other project principals are not on the U.S. General Services Administration list of parties excluded from federal procurement and non-procurement programs.

The owner must also disclose any possible conflict of interest that would be a violation of the AHAP and HAP contracts or HUD regulations.

16-IV.D. COMPLETION OF HOUSING

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

Evidence of Completion [24 CFR 983.155(b)]

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

- Owner certification that the work has been completed in accordance with HQS and all requirements of the AHAP;
- Owner certification that the owner has complied with labor standards and equal opportunity requirements in development of the housing; and
- Certificate of Occupancy (for new construction) or Final Building Permit cards (for rehabilitation projects) from the City of Alameda.

AHA Acceptance of Completed Units [24 CFR 983.156]

Upon notice from the owner that the housing is completed, the AHA will inspect the housing to determine if it has been completed in accordance with the AHAP, including compliance with HQS and any additional requirements imposed under the AHAP. The AHA also will determine if the owner has submitted all required evidence of completion.

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

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

PART V: HOUSING ASSISTANCE PAYMENTS CONTRACT (HAP)

16-V.A. OVERVIEW

The AHA will enter into a HAP contract with an owner for units that are receiving PBV assistance. The purpose of the HAP contract is to provide housing assistance payments for eligible families. Housing assistance is paid for contract units leased and occupied by eligible families during the HAP contract term. The HAP contract will be in the form required by HUD [24 CFR 983.202].

16-V.B. HAP CONTRACT REQUIREMENTS

Contract Information [24 CFR 983.203]

The HAP contract will specify the following information:

- The total number of contract units by number of bedrooms;
- The project's name, street address, city or county, state and zip code, block and lot number (if known), and any other information necessary to clearly identify the site and the building;
- The number of contract units in each building, the location of each contract unit, the area of each contract unit, and the number of bedrooms and bathrooms in each contract unit;
- Services, maintenance, and equipment to be supplied by the owner and included in the rent to owner;

- Utilities available to the contract units, including a specification of utility services to be paid by the owner (included in rent) and utility services to be paid by the tenant;
- Features provided to comply with program accessibility requirements of Section 504 of the Rehabilitation Act of 1973 and implementing regulations at 24 CFR part 8;
- The HAP contract term; and
- The initial rent to owner for the first 12 months of the HAP contract term.

Execution of the HAP Contract [24 CFR 983.204]

The AHA will not enter into a HAP contract until each contract unit has been inspected and the AHA has determined that the unit complies with Housing Quality Standards (HQS). For existing housing, the HAP contract will be executed “promptly” after the AHA selects the owner proposal and inspects the housing units. “Promptly,” in this case, means that the owner must be ready and willing to sign the HAP contract within two months from the date the AHA has completed HQS inspections, found the units in compliance, and has notified the owner of its selection decision.

For newly constructed or rehabilitated housing, the HAP contract will be executed after the AHA has inspected the completed units, determined that the units have been completed in accordance with the AHAP, and the owner furnishes all required evidence of completion.

For rehabilitated or newly constructed housing, the HAP contract will be executed within two months of the AHA determining that the units have been completed in accordance with the AHAP, all units meet HQS, and the owner has submitted all required evidence of completion.

Term of HAP Contract [24 CFR 983.205]

The AHA will enter into a HAP contract with an owner for an initial term of no less than one year and no more than 20 years.

The term of all PBV HAP contracts will be negotiated with the owner on a case-by-case basis within HUD parameters.

AHA may agree to enter into an extension of the HAP contract at the time of the initial HAP contract execution or any time before the expiration of the contract if the AHA determines an extension is appropriate to continue providing affordable housing for low-income families. The maximum aggregate term for an extension of the HAP contract is 20 years. All extensions must be on the form and subject to the conditions prescribed by HUD at the time of the extension.

When determining whether or not to extend an expiring PBV contract, the AHA will consider several factors including, but not limited to:

- The cost of extending the contract and the amount of available budget authority;
- The condition of the contract units;
- The owner’s record of compliance with obligations under the HAP contract and lease(s);
- Whether the location of the units continues to support the goals of deconcentrating poverty and expanding housing opportunities; and

- Whether the funding could be used more appropriately for tenant-based assistance.

Termination by AHA [24 CFR 983.205(c)]

The HAP contract will provide that the term of the AHA's contractual commitment is subject to the availability of sufficient appropriated funding as determined by HUD or by the AHA in accordance with HUD instructions. For these purposes, sufficient funding means the availability of appropriations, and of funding under the ACC from such appropriations, to make full payment of housing assistance payments payable to the owner for any contract year in accordance with the terms of the HAP contract.

If it is determined that there may not be sufficient funding to continue housing assistance payments for all contract units and for the full term of the HAP contract, the AHA may terminate the HAP contract by notice to the owner. The termination will be implemented in accordance with HUD instructions.

Termination by Owner [24 CFR 983.205(d)]

If in accordance with program requirements the amount of rent to an owner for any contract unit is reduced below the amount of the rent to owner at the beginning of the HAP contract term, the owner may terminate the HAP contract by giving notice to the AHA. In this case, families living in the contract units must be offered tenant-based assistance.

Remedies for HQS Violations [24 CFR 983.207(b)]

The AHA will not make any HAP payment to the owner for a contract unit during any period in which the unit does not comply with HQS. If the AHA determines that a contract unit(s) does not comply with HQS, the AHA will abate and terminate PBV HAP contracts for non-compliance with HQS in accordance with the policies used in the tenant-based voucher program. These policies are contained in Section 8-II.G., Enforcing Owner Compliance.

16-V.C. AMENDMENTS TO THE HAP CONTRACT

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

The AHA will amend the HAP contract to substitute a different unit, if the unit has the same number of bedrooms in the same project, is HQS compliant, and meets all PBV requirements for a previously covered contract unit. Before any such substitution can take place, the AHA will inspect the proposed unit and determine the reasonable rent for the unit.

Addition of Contract Units [24 CFR 983. 207(b)]

At the AHA's discretion and subject to the overall size of the AHA's PBV program, a HAP contract may be amended to add additional PBV units in the same project. This type of amendment is subject to all PBV program requirements except that a new PBV proposal is not required.

The AHA will consider adding contract units to the HAP contract when the AHA determines that additional housing is needed to serve eligible low-income families. Circumstances may include, but are not limited to:

- The local housing inventory is reduced due to a disaster (either due to loss of housing units, or an influx of displaced families); and
- Voucher holders are having difficulty finding units that meet program requirements.

The AHA is not required to 1) allow units to be added to PBV contracts and 2) assist projects at the 100% level. The AHA will limit PBV assistance to make the project viable without over subsidizing the units unless the units are determined necessary to provide housing opportunities for low-income families that cannot be achieved through the HCV program.

16-V.D. HAP CONTRACT YEAR, ANNIVERSARY AND EXPIRATION DATES [24 CFR 983.207(C) AND 983.302(E)]

The HAP contract year is the period of 12 calendar months preceding each annual anniversary of the HAP contract during the HAP contract term. The initial contract year is calculated from the first day of the first calendar month of the HAP contract term.

The annual anniversary of the HAP contract is the first day of the first calendar month after the end of the preceding contract year.

There is a single annual anniversary and expiration date for all units under a particular HAP contract, even in cases where contract units are placed under the HAP contract in stages (on different dates) or units are added by amendment. The anniversary and expiration dates for all units coincide with the dates for the contract units that were originally placed under contract.

Under MTW Activity 2023-02, all rent increases for Project-Based Voucher units will be increased once a year at the AHA's fiscal year (effective July 1) rather than the contract's anniversary date. Notices of rent change must be submitted to the AHA on or before May 1 each year. This does not change the rent reasonableness requirement for rent changes.

16-V.E. OWNER RESPONSIBILITIES UNDER THE HAP [24 CFR 983.209]

When the owner executes the HAP contract, the owner certifies that at such execution and at all times during the term of the HAP contract:

- All contract units are in good condition and the owner is maintaining the premises and contract units in accordance with HQS;
- The owner is providing all services, maintenance, equipment and utilities as agreed to under the HAP contract and the leases;
- Each contract unit for which the owner is receiving HAP, is leased to an eligible family referred by the AHA, and the lease is in accordance with the HAP contract and HUD requirements;

- To the best of the owner’s knowledge the family resides in the contract unit for which the owner is receiving HAP, and the unit is the family’s only residence;
- The owner (including a principal or other interested party) is not the spouse, parent, child, grandparent, grandchild, sister, or brother of any member of a family residing in a contract unit;
- The amount of the HAP the owner is receiving is correct under the HAP contract;
- The rent for contract units does not exceed rents charged by the owner for comparable unassisted units;
- Except for HAP and tenant rent, the owner has not received and will not receive any other payment or consideration for rental of the contract unit; and
- The family does not own or have any interest in the contract unit.

16-V.F. ADDITIONAL HAP REQUIREMENTS

Housing Quality and Design Requirements [24 CFR 983.101(e) and 983.207(a)]

The owner is required to maintain and operate the contract units and premises in accordance with HQS, including performance of ordinary and extraordinary maintenance. The owner must provide all the services, maintenance, equipment, and utilities specified in the HAP contract with the AHA and in the lease with each assisted family. In addition, maintenance, replacement and redecoration must be in accordance with the standard practice for the project as established by the owner.

The AHA may elect to establish additional requirements for quality, architecture, or design of PBV housing. Any such additional requirements must be specified in the RFP, AHAP contract and the HAP contract. These requirements must be in addition to, not in place of, compliance with HQS.

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

Vacancy Payments [24 CFR 983.352(b)]

Vacancy Payments will be paid to the owner in accordance with the terms of the HAP contract and as outlined in Sections 16-VI-F and 16-IX.B. of this Administrative Plan.

PART VI: SELECTION OF PBV PROGRAM PARTICIPANTS

16-VI.A. OVERVIEW

Many of the provisions of the tenant-based voucher regulations [24 CFR 982] also apply to the PBV program. This includes requirements related to determining eligibility and selecting applicants from the waiting list. Even with these similarities, there are requirements that are unique to the PBV program. This part describes the requirements and policies related to eligibility and admission to the PBV program.

16-VI.B. ELIGIBILITY FOR PBV ASSISTANCE [24 CFR 983.251(A) AND (B)]

The AHA will select families for the PBV program from those who are participants in the AHA's tenant-based voucher program and from those who have applied for admission to the voucher program. For voucher participants, eligibility was determined at original admission to the voucher program and does not need to be redetermined at the commencement of PBV assistance. For all others, eligibility for admission will be determined at the commencement of PBV assistance.

Applicants for PBV assistance must meet the same eligibility requirements as applicants for the tenant-based voucher program. Applicants must qualify as a family as defined by HUD and the AHA, have income at or below HUD-specified income limits, and qualify on the basis of citizenship or the eligible immigration status of family members [24 CFR 982.201(a) and 24 CFR 983.2(a)]. In addition, an applicant family must provide social security information for family members [24 CFR 5.216 and 5.218] and consent to the AHA's collection and use of family information regarding income, expenses, and family composition [24 CFR 5.230]. An applicant family also must meet HUD requirements related to current or past criminal activity.

The AHA will determine an applicant family's eligibility for the PBV program in accordance with the policies in Chapter 3.

In-Place Families [24 CFR 983.251(b)]

An eligible family residing in a proposed PBV contract unit on the date the proposal is selected by the AHA is considered an "in-place family." These families are afforded protection from displacement under the PBV rule. If a unit to be placed under contract (either an existing unit or a unit requiring rehabilitation) is occupied by an eligible family on the date the proposal is selected, the in-place family will be placed on the AHA's waiting list. Once the family's continued eligibility is determined (the AHA may deny assistance to an in-place family for the grounds specified in 24 CFR 982.552 and 982.553), the family will be given an absolute selection preference and the AHA must refer these families to the project owner for an appropriately-sized PBV unit in the project. Admission of eligible in-place families is not subject to income targeting requirements.

This regulatory protection from displacement does not apply to families that are not eligible to participate in the program on the proposal selection date.

Tenant Referrals to PBV Units

When a vacancy exists at a PBV site, the AHA will notify the next families on the applicable waiting list. The AHA's letter to the applicants also will state that if the applicant is interested in residing in the vacant PBV unit, that the applicant will not lose her or his place on the AHA's HCV waiting list.

All applicants indicating interest in the PBV unit will be referred to the owner in the order in which they appear on the appropriate waiting list. If the tenant selection criteria of the owner include screening for credit and criminal background, these procedures may be performed prior to completion of the full eligibility process. If, on the basis of the credit and/or criminal background screening process, the owner will not offer tenancy to the applicant, the AHA will not complete the voucher eligibility process and the applicant will be removed from the selected grouped site-based project-based waiting list and sent a notice to this effect.

In the event that the PBV waiting lists are exhausted, the AHA may outreach to the following:

- 1) Applicants on other PBV waiting lists
- 2) HCV waiting list or tenant-based assisted households known to be seeking new units (i.e. newly-issued voucher holder, current participants who have given notice or otherwise indicated interest in seeking a new unit) to determine if there is interest in a HCV family moving to a PBV unit. However, voucher holders porting into the AHA jurisdiction may not be offered a PBV unit because HCVP provisions on portability under 24 CFR Part 982 do not apply to the project-based program under 24 CFR Part 983. PBV applicants shall always have priority over HCV tenants for available PBV units. Interested HCV tenants shall be considered for PBV units on a first ready, first served basis. Any additional HCV tenant families interested in PBV units will be informed that the unit(s) have been leased and no further action will be taken on their behalf.

PBV Waiting list applicants shall have priority over all HCV assisted tenants for PBV units.

16-VI.C. ORGANIZATION OF THE WAITING LIST [24 CFR 983.251(C)]

The AHA will use its PBV Program waiting lists to select tenants for PBV units.

16-VI.D. SELECTION FROM THE WAITING LIST [24 CFR 983.251(C)]

Applicants who will occupy units with PBV assistance will can be selected from the AHA's PBV Waiting lists or may be referred by the owner.

AHA Referred Families

~~Under MTW activity 2022-13, the AHA will allow owners to refer eligible families for Project-Based Voucher units to the AHA for PBV eligibility determination from an owner-managed wait list. Owner referrals would be optional for owners but if the owners did choose to refer eligible families, the AHA would require the owners to provide documentation and a narrative of 1) how any waiting list was built, or families were selected for referral and 2) show that the method met all applicable federal laws including non-discrimination and fair housing requirements. If the owner uses the Coordinated Entry System (CES) to provide names, the same documentation of compliance with non-discrimination and fair housing requirements must be submitted. The owner must also provide public notice of opening and closing the waiting list.~~

~~The methods for referral must be pre-approved by the AHA before any referrals can be made. The AHA can deny referrals from owners if the AHA determines that the outreach or waiting list management was insufficient or had a disparate impact on applicants. The AHA may refer families to the owner for placement on the owner's list. The AHA will make preliminary eligibility determinations that includes an appeal process with the PHA when the owner refuses to place a family on the waiting list.~~

~~The AHA will place families referred by the PBV owner on its grouped or single site-based PBV waiting list, as appropriate, when the waiting list is open.~~

Waiting list referrals to the PBV owner will remain active for consideration for a PBV vacancy for a maximum period of 120 days from the date of selection from the waiting list. Referred tenants will be screened by the owner and readied for occupancy. First ready, is first referred back to the AHA for eligibility determination and leasing. Readiness is defined to mean having met all of the owner's screening criteria and accepted for tenancy.

In the event that multiple families are made ready for a PBV unit, as a tie breaker for who is assigned the unit, the family who has the highest rank from the referral list of all "ready" families will be processed by the AHA for eligibility determination and offered the available unit.

An owner may continue to work on suitability screening for up to three families from the latest referral list in anticipation of any additional vacancies that may arise during the 120-day referral period. The AHA will also continue the eligibility process for any family made ready by the owner.

If no unit is scheduled to be vacated by an existing tenant or there are no impending vacancies prior to the expiration of the 120-day period, all unassigned referrals will be returned to the PBV waiting list. The AHA may return applicants to the waiting list before the 120-day period if the AHA is going to draw names for another owner off the same waiting list.

If the AHA referrals do not provide the owner with a suitable tenant for the unit and the waiting list is exhausted, the owner may refer a Section 8 eligible individual or family to the AHA's grouped site-based PBV waiting list if it is open. The referred family must meet the AHA's eligibility criteria.

Owner Maintained Wait List Referrals

Under MTW activity 2022-13, the AHA will allow owners to refer eligible families for Project-Based Voucher units to the AHA for PBV eligibility determination from an owner-managed wait list. Owner referrals would be optional for owners but if the owners did choose to refer eligible families, the AHA would require the owners to provide documentation and a narrative of 1) how any waiting list was built or families were selected for referral including documenting public announcements of available units and 2) show that the method met all applicable federal laws including non-discrimination and fair housing requirements. If the owner uses the Coordinated Entry System (CES) to provide names, the same documentation of compliance with non-discrimination and fair housing requirements must be submitted. The owner must also provide public notice of opening and closing the waiting list.

The methods for referral must be pre-approved by the AHA before any referrals can be made. The AHA can deny referrals from owners if the AHA determines that the outreach or waiting list management was insufficient or had a disparate impact on applicants. The AHA may refer families to the owner for placement on the owner's list. The AHA will make preliminary eligibility determinations that includes an appeal process with the PHA when the owner refuses to place a family on the waiting list.

The owner must meet the same criteria below in regards to Income Targeting, vetting applicants for Accessibility Features, and Preference awards as outlined in the AHA

Administrative Plan. The only exception to this is for applicants referred by CES would not be ordered by AHA's preferences, but would be ordered by the CES system of ordering.

Income Targeting [24 CFR 983.251(c)(6)]

At least 75 percent of the families admitted to the AHA's tenant-based and project-based voucher programs during the AHA fiscal year from the waiting list will be extremely-low income families. The income targeting requirement applies to the total of admissions to both programs.

Units with Accessibility Features [24 CFR 983.251(c)(7)]

When selecting families to occupy PBV units that have special accessibility features for persons with disabilities, the AHA must first refer families who require such features to the owner.

Preferences [24 CFR 983.251(d)]

The AHA will use the same definitions and requirements for selection preferences that are used for the tenant-based voucher program. The AHA provides an absolute selection preference for eligible in-place families as described in Section 16-VI.B. The preferences for the PBV program may differ slightly from the HCV program. See Chapter 4-III.C.

When vacancies exist in PBV units of a specific size (i.e., number of bedrooms) or in excepted units, the AHA will select only qualified families of the correct family composition size according to the AHA's subsidy standards for those units in the correct order from the waiting list.

Preference points are aggregated to produce the total preference points for each applicant. Applicants with the same total preference points will then be sorted by the method in which they were selected to be placed on the waiting list (i.e., date and time of application or order of random selection).

At the time of initial application, the applicant certifies as to whether or not it is eligible for a preference, and the AHA will place the applicant on the waiting list according to the preference claimed. Before the family receives assistance, however, the AHA must verify the family's eligibility for the preference based on current circumstances. If upon verification the AHA determines that the family does not qualify for the preference claimed, the family does not receive the preference. In this situation, the AHA will notify the applicant in writing that they do not qualify for the preference and will be returned to the waiting list with an update to the applicant record.

If the AHA has projects with contracts executed prior to MTW designation and with units specifically made available for elderly families or families receiving supportive services, the AHA will give preference to such families when referring families to these units [24 CFR 983.261(b)]. For HAP contracts signed prior to April 18, 2017 this also includes units specifically made available for disabled families.

16-VI.E. OFFER OF PBV ASSISTANCE

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

The AHA is prohibited from taking, and will not take, any of the following actions against a family who has applied for, received, or refused an offer of PBV assistance:

- Refuse to list the applicant on the waiting list for tenant-based voucher assistance;
- Deny any admission preference for which the applicant qualifies;
- Change the applicant's place on the waiting list based on preference, date, and time of application, or other factors affecting selection under the AHA's selection policy;
- Remove the applicant from the tenant-based voucher waiting list.

Disapproval by Landlord [24 CFR 983.251(e)(2)]

If a PBV owner rejects a family for admission to the owner's units, such rejection may not affect the family's position on the tenant-based voucher waiting list.

Determination of Eligibility and Offer of Unit

Once an offer for PBV assistance is made, families will have 14 days to decide if they would like to accept the unit offer and will have 30 days to move into the unit or upon completion of the family briefing, whichever is later.

Acceptance of Offer [24 CFR 983.252]

Family Briefing

When a family accepts an offer for PBV assistance, the AHA will give the family an oral briefing. The briefing will include information on how the program works and the responsibilities of the family and owner. In addition to the oral briefing, the AHA will provide a briefing packet that explains how the AHA determines the total tenant payment for a family, the family obligations under the program, and applicable fair housing information.

Persons with Disabilities

The AHA will assure effective communication with all households, including those with persons with disabilities. In accordance with 24 CFR 8.6, in conducting the oral briefing and in providing the written information packet alternate forms could be provided (see Chapter 2). In addition, the AHA will have a mechanism for referring a family that includes a member with mobility impairment to an appropriate accessible PBV unit.

Persons with Limited English Proficiency

The AHA will take reasonable steps to assure meaningful access by persons with limited English proficiency in accordance with Title VI of the Civil Rights Act of 1964 and Executive Order 13166 (see Chapter 2).

16-VI.F. OWNER SELECTION OF TENANTS

The owner is responsible for developing written tenant selection procedures that are consistent with the purpose of improving housing opportunities for very low-income families and reasonably related to program eligibility and an applicant's ability to fulfill

their obligations under the lease. An owner must promptly notify in writing any rejected applicant of the grounds for any rejection [24 CFR 983.253(b)] and provide a copy of this notice to the AHA.

Leasing [24 CFR 983.253(a)]

During the term of the HAP contract, the owner must lease contract units to eligible families that are selected and referred by the AHA from the AHA's waiting list. The contract unit leased to the family must be the appropriate size unit for the size of the family, based on the AHA's subsidy standards.

Filling Vacancies [24 CFR 983.254(a)]

The owner must promptly notify the AHA of any vacancy or expected vacancy in a contract unit. After receiving such notice, the AHA will make every reasonable effort to refer promptly a sufficient number of families for the owner to fill such vacancies. The AHA and the owner will make reasonable efforts to minimize the likelihood and length of any vacancy.

The owner must notify the AHA in writing (mail, fax, or e-mail) within seven calendar days of learning about any vacancy or expected vacancy.

The AHA will make every reasonable effort to refer families to the owner within 14 calendar days of receiving such notice from the owner.

After execution of a HAP contract, units must promptly be filled by the owner. Promptly here will be defined as 60 days. If the owner does not meet this deadline, the AHA may, at its discretion, 1) remove units from the contract or 2) grant the owner an extension to fill the units. In order to be granted an extension, an owner must show the steps taken to fill the units and the reason for the delay. If the owner has criteria for the unit that is more stringent than the AHA's eligibility requirements and this is resulting in delayed the leasing, the AHA may require the owner to change the criteria for the unit or remove it from the HAP contract.

Vacancy Payments will be paid to the owner in accordance with terms of the HAP contract and as outlined in this section and in Section 16-IX.B. of this Administrative Plan.

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

If any contract units have been vacant for 120 or more days since owner notice of the vacancy, the AHA will give notice to the owner amending the HAP contract to reduce the number of contract units by subtracting the number of contract units (according to the bedroom size) that have been vacant for this period.

The AHA will provide the notice to the owner within 14 calendar days of the 120th day of the vacancy. Unless the owner can give adequate reason for the AHA not to reduce the number of contract units within 14 calendar days of the date of the AHA's notice, the amendment to the HAP contract will be effective the 1st day of the month following the date of the AHA's notice.

16-VI.G. TENANT SCREENING [24 CFR 983.255]

AHA Responsibility

The AHA is not responsible or liable to the owner or any other person for the family's behavior or suitability for tenancy. The AHA will not conduct screening to determine a

PBV applicant family's suitability for tenancy unless the applicant is to move into an AHA-owned or managed unit. The AHA may deny applicants based on such screening.

The AHA will inform owners of their responsibility to screen prospective tenants. Upon request, owners may request and the AHA will provide specific information about the family being considered for tenancy. The AHA will provide the following information:

- The family's current address as provided by the Applicant; and
- The name and address, if known, of the owner/landlord of the family's current and prior places of residence.

The AHA will respond only to specific questions asked by owners and only when the AHA has documentation to confirm the accuracy of the information being provided. The AHA will provide applicant families a description of its policy on providing information to owners and give the same types of information to all owners. Refer to "Screening for Suitability as a Tenant" in Chapter 3 or "9-I.A. Tenant Screening" in Chapter 9 for the information that may be released.

Owner Responsibility

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

- Payment of rent and utility bills;
- Caring for a unit and premises;
- Respecting the rights of other residents to the peaceful enjoyment of their housing;
- Drug-related criminal activity or other criminal activity that is a threat to the health, safety, or property of others; and
- Compliance with other essential conditions of tenancy.
- The owner must notify AHA in writing within 14 calendar days when rejecting an applicant and give the grounds for such rejection.

PART VII: OCCUPANCY

16-VII.A. OVERVIEW

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

16-VII.B. LEASE [24 CFR 983.256]

The tenant must have legal capacity to enter a lease under state and local law. *Legal capacity* means that the tenant is bound by the terms of the lease and may enforce the terms of the lease against the owner.

Form of Lease [24 CFR 983.256(b)]

The tenant and the owner must enter into a written lease agreement that is signed by both parties. If an owner uses a standard lease form for rental units to unassisted tenants in the locality or premises, the same lease must be used for assisted tenants, except that the lease must include a HUD-required tenancy addendum. The tenancy addendum must include, word-for-word, all provisions required by HUD.

If the owner does not use a standard lease form for rental to unassisted tenants, the owner may use another form of lease.

The AHA will not review the owner's lease for compliance with state or local law.

Lease Requirements [24 CFR 983.256(c)]

The lease for a PBV unit must specify all of the following information:

- The names of the owner and the tenant;
- The unit rented (address, apartment number, if any, and any other information needed to identify the leased contract unit);
- The term of the lease (initial term and any provision for renewal);
- The amount of the tenant rent to owner, which is subject to change during the term of the lease in accordance with HUD requirements;
- A specification of the services, maintenance, equipment, and utilities that will be provide by the owner; and
- The amount of any charges for food, furniture, or supportive services.

Tenancy Addendum [24 CFR 983.256(d)]

The tenancy addendum in the lease must state:

- The program tenancy requirements;
- The composition of the household as approved by the AHA (the names of family members and any AHA-approved live-in aide);
- All provisions in the HUD-required tenancy addendum must be included in the lease. The terms of the tenancy addendum prevail over other provisions of the lease.

Initial Term and Lease Renewal [24 CFR 983.256(f) and 983.257(b)]

The initial lease term must be for at least one year. Upon expiration of the lease, an owner may renew the lease, refuse to renew the lease for "good cause," or refuse to renew the lease without good cause. If the owner refuses to renew the lease without good cause, the AHA will provide the family with a tenant-based voucher and remove the unit from the PBV HAP contract. This unit or another unit will not be added onto the contract at a later date. This unit is permanently removed.

Changes in the Lease [24 CFR 983.256(e)]

If the tenant and owner agree to any change in the lease, the change must be in writing, and the owner must immediately give the AHA a copy of all changes.

The owner must notify the AHA in advance of any proposed change in the lease regarding the allocation of tenant and owner responsibilities for utilities. Such changes may only be

made if approved by the AHA and in accordance with the terms of the lease relating to its amendment. The AHA will redetermine reasonable rent, in accordance with program requirements, based on any change in the allocation of the responsibility for utilities between the owner and the tenant. The redetermined reasonable rent will be used in calculation of the rent to owner from the effective date of the change.

Owner Termination of Tenancy [24 CFR 983.257]

With two exceptions, the owner of a PBV unit may terminate tenancy for the same reasons an owner may in the tenant-based voucher program (see Section 12-III.B. and 24 CFR 982.310). In the PBV program, terminating tenancy for “good cause” does not include doing so for a business or economic reason, or a desire to use the unit for personal or family use or other non-residential purpose.

Tenant Absence from the Unit [24 CFR 983.256(g) and 982.312(a)]

The owner may specify in the lease a maximum period of tenant absence from the unit that is shorter than the maximum period permitted by AHA policy. According to program requirements, the family’s assistance must be terminated if they are absent from the unit for more than 180 consecutive days.

Security Deposits [24 CFR 983.258]

The owner may collect a security deposit from the tenant. Starting July 1, 2024 the security deposit must not exceed AB 12 state requirements which prohibits landlords from demanding or receiving a security deposit for a residential rental in an amount that exceeds one month’s rent. A landlord can require a security deposit in an amount up to two month’s rent where: (1) the landlord is a natural person or a limited liability company in which all the members are natural persons; and (2) the landlord owns no more than two residential rental properties that collectively include no more than four dwelling units offered for rent in. The security deposit, under state law, must not exceed the following:

~~Unfurnished Unit: Two months contract rent (this includes any amount labeled as last month’s rent)~~

~~Furnished Unit: Three months contract rent (this includes any amount labeled as last month’s rent)~~

When the tenant moves out of a contract unit, the owner, subject to state and local law, may use the security deposit, including any interest on the deposit, in accordance with the lease, as reimbursement for any unpaid tenant rent, damages to the unit, or other amounts owed by the tenant under the lease.

The owner must give the tenant a written list of all items charged against the security deposit and the amount of each item. After deducting the amount used to reimburse the owner, the owner must promptly refund the full amount of the balance to the tenant.

If the security deposit does not cover the amount owed by the tenant under the lease, the owner may seek to collect the balance from the tenant. The AHA has no liability or responsibility for payment of any amount owed by the family to the owner.

16-VII.C. MOVES

Overcrowded, Under-Occupied, and Accessible Units [24 CFR 983.259]

Under MTW Activity 2022-14, the AHA will allow families who are under-housed to remain in smaller Project-Based Voucher units than they qualify as long as the unit is not overcrowded if the under-housed family wishes to remain in the smaller unit. Any tenant who is underhoused when admitted into the program, after the 1-year initial lease period has expired, would have an opportunity to become "right sized" in a larger unit, if they so desired. The family must notify the AHA of the desire for a larger unit in writing. In addition, new admissions with a live-in aide would be eligible for a studio or 1-bedroom unit for occupancy or families with two members could consider a studio or 1-bedroom unit even if under the subsidy standard the family qualifies for a 2-bedroom unit.

If the family is under-housed and the unit is not overcrowded, within 14 calendar days of the determination the AHA will offer the family the opportunity to move and offer the family the option to stay in the unit. The family must reply in writing to either option. The family must be notified that the family can request to be right-sized at a later date if they select to be under-housed.

If the AHA determines that a family is occupying a unit that is too big, based on the AHA's subsidy standards and HQS requirements, or a unit with accessibility features that the family does not require, and the unit is needed by a family that does require the features, the AHA will notify the family and the owner within 14 calendar days of the AHA's determination of the family's need to move. The AHA will offer the family the following types of continued assistance, based on the availability of assistance:

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

The AHA will make at most two offers of available assistance to the family. For example, if a PBV unit is not available and a vacancy is not anticipated in the near future, the AHA may offer just tenant-based assistance. If funding is not available for tenant-based assistance, the family will receive an offer as soon as funding becomes available and prior to issuance of vouchers from waiting lists. If the family does not accept the offer(s), the AHA will terminate the housing assistance payments for the wrong-sized or accessible unit with a 30-day notice.

If the AHA offers the family a tenant-based voucher, the AHA will terminate the housing assistance payments for a wrong-sized or accessible unit at expiration of the term of the family's voucher (including any extension granted by the AHA).

When the AHA offers a family another form of assistance that is not a tenant-based voucher, the family will be given 14 calendar days from the date of the offer to accept the offer and move out of the PBV unit. If the family does not move out within 30 days of the offer, the AHA will terminate the housing assistance payments at the expiration of this 30-day period.

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

If the AHA terminates the housing assistance for the unit, the AHA has, at its discretion, the option to remove the unit, substitute another like unit, or allow the current unit to remain on the contract with no assistance payments.

For PBV under-housed families living in a complex offering disability-specific supportive services that the family is eligible, the family may stay in the unit if the supportive services are needed and equivalent services are not offered at other PBV units of the right size.

Family Right to Move [24 CFR 983.260]

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

If the family terminates the lease in accordance with these requirements, the AHA will offer the family the opportunity for continued tenant-based assistance, in the form of a Housing Choice Voucher. If a voucher is not immediately available upon termination of the family's lease in the PBV unit, the AHA will give the family priority to receive the next available voucher. The Director of Housing Programs shall maintain a list of interested PBV participants who want to move with continued tenant-based HCV assistance. Placement and ranking on the list will be on a first come, first served basis. ~~The AHA shall give preference on this list to Violence Against Women's Act (VAWA)-eligible households.~~

If the family terminates the assisted lease before the end of the first year, the family relinquishes the Housing Choice Voucher assistance unless the family needs to move for Reasonable Accommodation reasons, under the Violence Against Women's Act or because of good cause.

Under MTW Activity 2023-03, the AHA will allow Project-Based Voucher families to receive a Housing Choice Voucher within the first year of tenancy for Reasonable Accommodation reasons or under the Violence Against Women's Act or upon demonstration of good cause. Families in units not meeting the family's needs due to an approved Reasonable Accommodation or due to a situation protected under the Violence Against Women's Act would be issued a tenant-based voucher if one is available with funding without being placed on a wait list to transfer to a unit that meets the family's needs. If funding is not available, these households would receive the first available vouchers.

Family Break-Up

In the event of a family break-up by divorce or legal separation, the family shall decide who remains in the assisted unit and report the change in household composition in writing to the AHA. No further subsidy shall be provided to the departing spouse. The assistance generally remains with the family members who remain in the assisted unit.

If family members are forced to leave the unit because of actual or threatened physical violence against family members by a spouse or other members of the household, the AHA may terminate the HAP contract for the original assisted unit and transfer the assistance to the family members forced to leave. The actual or threatened physical violence must be documented.

The documentation must include one of the following elements:

- A signed statement by the victim that provides the name of the perpetrator and certifies that the incidents in question are bona fide incidents of actual or threatened domestic violence, dating violence, or stalking, or
- A police or court record documenting the actual or threatened abuse, or
- A statement signed by an employee, agent, or volunteer of a victim service provider; an attorney; a medical professional; or another knowledgeable professional from whom the victim has sought assistance in addressing the actual or threatened abuse. The professional must attest under penalty of perjury that the incidents in question are bona fide incidents of abuse, and the victim must sign or attest to the statement.

(Notice policies related to terminating assistance for participants who may be victims of domestic violence, dating violence, or stalking are contained in Section 12-II.E. of the Administrative Plan.)

The family must notify the AHA, in writing, within 14 calendar days of an action causing a family break-up and request a determination of the assignment of the assistance. The AHA may schedule a meeting, on a platform at the AHA's discretion, with the family members to discuss the assignment.

— In the event that the AHA must determine which of the family members will continue to receive the PBV assistance or retain placement on the waiting list(s) for PBV assistance, the AHA determination will be made based on the following priorities:

— In the absence of a judicial decision, or an agreement among the original family members, the AHA will determine which family retains their placement on the waiting list or will continue to receive assistance taking into consideration the following factors: (1) the interest of any minor children, including custody arrangements, (2) the interest of any ill, elderly, or disabled family members, (3) any possible risks to family members as a result of domestic violence or criminal activity, and (4) the recommendations of social service professionals.

— For units with contracts executed prior to MTW designation and additional requirements such as housing for the elderly or families receiving supportive services, the qualifying family member will be entitled to the continuation of the rental assistance. Any unit in which the elderly or disabled household member is no longer in residence, the remaining household members will not be entitled to remain in the unit as designated under the HAP contract.

16-VII.D. EXCEPTIONS TO THE OCCUPANCY CAP [24 CFR 983.262 AS AMENDED BY HERA AND HOTMA] FOR CONTRACTS EXECUTED PRIOR TO MTW DESIGNATION

Under regulation the AHA was not allowed to pay housing assistance under a PBV HAP contract for more than the greater of 25 units or 25 percent of the number of dwelling units in a project unless the units are [24 CFR 983.56]:

- Specifically made available for elderly families
- Specifically made available for disabled families and contract signed prior to April 17, 2017; or
- Specifically made available for families receiving supportive services as defined by the AHA. At least one member must be eligible to receive at least one qualifying supportive service.

These units were known as excepted units. The owner is still bound by the terms of the contract and must house families that are eligible for the unit.

A family (or remaining members of a family) residing in an excepted unit based on elderly or disabled family status no longer meets the criteria for a “qualifying family” due to a change in status that was beyond the control of the family, such as a death or long-term hospitalization, the unit is counted as excepted while the family remains in the unit. The family may need to move if the PBV unit is wrong-sized for the family.

If the family is moving to a non-excepted PBV unit, the family will have 60 days in which to complete the move. If the family will move with a Housing Choice Voucher, as is likely to be the case with a non-elderly or non-disabled surviving spouse, then the term of the voucher will apply. The AHA may grant extensions if the family can demonstrate good cause as outlined in Chapter 5, Section II-E of this Administrative Plan.

PART VIII: DETERMINING RENT TO OWNER

16-VIII.A. OVERVIEW

The amount of the initial rent to an owner of units receiving PBV assistance is established at the beginning of the HAP contract term. Although for rehabilitated or newly constructed housing, the agreement to enter into HAP Contract (Agreement) states the estimated amount of the initial rent to owner, the actual amount of the initial rent to owner is established at the beginning of the HAP contract term.

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

16-VIII.B. RENT LIMITS [24 CFR 983.301]

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

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

The amount determined by the AHA to limit the rent to owner can be different than the payment standards used for tenant-based vouchers under the HCV program. As such, while Assembly Bill 1482 does apply to the HCV program it does not apply to the PBV program.

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

For certain tax credit units wherein the tax credit rent may exceed the applicable Payment Standard, the rent limits are determined differently than for other PBV units. In general, the rent to owner must not exceed the lowest of the tax credit rent minus any utility allowance; the reasonable rent; or the rent requested by the owner.

The AHA will follow the rules and regulations promulgated by HUD and in effect at the time the HAP contract is executed.

Definitions

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

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

Use of FMRs, Exception Payment Standards, and Utility Allowances [24 CFR 983.301(f)]

When determining the initial rent to owner, the AHA will use the most recently published FMR in effect and the utility allowance schedule in effect at execution of the HAP contract. When redetermining the rent to owner, the AHA will use the most recently published FMR and the utility allowance schedule in effect at the time of redetermination. The AHA will not use an earlier FMR for initial rent determination or for redeterminations.

Any HUD-approved exception payment standard amount under the tenant-based voucher program also applies to the project-based voucher program. The same utility allowance schedule applies to both the tenant-based and project-based voucher programs.

Redetermination of Rent [24 CFR 983.302]

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

Rent Increase

If an owner wishes to request an increase in the rent to owner from the AHA, it must be requested 60 days prior to ~~the annual anniversary of the HAP contract~~ July 1 every year and include the requested amount of rent being proposed (see Section 16-V.D.). The AHA will only make rent increases in accordance with the rent limits described previously. There are no provisions in the PBV program for special adjustments (e.g., adjustments that reflect increases in the actual and necessary expenses of owning and maintaining the units which have resulted from substantial general increases in real property taxes, utility rates, or similar costs).

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

Rent Decrease

If there is a decrease in the rent to owner, as established in accordance with program requirements such as a change in the FMR or exception payment standard, or reasonable rent amount, the rent to owner will be decreased regardless of whether the owner requested a rent adjustment.

The rent to owner shall not be decreased below the initial rent if the HAP contract specifies this per 24 CFR 983.302 (c)(2).

Notice of Rent Change

The rent to owner is redetermined by written notice by the AHA to the owner specifying the amount of the redetermined rent. The AHA notice of rent adjustment constitutes an amendment of the rent to owner specified in the HAP contract. The adjusted amount of rent to owner applies for the period of 12 calendar months from the annual anniversary of the HAP contract.

The AHA will provide the owner with at least 30 days written notice of any change in the amount of rent to owner.

AHA-owned Units [24 CFR 983.301(g)]

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

16-VIII.C. REASONABLE RENT [24 CFR 983.303]

At the time the initial rent is established and all times during the term of the HAP contract, the rent to owner for a contract unit will not exceed the reasonable rent for the unit as determined by the AHA.

When Rent Reasonable Determinations are Required

The AHA will redetermine the reasonable rent for a unit receiving PBV assistance whenever any of the following occur:

- There is a 10 percent or greater decrease in the published FMR in effect 60 days before the contract anniversary (for the unit sizes specified in the HAP contract) as

compared with the FMR that was in effect one year before the contract anniversary date;

- The AHA approves a change in the allocation of responsibility for utilities between the owner and the tenant;
- The HAP contract is amended to add or substitute a different contract unit in the same project; or
- There is any other change that may substantially affect the reasonable rent.

How to Determine Reasonable Rent

The reasonable rent of a unit receiving PBV assistance will be determined by comparison to rent for other comparable unassisted units. When making this determination, the AHA will consider factors that affect market rent. Such factors include the location, quality, size, type and age of the unit, as well as the amenities, housing services maintenance, and utilities to be provided by the owner.

Comparability Analysis

For each unit, the comparability analysis must use at least three comparable units in the private unassisted market. This may include units in the premises or project that are receiving project-based assistance. The analysis will show how the reasonable rent was determined, including major differences between the contract units and comparable unassisted units, and will be retained by the AHA. The comparability analysis may be performed by AHA staff or by another qualified person or entity, including 3rd party software systems. Those who conduct these analyses or are involved in determining the housing assistance payment based on the analyses will not have any direct or indirect interest in the property.

AHA-owned Units

For AHA-owned units, the amount of the reasonable rent will be determined by an independent agency approved by HUD in accordance with PBV program requirements. The independent entity will provide a copy of the determination of reasonable rent for AHA-owned units to the AHA and to the HUD field office where the project is located.

Owner Certification of Reasonable Rent

By accepting each monthly housing assistance payment, the owner certifies that the rent to owner is not more than rent charged by the owner for other comparable unassisted units in the premises. At any time, the AHA may require the owner to submit information on rents charged by the owner for other units in the premises or elsewhere.

16-VIII.D. EFFECT OF OTHER SUBSIDY AND RENT CONTROL

In addition to the rent limits discussed in Section 16-VIII.B above, other restrictions may limit the amount of rent to owner in a PBV unit. In addition, certain types of subsidized housing are not even eligible to receive PBV assistance (see Section 16-II.D).

Other Subsidy [24 CFR 983.301 and 983.304]

At its discretion, the AHA may reduce the initial rent to owner because of other governmental subsidies, including tax credit or tax exemption, grants, or other subsidized financing.

For units receiving assistance under the HOME program, rents will not exceed rent limits as required by that program.

For units in any of the following types of federally subsidized projects, the rent to owner will not exceed the subsidized rent (basic rent) or tax credit rent as determined in accordance with requirements for the applicable federal program:

- An insured or non-insured Section 236 project;
- A formerly insured or non-insured Section 236 project that continues to receive Interest Reduction Payment following a decoupling action;
- A Section 221(d)(3) below market interest rate (BMIR) project;
- A Section 515 project of the Rural Housing Service;
- Any other type of federally subsidized project specified by HUD.

Combining Subsidy

Rent to owner will not exceed any limitation required to comply with HUD subsidy layering requirements.

Rent Control [24 CFR 983.305]

In addition to the rent limits set by PBV program regulations, the amount of rent to owner also may be subject to rent control or other limits under local, state, or federal law.

PART IX: PAYMENTS TO OWNER

16-IX.A. HOUSING ASSISTANCE PAYMENTS [24 CFR 983.351]

During the term of the HAP contract, the AHA will make housing assistance payments to the owner in accordance with the terms of the HAP contract. During the term of the HAP contract, payments will be made for each month that a contract unit complies with HQS and is leased to and occupied by an eligible family. The housing assistance payment will be paid to the owner on or about the first day of the month for which payment is due, unless the owner and the AHA agree on a later date.

Except for vacancy payments, the AHA will not make any housing assistance payment to the owner for any month after the month when the family moves out of the unit (even if household goods or property are left in the unit).

The amount of the housing assistance payment by the AHA is the rent to owner minus the tenant rent (total tenant payment minus the utility allowance).

In order to receive housing assistance payments, the owner must comply with all provisions of the HAP contract. Unless the owner complies with all provisions of the HAP contract, the owner does not have a right to receive housing assistance payments.

16-IX.B. VACANCY PAYMENTS [24 CFR 983.352]

If an assisted family moves out of the unit, the owner may keep the housing assistance payment for the calendar month when the family moves out. Vacancy payments also will be paid to the owner in accordance with the terms of the HAP contract and under the following conditions:

- Vacancy payments to the owner will be paid for up to two calendar months (based on a 30-day month) in an amount equal to the AHA's HAP for the family that last occupied that unit.
- The owner is not eligible to receive any vacancy payments beyond the second calendar month after the unit becomes vacant.
- The owner is not eligible to receive any vacancy payments if the unit does not meet Housing Quality Standards and/or if the owner is receiving payments in lieu of rent/HAP from any other source (e.g., insurance company). If the owner is receiving payments in lieu of rent/HAP from any other source that does not include any of the sixty-day period permitted for vacancy payments and all other conditions for vacancy payments have been met, the owner shall be entitled to vacancy payments for the portion of the sixty-day period not covered by the third party payments.
- The owner will receive vacancy payments only if the vacancy is not the owner's fault and the owner has taken every feasible action to minimize the likelihood and length of the vacancy.

Also refer to Section 16-V.F. "Filling Vacancies."

16-IX.C. TENANT RENT TO OWNER [24 CFR 983.353]

The tenant rent is the portion of the rent to owner paid by the family. The amount of tenant rent is determined by the AHA in accordance with HUD requirements. Any changes in the amount of tenant rent will be effective on the date stated in the AHA notice to the family and owner.

The family is responsible for paying the tenant rent (total tenant payment minus the utility allowance). The amount of the tenant rent determined by the AHA is the maximum amount the owner may charge the family for rental of a contract unit. The tenant rent covers all housing services, maintenance, equipment, and utilities to be provided by the owner. The owner may not demand or accept any rent payment from the tenant in excess of the tenant rent as determined by the AHA. The owner must immediately return any excess payment to the tenant.

If the family's income causes the HAP payment to decrease to zero, the AHA has, at its discretion, the option to remove the unit, substitute another like unit, or allow the current unit to remain on the contract with no assistance payments.

Tenant and AHA Responsibilities

The family is not responsible for the portion of rent to owner that is covered by the housing assistance payment and the owner may not terminate the tenancy of an assisted family for nonpayment by the AHA.

Likewise, the AHA is responsible only for making the housing assistance payment to the owner in accordance with the HAP contract. The AHA is not responsible for paying tenant rent, or any other claim by the owner, including damage to the unit. The AHA will not use housing assistance payments or other program funds (including administrative fee reserves) to pay any part of the tenant rent or other claim by the owner.

Utility Reimbursements

If the amount of the utility allowance exceeds the total tenant payment, the AHA will pay the amount of such excess to the tenant as a reimbursement for tenant-paid utilities, and the tenant rent to the owner must be zero.

16-IX.D. OTHER FEES AND CHARGES [24 CFR 983.354]

Meals and Supportive Services

With the exception of PBV assistance in assisted living developments, the owner may not require the tenant to pay charges for meals or supportive services. Non-payment of such charges is not grounds for termination of tenancy.

In assisted living developments receiving PBV assistance, the owner may charge for meals or supportive services. These charges will not be included in the rent to owner, nor will the value of meals and supportive services be included in the calculation of the reasonable rent. Non-payment of such charges, however, is grounds for termination of the lease by the owner in an assisted living development.

Other Charges by Owner

The owner may not charge extra amounts for items customarily included in rent in the locality or provided at no additional cost to unsubsidized tenants in the premises.

CHAPTER 17

FAMILY SELF-SUFFICIENCY PROGRAM

INTRODUCTION

This chapter describes the AHA's implementation of its Family Self-Sufficiency (FSS) program in five parts:

Part I: Overview of the Program. General overview of the FSS program including information on the Program Coordinating Committee and goals of the program.

Part II: Recruitment and Eligibility. Policies related to the AHA's efforts to recruit and outreach. Includes eligibility for the program and the family's responsibility to select the head of the FSS family.

Part III: Contract of Participation and Program Administration. Discusses the Contract of Participation and Individual Training and Services Plan along with ongoing case management services and termination from the FSS program.

Part IV: Escrow Account. Description of the escrow account and the policies governing the account and payout of the account.

Part V: Portability. Policies on using portability while a participant in the FSS program.

PART I. OVERVIEW OF THE PROGRAM

17-I.A. OVERVIEW

Family Self-Sufficiency (FSS) is a HUD program to help Section 8 Housing Choice Voucher, Project-Based Voucher, Other Special Purpose Vouchers (VASH, EHV, FUP, NED, Mainstream), and Moderate Rehabilitation SRO participants obtain employment which will lead to economic independence and self-sufficiency through individual planning, case management services and community resources. It is expected that families participating in the FSS program will need services and the following services offered through FSS community connections to meet those needs may include: job training and employment counseling; substance/alcohol abuse treatment or counseling; money management; child care; transportation; education; household skill training; and homeownership counseling. Participation in the FSS program is voluntary and involves adherence to a five-year Contract of Participation by admitted participant families. Selection of a family to not participate in the FSS program will not affect their admission to a housing assistance program.

The development of the services and activities under this FSS program have been coordinated with the JOBS Program; the programs provided under the JTPA; and any

other relevant employment, child care, transportation, training, and education programs (e.g., Job Training for the Homeless Demonstration program) in the applicable area, and that implementation will continue to be coordinated, in order to avoid duplication of services and activities.

17-I.B PURPOSE (24 CFR 984.101)

The purpose of the Family Self Sufficiency (FSS) program is to promote the development of local strategies to coordinate the use of HUD assistance with public and private resources, to enable families eligible to receive HUD assistance to achieve economic independence and self-sufficiency. Under the FSS program, the Housing Authority of the City of Alameda (AHA) will establish relationships with public and private agencies which will enable participant families opportunities for skills building, job training, counseling, education, and other forms of social services; which should reduce or eliminate the need for public assistance over time as they become active participants in the general workforce and possible candidates for homeownership.

This is a voluntary program and in the event a participant family fails to meet its obligations under the FSS Contract of Participation, the AHA will not terminate the participant family from the Section 8 Voucher or SRO program. Additionally, a family will not be terminated from the voucher program for not enrolling in the FSS program.

17-I.C. NON-DISCRIMINATION (24 CFR 5.105)

In selecting participating families, the selection will be made in a nondiscriminatory manner without regard to race, color, religion, age, sex, familial status, disability, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, and source of income, in compliance with Title VI of the Civil Rights Act of 1964 as amended, Title VIII of the Civil Rights Act of 1968 as amended, and Executive Orders 11063, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, Title II of the American's with Disabilities Act, California's Fair Employment and Housing Act, California Unruh Civil Rights Act, and California Disabled Persons Act.

AHA will not discriminate against otherwise qualified persons on the basis of disabilities and will make reasonable accommodations to allow participation in the FSS Program by persons with disabilities. AHA may decide that an accommodation is not reasonable if it causes undue financial and/or administrative burdens.

17-I.D. PROGRAM COORDINATING COMMITTEE (24 CFR 984.202)

The role of the Program Coordinating Committee (PCC) is to help secure commitments of public and private resources for the operation of the program; and to assist in developing the Action Plan and implementing the FSS program. The PCC (or body serving a similar function for Alameda and AHA participants) will generally meet on a quarterly basis. One member of the PCC will be a participant in the voucher program and one will be an AHA representative, as required by 24 CFR 984.202(b)(1).

Recommended Membership for PCC includes:

- Local agencies responsible for carrying out JOBS training programs, or programs under the JTPA,
- Other organizations, such as other State, local or tribal welfare and employment agencies,
- Public and private education or training institutions,
- Child care providers,
- Nonprofit service providers, private business, and
- Any other public and private service providers with resources to assist the FSS program.

AHA will maintain a PCC in accordance with HUD regulations.

PART II. RECRUITMENT AND ELIGIBILITY

17-II.A. ESTIMATE OF PARTICIPATING FAMILIES (24 CFR 984.201)

AHA's funding provides for a minimum of 26 FSS families to be served, but the AHA's goal is to increase to 50 participant families and then maintain annual enrollment whenever fiscally sound to do so.

Historically, AHA's FSS program has enrolled six to nine new families into the FSS program each year. Accordingly, AHA expects to be able to provide FSS services to around 60 families over a five-year period.

17-II.B.RECRUITMENT (24 CFR 984.201)

At the re-establishment of the Family Self-Sufficiency Program in May 2011, all voucher participants were contacted by direct mail. All voucher and SRO participants routinely receive a FSS brochure included in their annual re-exam packet and FSS information in periodic newsletters.

In addition, AHA, marketing activities to the Section 8 Voucher and SRO program participants will also include:

- a) Distribution of FSS program brochures to any participant who has requested additional information prior to becoming a new FSS participant
- b) Conducting FSS program presentations during Voucher and SRO briefings for new participants
- c) Reminder of FSS program and its benefits in AHA Participant Newsletters and annual re-examination packets
- d) Displaying FSS program posters throughout agency to market program

- e) Updating AHA's website with FSS program information and application, when accepting applications, for online inquiries
- f) Distribution of FSS program brochures and applications to Housing Specialists to distribute during annual or interim certifications to inquiring participants
- g) Informational meetings with guest speakers, as budget and time allows

The AHA's application is online allowing for translation of the form for Limited English Proficiency applicants and reasonable accommodations will be made for those with disabilities to the application process.

The only incentive offered by the AHA to participant in the FSS program is the establishment of the FSS escrow account in accordance with requirements set forth in 24 CFR 984.305.

17-II.C. ELIGIBILITY (24 CFR 984.201)

The FSS program is open to current Section 8 voucher participants under AHA's numerous voucher programs which include: Housing Choice, Project-Based, Mainstream, Non-Elderly Disabled (NED), Family Reunification Program (FUP), Veterans Affairs Supportive Housing (VASH) and Emergency Housing Vouchers (EHV) holders. All current voucher participants are eligible to voluntarily apply to the FSS program. Additionally, Single Room Occupancy (SRO) Moderate Rehabilitation participants are eligible and encouraged to apply for participation in the FSS program.

To be selected to participate in the FSS program, a participant must be deemed the "head of the FSS family" by the participating family. To be eligible a family must be in good standing, as verified by the family's assigned housing specialist. The housing specialist must verify that the family is in compliance with Family Obligations/Responsibilities of the applicable assisted programs and the accounting department must verify that there are no monies owed to the AHA.

- Families that owe money to the Housing Authority, are behind in monthly installment payments, or have not entered into a payment agreement will not be eligible for participation in the FSS Program. Families may be ineligible for monies owed from any program or housing operated by the Housing Authority.

The Head of the FSS family can be any adult member of the household and is designated by the participating family. The AHA may make itself available to consult with families on this decision, but it is the assisted household that chooses the head of FSS family that is

most suitable for their individual household circumstances. The designation or any changes by the household to the Head of FSS Family must be submitted to the AHA in writing on a specific form developed by the AHA.

Once a specific adult, currently in the household, has been designated by all adult members, then all adults must sign the Declaration of Head of FSS family paperwork acknowledging their choice.

The FSS family includes everyone in the household. However, only the person deemed Head of the FSS Family signs the FSS contract of participation and only one escrow account will be established under the name of the Head of the FSS Family. The Head of FSS Family will receive all monies plus interest accrued in the established escrow account if they successfully complete the program within five-years or the end of the approved extension term. Other members of a household (over 18) are eligible to receive supportive services under the FSS program if there is a signed Contract of Participation.

17-II.D. HEAD OF FSS FAMILY LEAVES ASSISTED UNIT

If the head of the FSS family leaves the assisted unit, the remaining family members may, after consulting with the AHA, name another family member to take over the Contract or receive the FSS escrow account funds in accordance with the terms of the agreement.

17-II.E. APPLICATION AND SELECTION PROCESS (24 CFR 984.203)

All potential participants must complete the initial FSS application and self-survey and will be screened for a priority status preference.

- Priority Status: applies to participants who are currently enrolled in and/or attending any educational or training program including:
 - Workforce Investment Act programs administered through One-Stop Career Centers: Adult/Youth Low Income Programs, Dislocated Workers Program, Eastbay Works; College/University coursework and other educational programs that lead to employment.

Fifty percent of the available FSS slots will be targeted to voucher holders or SRO participants who have one or more family members currently enrolled in, or on a waiting list for a Priority Status related service program. FSS applicants will be placed on a waiting list in order of date and time of FSS application, and the only out of order admissions will be to fill an available slot with a priority status family.

Once pulled from the FSS waiting list, prospective participants will meet with FSS staff for an orientation interview conducted either in person or virtually, which explains the

program rules and regulations, the Contract of Participation, the Individualized Training and Service Plan (ITSP) and Escrow account accumulation.

Accommodation for those with disabilities will be offered on a case-by-case basis, depending on the needs of the applicant. Accommodations may include, but are not limited to, additional time to complete an application or self-assessment, an individually scheduled orientation session, provision of transportation to/from the orientation site, translation services, an alternative location, a virtual orientation session, or allowance and encouragement to bring children to the session, where possible.

During the program overview, the participant's motivation to become economically self-sufficient by ending cash aid assistance and obtaining and maintaining employment is discussed and emphasized.

PART III: CONTRACT OF PARTICIPATION AND PROGRAM PARTICIPATION

17-III.A. ASSESSMENT AND INDIVIDUAL TRAINING AND SERVICES PLAN (ITSP) (24 CFR 984.303 (B)(2))

The process of identifying support needs begins with the potential participant's own self-assessment. Prior to the initial interview, each applicant must complete a Self-Assessment form. Each client is asked to examine their goals, family dynamics, school and employment patterns; financial and health concerns. Then through a series of discussions between the prospective participant and the Coordinator potential barriers/hindrances to achieving stated goals will be identified and a plan of action will be developed to successfully maneuver through barriers while also striving towards successful completion of goals outlined in the ITSP plan.

The ITSP will grow out of those discussions between the FSS Coordinator and prospective participant. Specific goals will be identified and sequenced. FSS staff will work with the participant to map the sequence of small steps that need to be taken to achieve each goal and to establish realistic target dates for their completion.

- The ITSP will be reviewed at least annually by both parties and may be amended by mutual agreement between the participant and FSS Staff, with such changes made in writing and signed, then becoming the required attachment to the initial FSS Contract of Participation.

17-III.B. CASE MANAGEMENT

Case management is a key factor in ensuring comprehensive service delivery. Case management establishes a systematic, continuous process in which families are actively involved in planning the steps they can take to improve their lives and in evaluating the

results. Case management is not merely service brokering, but a problem-solving partnership among practitioners and clients. AHA employs a FSS Program Coordinator who fulfills the following functions:

- Assist in briefing of applicants;
- Provide information and referral services to participants;
- Monthly one on one coaching sessions: in person or virtually;
- Monthly goal enrichment group meetings;
- Assist in identifying and utilizing appropriate community resources;
- Coordinate services for participants with various Health and Human Services/Social Services agencies, and other non-profit groups;
- Monitor participant's progress in meeting goals set out in ITSP;
- Work with other agencies' case managers; and
- Monitor participants' compliance with their program obligations/responsibilities and lease agreement.

17-III.C. CONTRACT OF PARTICIPATION (24 CFR 984.303)

All applicants selected for participation in the FSS program will be required to sign a five-year Contract of Participation (CoP). AHA will use a contract format approved by HUD. The contract will include an Individual Training and Services Plan (ITSP). The contract will include the family's annual income, earned income, and the Total Tenant Payment (TTP) in effect as of the effective date of the contract.

Family Responsibilities:

- a) Seek and maintain suitable employment* throughout the term of the contract. AHA recognizes that suitable employment varies with the capability and circumstances of each the FSS Participant.
 - a. *Suitable Employment: based on the Head of FSS Family's skills, job training, education and available employment opportunities in the area.
 - b. Suitable employment must be specified in the ITSP for the family member and may include up to working a minimum of 32 hours per week.
- b) Approved (in the ITSP) job training or education leading toward employment may constitute "suitable employment" until the last six months of the FSS Client's participation in the FSS Program.
 - a. *Suitable Employment may also be a part-time job that has possibilities for advancement and full-time hours near the end of the FSS Client's participation in the FSS Program.
- c) Complete activities in the ITSP within the specified dates; and
- d) Provide the AHA with information about the family's participation in the FSS program upon request, including:
 - a. Information regarding employment, job interviews, training, educational attendance, and other FSS services and activities.

- b. Specifically, FSS participants must return phone calls, respond to written correspondence, surveys etc., from FSS staff in a timely manner.
 - FSS Participants who do not respond to communication efforts by the FSS Coordinator will be terminated from the FSS Program after reasonable effort is made by the FSS Coordinator to receive a response.
- e) All FSS participant family members must:
 - a. Comply with the family obligations under the Section 8 or SRO program; and
 - b. Become independent from welfare assistance** at the expiration of the contract of participation.
 - **Welfare Assistance defined: Welfare assistance means (*for 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.

Contract of Participation Extension

A participant in the FSS program may request in writing an extension of the contract of participant, if the family is unable to complete its goals within the five-year period due to a *good cause*.

- Good Cause defined
 - Circumstances beyond the control of the FSS family, as determined by the AHA such as a serious illness or involuntary loss of employment;
 - Active pursuit of a current or additional goal that will result in furtherance of self-sufficiency during the period of the extension (e.g. completion of a college degree during which the participant is unemployed or under-employed, credit repair towards being homeownership ready, etc.) as determined by the AHA; or
 - Any other circumstances that the AHA determines warrant an extension.

If the FSS Coordinator determines there is a good cause for contract extension, then an initial extension shall be granted, in writing, for up to a one-year period, and the ITSP will be modified in writing to reflect the extension and ongoing goals.

- At the end of the initial one-year extension, if the FSS participant can show that the effects of the good cause delay have been alleviated, and
- FSS Participant has shown significant progress towards completing final goals, an additional one-year extension may be granted with approval of the Director of Housing Programs.

At no time shall the allotted contract of participation extension exceed more than two years from the initially contracted contract of participation completion date.

17-III.D. TERMINATION OF CONTRACT OF PARTICIPATION (24 CFR 984.303 (H))

The FSS Contract of Participation will be terminated if the FSS Participant's Section 8 Voucher or Moderate Rehabilitation SRO assistance is terminated in accordance with HUD requirements.

AHA will terminate the contract of FSS families who do not comply with the family responsibilities in the FSS Contract of Participation. Termination from the FSS Program will not cause a family to lose its Section 8 Voucher or Moderate Rehabilitation SRO housing assistance.

Termination of the Contract of Participation Reasons

AHA will terminate the family's Contract of Participation if:

- The family and AHA mutually agree to terminate the contract; or
- AHA determines the family is not complying with, or has not complied with its responsibilities under the FSS program; or
- The family withdraws from the FSS program; or
- Participant's housing assistance has been terminated; or
- Such other act as is deemed inconsistent with the purpose of the FSS program (such as noncompliance with the lease, noncompliance with the Section 8 program family obligations, or Moderate Rehabilitation program's statement of family responsibilities, fraud, or a violent or drug related criminal act); or
- Operation of law or
- The family does not complete the requirements of the contract prior to the expiration date without good cause; or
- The family exercises portability to a jurisdiction that does not have a FSS program, or the family is not accepted into the new jurisdiction's FSS program.
- The family exercises portability to a jurisdiction, without good cause, prior to meeting the one-year initial jurisdiction requirement. Good cause includes reasonable accommodation requests and VAWA cases.

Contract of Participation termination, whether by choice or due to noncompliance with obligations and/or responsibilities, will result in forfeiture of escrow account funds. See section on Portability for how portability affects the escrow account.

Hearing Procedures

A family that is terminated from the FSS Program has the right to request an Informal Hearing. The procedures for requesting, scheduling and conducting an Informal Hearing are the same as for the termination of a voucher. The Informal Hearing Policies and Procedures of the Housing Authority are described in Chapter 15 of this Administrative Plan.

PART IV. ESCROW ACCOUNT

17-IV.A. ESCROW ACCOUNT IMPLEMENTATION (24 CFR 984.305)

The FSS program provides for the establishment of an escrow account. The amount of the escrow credit is based on increases in the family's total tenant payment (TTP) resulting from increases in the family's earned income during the term of the FSS contract after signing the contract. FSS escrow credits will be calculated monthly and in accordance with HUD regulations. Interest on the FSS escrow account balances will be allocated monthly.

The money in the escrow account belongs to the Housing Authority until the FSS participant completes the goals in the Contract of Participation. Upon successful completion of the contract, the participant shall receive all of the money in the escrow account less any amount owed to the Housing Authority.

Establishing Escrow Account

FSS escrow funds must be deposited into a single, interest-bearing depository account. The accounting for these funds will be supported through a subsidiary ledger that records the balance of each individual FSS participant's account.

AHA will report to the family at least annually on the escrow account including:

- i. The balance at the beginning of the reporting period,
- ii. The amount credited during the period,
- iii. Any deductions made from the account for amounts due AHA before interest was distributed,
- iv. The amount of interest earned on the account, and
- v. The total in the account at the end of the reporting period

Forfeiture of Escrow Account:

A Head of FSS Family has no right to any funds from its FSS escrow account if the family's Contract of Participation is terminated, declared null and void, or the AHA determines the family did not successfully graduate from the FSS program.

A participating family that withdraws from the AHA FSS program or ports to another jurisdiction, without good cause, prior to the one-year initial jurisdiction requirement will forfeit its escrow account. See Portability part for more details.

Forfeited escrow funds remaining from terminated participants will be collected in a general fund and may be disbursed evenly among participants in good standing on an annual basis. A Participant whose Escrow Account is forfeited has the right to request an Informal Hearing.

17-IV.B. ESCROW DISBURSEMENTS (24 CFR 984.305 (C))

The AHA will permit the family to withdraw funds from the FSS escrow account before completion of the contract if the family has completed specific interim goals, designated by the AHA, and needs some of the FSS escrow account funds to complete the contract.

Partial Disbursement of Escrow Account Funds to FSS Participant

An FSS Participant in good standing with the AHA and FSS program may request a partial disbursement of escrow account funds up to, but not exceeding, 50% of the total balance at time of request one time during their 5-year contract of participation;

FSS Participant must submit in writing, to FSS Coordinator, a request for funds, specifically stating the purpose of the funds request and how the expenditure will assist participant to further their FSS contract goals. The written request must be signed and dated by the FSS participant.

For example, the FSS Participant may request funds for medical and/or mental health expenditure, child-care expenditure, transportation expenditure, work related expenditure, job training or educational expenditure, credit repair and/or other activities that support a family's effort to achieve self-sufficiency.

Qualifications for partial Disbursements

- FSS participant and household is in compliance with Section 8 Family Obligations
- FSS participant must have been actively participating in the FSS program for at least one year. Actively participating defined: completing quarterly check-ins, attending FSS-sponsored workshops and functions; working towards completing goals.
- Participant must have successfully completed at least one interim goal.

Participant must have accumulated at least \$1000 in their escrow account prior to request for partial disbursement. A waiver to the minimal \$1000 amount is possible in the event of extreme hardship.

Once qualifications are determined successful, FSS Coordinator then forwards written request from the participant and successful qualifications documents to Director of Housing Programs for approval. The Director of Housing Programs will review requests, qualifications and make a determination to approve or disapprove.

- If approved, a written check request and supportive documentation is completed and forwarded to the Executive Director for final approval and signature.
 - If possible, the expenditure must be such that the payment can be made directly to vendor.
 - The FSS participant must provide vendor information including billing and/or price amounts.
 - If not approved, the FSS Coordinator will communicate to the requestor the reason for the disapproval in writing.

17-IV.C DISBURSEMENT OF ESCROW IN CASES OF CONTRACT TERMINATION

The AHA must disburse to the FSS family the amount in the family's FSS escrow account, less any amount owed to the AHA (for unpaid rent or other outstanding debts), when the family is compliant with its lease and:

- The AHA, with HUD approval, determines there is good cause to disburse FSS escrow funds; or
- When the Contract has been terminated for the following reasons:
 - Services that the AHA and the FSS family have agreed are integral to the FSS family's advancement towards self-sufficiency are unavailable;
 - The head of the FSS family becomes permanently disabled and unable to work during the period of the contract, and the AHA and FSS family determine it is not possible to modify the Contract or designated a new head of the FSS family; or
 - A voucher FSS family in good standing moves outside the jurisdiction of the AHA (in accordance with regulatory portability requirements) for good cause, as determined by the AHA, and continuation of the CoP or completion of the CoP prior to the move, is not possible.
 - Successful Completion of the Contract of Participation/Graduation from FSS Program :

The participating family will receive a disbursement of its escrow funds upon "successful completion" of the Contract of Participation. "Successful Completion" is defined as:

- Written verification that Head of FSS Family has satisfied final goal requirements set out in ITSP for suitable employment.
- Written verification that no one in FSS participant's household is receiving any Federal, State or other public welfare assistance at the time of the five-year contract expiration date or date of early termination of contract.

The Family Self-Sufficiency Coordinator and the Director of Housing Programs will review final disbursement requests and written verifications. A thorough audit of the Escrow Account ledger and FSS Participant's case file will be made prior to final disbursement. The family may use its final disbursement escrow funds for any purpose.

PART V. PORTABILITY

17-V.A. PORTABILITY OVERVIEW (24 CFR 984.306)

In order to participate in the FSS Program, families must live in the initial jurisdiction for not less than one year before the family will be considered for a move under portability. AHA has the authority to approve a family's request to move during this period. Moves will only be approved during the first year of FSS participation for approved reasonable accommodation requests for an individual with disabilities or if a move is protected under the VAWA.

17-~~v~~V.B. Outgoing Portability

AHA must clearly explain to any FSS family that is requesting to move under portability how such a move may impact the family's participation in FSS, including any effects on continued participation, graduation, and possible forfeiture of escrow funds. The FSS Family may qualify for Contract Termination with disbursement of escrow funds in some cases.

After one year a family can choose to continue to participate in the FSS Program but move to another jurisdiction if the family can demonstrate to the satisfaction of AHA that it will be able to fulfill its responsibilities under the original (or a modified) Contract of Participation in the receiving jurisdiction.

If a participating family moves and is unable to fulfill its obligations under the Contract of Participation (or a modification thereof), AHA will terminate the participating family from the FSS Program; and the family will forfeit its escrow account.

If the family is participating in the FSS Voucher program and moves outside the AHA's jurisdiction, AHA will transfer the balance of the family's escrow account upon:

- Receipt of a written request from the Receiving Housing Authority's (RHA) FSS staff that the participating family has been admitted to the RHA's FSS program.
- The RHA should contact the AHA as soon as possible to coordinate the current submission of FSS Addendums to IMS/PIC and the transfer of the escrow account. The RHA must meet any HUD portability notification requirements.

All other provisions of portability remain the same under the FSS Program

Effects of escrow accounts for families who move to other jurisdictions are detailed in PIH Notice 2016-08. If an FSS family moves and the RHA absorbs the family:

- If the RHA does not operate an FSS program, the family's participation in the FSS program will terminate and the escrow account may be forfeited.
- If the RHA does operate an FSS program, the family may enroll in the RHA's program or remain in the AHA's program. Both options require approval from the RHA. The AHA would only agree to the second option if it believes the family can continue to meet the obligations of the contract of participation. The escrow account will be transferred to the RHA.

If the FSS participating family moves and the RHA chooses to administer the voucher and bill the AHA, the family may request to remain in the AHA's FSS program with AHA and RHA approval, or, with RHA approval, enroll in the RHA's program. The escrow account will remain with the AHA. If the family wishes to remain in the AHA's program, the family must demonstrate follow through with goal updates with FSS staff. If the family enrolls in the RHA's FSS program under a billing situation and the family completes the Contract of Participation, the RHA will notify AHA and certify that the family is no longer receiving welfare assistance. If the family has met the requirements for successful completion of contract which allows for final disbursement of escrow account, then AHA will pay out the escrow account to the family. If the family enrolls in the RHA's FSS program under a billing situation and the family does not complete the Contract of Participation, when it expires, the escrow account is forfeited.

17-V.C. Incoming Portability

AHA is not obligated to accept incoming portable FSS participants into the FSS program. AHA will accept portable FSS participants into its program under the following conditions:

- There is an available slot in the program.
- The AHA has available funds and staff for the admission.
- The family is in good standing with the FSS program from the original Housing Authority.
- There is not a waiting list for the FSS program.

If the AHA is unable to admit the family into its FSS program, and the Initial Housing Authority (IHA) is willing to allow the participant to remain in the IHA's program, the AHA will approve this as long as:

- The IHA promptly notifies the AHA of any IMS/PIC submission data

- The IHA agrees to follow HUD guidance on escrow funds and other program requirements.

It is the responsibility of all FSS families exercising portability into the jurisdiction of AHA to notify AHA of their status in the FSS program. This notification should be done at voucher issuance but no later than lease-up to ensure that the AHA may timely submit all electronic information to IMS/PIC. If the family notifies the AHA of their participation in the FSS program too late for the AHA to meet any HUD portability deadlines, the AHA will not accept the family into the FSS program.

If AHA accepts the family into the FSS program, the AHA will execute a new FSS Contract of Participation. The client will remain in the AHA FSS program until 5 years from the start of their initial contract with their initial Housing Authority unless early graduation, termination, or extension of their contract by AHA occurs.

CHAPTER 18

HUD-VASH PROGRAM

INTRODUCTION

This chapter describes HUD regulations and PHA policies related to the HUD-VASH program in five parts:

Part I: Overview of the Program. General overview of the HUD-VASH program and goals.

Part II: Eligibility and Admissions. Policies related to the admission of eligible veterans for the HUD-VASH program including screening criteria for both the Veterans Affairs Department and the AHA. This also includes changes in required documentation for social security numbers, income targeting, and limitations on background screening.

Part III: Continued Occupancy. Policies related to the ongoing occupancy of participants under the HUD-VASH program including leasing concerns, inspections, and moves.

Part IV: Termination. Policies related to the termination of the assistance under the VASH program.

Part V: Resources. Additional documents pertaining to the HUD-VASH program.

PART I. OVERVIEW OF THE PROGRAM

18-I.A. OVERVIEW

The HUD-Veterans Affairs Supportive Housing (HUD-VASH) program combines voucher rental assistance for homeless veterans with case management and clinical services provided by the Department of Veterans Affairs (VA). VA provides these services for participating veterans at VA medical centers (VAMCs) and community-based outreach clinics (CBOCs). The goal is to provide permanent housing for eligible homeless veterans.

The HUD-VASH program works through a Housing-First model. This model provides permanent housing as quickly as possible to those experiencing homelessness and then provides supportive services as needed. Due to this model, there are minimal requirements for admittance to the program. After housing is secured, participants are connected with supportive services, such as substance abuse counseling, to maintain recovery and housing in the community.

Moving to Work (MTW) activities do not include HUD-VASH applicants or participants.

18-I.B. RESPONSIBILITIES UNDER PROGRAM

The VAMC or CBOC's responsibilities include:

1. Screening of homeless veterans to determine whether they meet the HUD–VASH program participation criteria established by the VA national office;
2. Referring homeless veterans to the AHA;
3. Providing appropriate treatment and supportive services to potential HUD–VASH program participants, if needed, prior to AHA issuance of rental vouchers;
4. Identifying the social service and medical needs of HUD–VASH participants and providing, or ensuring the provision of, regular ongoing case management, outpatient health services, hospitalization, and other supportive services as needed throughout the veterans' participation period; and
5. Maintaining records and providing information for evaluation purposes, as required by HUD and the VA.

The AHA's responsibilities include:

1. Determining limited eligibility criteria of families that have been referred by the partner VA
2. Maintaining documentation of referrals from the partner VA
3. Administer the vouchers in accordance with the AHA's Administrative Plan, AHA policies and procedures, and HUD regulation.

To support the HUD-VASH Housing-First model, certain voucher requirements are waived. In most ways, the HUD-VASH program follows regular voucher requirements (24 CFR Section 982 and 983). However, the HUD Secretary, in consultation with the VA Secretary, has the authority to waive or alter any provision for the effective delivery and administration of voucher assistance (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment).

HUD-VASH requirements differ from voucher requirements in eligibility, leasing, portability, and other categories. See the "HUD-VASH Reference Guide" for details.

PART II. ELIGIBILITY AND ADMISSION

18-II.A. ELIGIBILITY

Eligible families are homeless veterans and their families that are referred by the partnering VAMC. VA staff screen families according to the VA's screening criteria and determine clinical eligibility for the program. The VA criteria follow, but these are determined by VA staff and not the AHA:

Applicants must be VA health care eligible, meaning they have served in the active military and were separated under any condition except dishonorable. Applicants must also be homeless, as defined by The McKinney Homeless Assistance Act. Additionally, participants are expected to participate in case management and utilize the supportive services, treatment recommendations and assistance needed to successfully maintain recovery and housing in the community.

VA HUD–VASH case managers refer HUD–VASH-eligible families to the Housing Authority for housing assistance. The AHA **must** accept referrals from their VA partner. Written documentation of these referrals **must** be maintained in the tenant file by the AHA. By agreeing to administer the HUD–VASH program, the AHA is relinquishing its authority to determine the eligibility of families in accordance with regular program rules and policies. The AHA will **not** have the authority to maintain a waiting list or apply local preferences for HUD–VASH vouchers. Admissions, cross-listing of the waiting list, and opening and closing the waiting list do not apply to the HUD–VASH program.

When a VA case manager refers an applicant to the AHA, AHA staff determine if the applicant is eligible based **only** on the following:

1. Income limits and
2. If any member of the household maintains Lifetime Sexual Offender Registry status

The applicant is not eligible for HUD-VASH if they exceed income limits and/or if they maintain Lifetime Sexual Offender Registry status. The AHA uses the low income level for the VASH program compared to the very-low income level for all other vouchers.

It is prohibited to deny an applicant for any grounds permitted under 24 CFR 982.552 (broad denial for violations of program requirements) and 982.553 (specific denial for criminals and alcohol abusers), other than Lifetime Sexual Offender Registry Status. This applies to all family members. For instance, AHA cannot deny assistance to an otherwise eligible HUD-VASH family that owes money to a Housing Authority in connection with a past program participation.

However, when **new** family members are added **after** the veteran is a participant, 24 CFR 982.551(h)(2) and regular AHA screening criteria apply. Other than the birth, adoption, or court-awarded custody of a child, the AHA must approve additional family members and may apply its regular screening criteria in doing so.

18-II.B. ACCEPTABLE DOCUMENTATION

To verify Social Security numbers for homeless veterans and their family members, an original document issued by a federal or state government agency, which contains the name of the individual and the SSN of the individual along with other identifying information of the individual, is acceptable. In the case of the homeless veteran, the AHA must accept the Certificate of Release or Discharge from Active Duty (DD–214) or the VA-verified Application for Health Benefits (10–10EZ) as verification of SSN and cannot require the veteran to provide a SSN card.

18-II.C. INCOME TARGETING

The income targeting requirement of 75% of families being extremely low-income does not apply to HUD-VASH. The AHA uses the low income level for the VASH program compared to the very-low income level for all other vouchers.

PART III. CONTINUED OCCUPANCY

18-III. A. LEASING

For the AHA's VASH allocation, all vouchers are project-based VASH vouchers. Since the vouchers are project-based vouchers, the family must live in the unit to which the assistance is tied for at least 12 months before transferring with assistance.

18-III. B. UNIT INSPECTIONS

AHAs may pre-inspect units that veterans may be interested in leasing. If a family selects a unit that passed a HQS inspection (without intervening occupancy) within 45 days of the date of the Request for Tenancy Approval, the unit may be approved.

18-III. C. PORTABILITY AND TRANSFERS

Families receiving HUD-VASH voucher assistance must receive case management services provided by a partnering VAMC or CBOC. Therefore, special mobility and portability procedures must be established. A HUD-VASH family can move within the VAMC's catchment area as long as case management can still be provided, as determined by the VA. The VA must **always** be consulted prior to a move to ensure that case management will continue to be provided.

In accordance with 24 CFR § 983.261(a) and the lease, the family may terminate the assisted lease any time after the first year of occupancy. In 24 CFR § 983.261(b) it is further stated that if the family has elected to terminate the lease in this manner, the PHA must offer the family the opportunity for continued tenant-based rental assistance in the form of either assistance under the voucher program or other comparable tenant-based rental assistance as defined in 24 CFR § 983.3. However, in accordance with 24 CFR § 983.261(c), before providing notice to terminate the lease (with a copy to the PHA), the family must contact the PHA to request comparable tenant-based rental assistance if the family wishes to move with continued assistance.

As a condition of PBV rental assistance, a HUD-VASH family must receive case management services from the VAMC or CBOC; however, a VAMC or CBOC determination that the participant family no longer requires case management is not grounds for termination of assistance. In such cases where a HUD-VASH family wishes to move from its PBV unit, at its option, the AHA may offer the family continued HCV assistance through one of its regular vouchers to free up the HUD-VASH voucher for another eligible family referred by the VAMC or CBOC if there are available HCVs.

Where case management is still required, tenant-based rental assistance will be limited to jurisdictions where VAMC or CBOC case management services are available and the family may receive a tenant-based VASH voucher, if available.

However, to ensure that all PBV units under a housing assistance payments contract remain continuously funded, the following must be implemented when a HUD-VASH family is eligible to move from its PBV unit and there is no other comparable tenant-based rental assistance to offer the family:

- a. If a HUD-VASH tenant-based voucher (in another jurisdiction through portability) is not available at the time the family wants (and is eligible) to move, the AHA could require the family to wait for a HUD-VASH tenant-based voucher for a period not to exceed 180 days;
- b. If a HUD-VASH tenant-based voucher is still not available after that period of time, the family must be allowed to move with its HUD-VASH voucher and the AHA would be required to replace the assistance in the PBV unit with one of its regular vouchers unless the AHA and owner agree to remove the unit from the HAP contract; and
- c. If after 180 days, a HUD-VASH tenant-based voucher does not become available and the AHA does not have sufficient available funding in its HCV program to attach assistance to the PBV unit, the family may be required to remain in its PBV unit until such funding becomes available.

PORTABILITY WITHIN CATCHMENT AREA OF INITIAL VAMC OR CBOC

If the family initially leases up, or moves, under portability provisions, but the initial VAMC will still be able to provide the necessary case management services due to the family's proximity to the partnering VAMC, the receiving PHA must process the move in accordance with the portability procedures of 24 CFR 982.355. For example, a participant family initially received HUD-VASH assistance in the City of Alameda. They then wish to move Oakland. Since they are still close enough to the initial VAMC to receive services and participate in case management, they would be permitted to move.

The VASH amendment to HUD-Form 52665 will be attached.

PORTABILITY BEYOND CATCHMENT AREA OF INITIAL VAMC OR CBOC

If a family wants to move to another jurisdiction where it will not be possible for the initial VAMC to provide case management services, the VAMC must first determine that the HUD-VASH family could be served by another VAMC that is participating in this program. The receiving PHA must also have a HUD-VASH voucher available for this family. In these cases, the families must be absorbed by the receiving PHA.

PORTABILITY WHEN CASE MANAGEMENT IS NO LONGER REQUIRED

If the family no longer requires case management, there are no portability restrictions. Normal portability rules apply.

18-III. D. FAMILY BREAK-UP

The HUD-VASH voucher will remain with the veteran in the case of family break-ups. The only exception to this would be protections for victims under VAWA and the veteran is the perpetrator.

PART IV. TERMINATION

A participant cannot be terminated from the program for a reason that could not be used for denying admission to the program. Prior to any termination action, the AHA will contact the VA case manager to determine if there are extenuating circumstances that should be considered to avoid the termination.

The AHA **may** terminate assistance for the following reasons:

1. Program violations that occur after admission to the voucher program

A HUD-VASH participant family must not be terminated after admission for a circumstance or activity that occurred before admission and was known to the AHA, but could not be considered at the time due to the HUD-VASH Operating Requirements. For instance, once accepted to the program, a family could not be terminated for money owed to the AHA on a past voucher; however, families are not protected if violations occur after admission. The AHA will work with the VA to find alternatives to termination to minor program infractions as long as the AHA staff and other residents are not endangered by the family's behavior.

2. Failure to participate, without good cause, in case management as verified by the VAMC

As a condition of receiving rental assistance, a HUD-VASH-eligible family must receive case management services from the VAMC or CBOC. Therefore, a HUD-VASH participant family's assistance must be terminated for failure to participate, without good cause, in case management as verified by the VAMC or CBOC.

However, a VAMC or CBOC determination that the participant family no longer requires case management is **not** grounds for termination of assistance. In such a case, the AHA may offer the family continued HCV assistance through one of its regular vouchers, to free up the HUD-VASH voucher for another eligible family referred by the VAMC or CBOC. If the AHA has no voucher to offer, the family will retain its HUD-VASH voucher until such time as the AHA has an available voucher for the family.

PART V. MORE INFORMATION

Up to date information can be found on HUD's "HUD-VASH Vouchers" webpage:

https://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/hcv/vash

HUD-VASH OPERATING REQUIREMENTS:

<http://www.gpo.gov/fdsys/pkg/FR-2012-03-23/pdf/2012-7081.pdf>

This notice establishes the policies and procedures for the administration for the administration of tenant-based HCV rental assistance under the HUD-VASH program. In this second version of the HUD-VASH Operating Requirements published on March 23, 2012, HUD provides new and clarifying guidance on verification documentation, the addition of family members after the veteran is a participant in the HCV program, PHA termination of assistance, portability moves, reallocation of HUD-VASH vouchers, and Housing Quality Standards (HQS) initial inspections.

HUD-VASH QUESTIONS AND ANSWERS

http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_9175.pdf

These Qs & As serve as a supplement to the HUD-VASH Operating Requirements published in the Federal Register on May 6 and 19, 2008.

HUD-VASH REFERENCE GUIDE

<http://portal.hud.gov/huddoc/vash-referguide2012-10.pdf>

This two-page document provides an easy-to-read overview of the unique requirements that govern the voucher side of the HUD-VASH program.

HUD-VASH 101 WEBINAR; HUD-VASH 101 SLIDES:

<http://portal.hud.gov/hudportal/documents/huddoc?id=vash-101-slides.pdf>

HUD-VASH webinar on January 24, 2012.

HUD-VASH BEST PRACTICES - VERSION 1.0:

<http://portal.hud.gov/huddoc/VASH-BestPractices.pdf>

The purpose of this working document is to spread the word about effective strategies for administering HUD-VASH, as well as highlight the innovation and dedication of HUD-VASH sites and our partners in the field.

CHAPTER 19

EMERGENCY HOUSING VOUCHERS/ STABILITY VOUCHERS

Effective July 21, 2021

INTRODUCTION

This chapter describes the HUD regulations and PHA policies related to the Emergency Housing Vouchers (EHVs) as outlined in PIH Notice 2021-15.

Part I: Overview of the Program. General overview of the EHV program and goals. Overview of Stability Vouchers and differences from EHV.

Part II: Eligibility and Admissions. Policies related to eligible families and admission into the EHV program.

Part III: Continued Occupancy. HCV Policies will govern the EHV program.

Part IV: Termination and Reissuance. Policies related to termination and reissuance of EHV program vouchers.

PART I. OVERVIEW OF THE PROGRAMS

19-I.A. OVERVIEW OF EMERGENCY HOUSING VOUCHERS (EHV)

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 (P.L. 117-2, hereafter referred to in this notice as “the ARP”) into law, which provides over \$1.9 trillion in relief to address the continued impact of the -COVID-19 pandemic on the economy, public health, State and local governments, individuals, and businesses.

Section 3202 of the ARP appropriates \$5 billion for new incremental EHVs, the renewal of those EHVs, and fees for the cost of administering the EHVs and other eligible expenses defined by notice to prevent, prepare, and respond to coronavirus to facilitate the leasing of the emergency vouchers, such as security deposit assistance and other costs related to retention and support of participating owners.

Under PIH Notice 2021-15, in May 2021, HUD allocated 70,000 EHVs to public housing authorities and issued guidance on the administration of these EHVs. The AHA was allocated 57 EHVs. The AHA cannot reissue any turnover EHV after September 30, 2023.

All other sections of this Plan apply to EHV unless explicitly stated otherwise in this chapter or HUD regulation or guidance. COVID waivers applied to the regular HCV program that are eligible to the EHV program will be applied to EHV. These updates are posted on the AHA’s website if in effect.

Moving to Work (MTW) activities do not include EHV applicants or participants.

19-I.B. OVERVIEW OF STABILITY VOUCHERS (SV)

The Consolidated Appropriations Act, 2021 (Public Law 116-260) authorized a new allocation of Stability Vouchers. In June 2023, the AHA received an allocation of ten (10) Stability Vouchers as outlined in PIH Notice 2022-24. Stability Vouchers are similar to EHV, but have some slight differences such as Stability Vouchers do not have a deadline after which turnover vouchers may not be issued.

As with EHV, all other sections of this Plan apply to Stability Vouchers unless explicitly stated otherwise in this chapter or HUD regulation or guidance.

Moving to Work (MTW) activities do not include Stability Voucher applicants or participants.

19-I.C. FUNDING AND USES OF FUNDING

Funding and its approved uses are spelled out in PIH Notice 2021-15 for EHV. The funding for Stability Vouchers differs from EHV in several ways and was outlined in the award letter from HUD.

ADMINISTRATIVE FEES

Administrative fees received for EHV can only be used for EHV and must be recorded separately for the Administrative Fees of other AHA programs.

- **On-going monthly administrative fee:** received to administer the program calculated the same as under the Housing Choice Voucher program
- **Preliminary Fee:** single, one-time payment
- **Placement Fee/Expedited Issuance Reporting Fee:** one-time fee received for initial lease-up of each EHV. Amount depends on time to lease.
- **Service Fee:** one-time fee for each EHV allocated.

At the recommendation of the Director of Housing Programs and with the Approval of the Executive Director or designee, one-time administrative fees may be used for other eligible expenses (see next section).

The SV program receives one-time Special Fees for each awarded SV and not the above categories for EHV.

QUALIFIED ACTIVITIES FOR ONE-TIME ADMINISTRATIVE FEES FOR EHV

Each EHV household shall be eligible for up to \$3500 of services; choice and provision of the services will be at the AHA's discretion.

- 1) Housing Search Assistance if unavailable through the CoC
 - a) Identify and visit possible units including ADA accessible
 - b) Transportation and directions
 - c) Rental application assistance
 - d) Expedite leasing process including payment of leasing related fees
 - e) Housing Mobility Services
- 2) Security Deposit if unavailable through the CoC
 - a) Security Deposit Assistance
 - i) Cannot exceed the less of

- (1) Two month's rent
 - (2) Maximum security deposit allowed under law
 - (3) Actual amount required by owner for other unassisted units
 - (4) \$3,000
 - ii) The AHA will pay the security deposit directly to the owner
 - iii) The owner must refund the security deposit to the AHA at the end of the tenancy less any amounts retained by the owner in accordance with the lease and California State law.
- 3) Owner-related Uses
- a) Owner recruitment and outreach
 - b) Owner incentive and/or retention payments
 - i) The AHA will make one-time incentive payments of \$2,000 at the lease-up of an EHV family.
 - ii) Funds may be used for owners with accessible units or owners that will make the living conditions accessible (interior/exterior structural modifications) for a person with disabilities.
- 4) Other Eligible Uses
- a) Tenant-readiness services
 - i) Fees may be paid for customized plans to address or mitigate barriers such as negative credit, lack of credit, negative rental or utility history or to connect the family to other resources.
 - ii) The AHA can provide access to case management, wrap-around services, life skills training, financial stability training, mental health care, and/or a stability coordinator.
 - iii) The AHA can also provide services to remedy a lease violation and/or prevent an eviction.
 - iv) The AHA can also use service fees to help for families to obtain vital documents needed to establish eligibility for the program and/or required by landlords as part of their rental application.
 - b) Moving Expenses
 - i) The AHA will pay some or all of the family's reasonable moving expenses when the family initially leases a unit with the program.
 - (1) The family must submit documentation of moving expenses for payment.
 - ii) The AHA will pay for application fees up to \$500 per family.
 - iii) The AHA will assist with the Security Deposit up to the lesser of the following
 - (1) Actual Security Deposit required by owner
 - (2) Maximum security deposit allowed under state or local law
 - (3)
 - iv) The AHA can also pay for storage expenses and lock change fees.
 - c) Essential Household items
 - i) The AHA may use the services fee funding to assist the family with some or all of the costs of acquiring essential household items. The AHA can provide a prepaid gift card directly to families after the AHA has verified that the family purchased essential household items and the AHA obtains and maintains appropriate supporting documentation.

- ii) Definition of Essential Households Items: furniture, toiletries, tableware, bedding, cleaning supplies, bathroom supplies, kitchen supplies, basic tools, and basic household items such as light bulbs or smoke detectors.

QUALIFIED ACTIVITIES FOR ONE-TIME SPECIAL FEES FOR SV

Each SV household shall be eligible for services from SV funding not to exceed EHV limit; choice and provision of the services will be at the AHA's discretion. Once SV Special Fees funding are expended, the AHA may fund these activities through non-Federal funds at its discretion.

- 1) Owner incentive
 - a) Owner incentive and/or retention payments
 - i) The AHA will make one-time incentive payments of \$2,000 at the lease-up of an SV family.
- 2) Security Deposit if unavailable through the CoC
 - a) Security Deposit Assistance
 - i) Cannot exceed the less of
 - (1) Two month's rent
 - (2) Maximum security deposit allowed under law
 - (3) Actual amount required by owner for other unassisted units
 - ii) The AHA will pay the security deposit directly to the owner
 - iii) The owner must refund the security deposit to the AHA at the end of the tenancy less any amounts retained by the owner in accordance with the lease and California State law.
- 3) Application Fees
 - a) The AHA will pay for application fees up to \$500 per family.

19-I.D. RESPONSIBILITIES UNDER PROGRAM

Agencies with MOU's with the AHA will refer families according to the terms in the MOU for both the EHV and SV vouchers. The AHA will issue and administer the EHV and SV.

PART II. ELIGIBILITY AND ADMISSION

19-II.A. ELIGIBILITY

To be eligible for EHV a family must be:

- Homeless;
- At risk of homelessness;
- Fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking; or
- Recently homeless and for whom providing rental assistance will prevent the family's homelessness or having high risk of housing instability.

The definitions for EHV eligibility are found in PIH Notice 2021-15 section 8.a.

To be eligible for SV a family must be:

- Homeless;
- At risk of homelessness;
- Fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking; or
- Veterans and families that include a veteran family that meet one of the preceding criteria.

The definitions for SV eligibility are found in PIH Notice 2022-24 section 8.

These definitions will be used rather than definitions provided in other parts of this Administrative Plan.

19-II.B. DENIAL OF ASSISTANCE

Section 3-III.B Mandatory Denial of Assistance [24 CFR 982.553(a)] does not apply to EHV or SV, instead the following apply:

HUD requires the AHA to deny assistance to EHV or SV in the following cases:

- Any household member has ever been convicted of drug-related criminal activity for the production or manufacture of methamphetamine on the premises of federally assisted housing
- Any household member is subject to a lifetime registration requirement under a state sex offender registration program

The AHA may deny assistance if any member of the family has engaged in abusive or threatening behavior towards AHA personnel. Abusive or violent behavior towards AHA personnel includes verbal as well as physical abuse or violence. Use of racial epithets, or other language, written or oral, that is customarily used to intimidate may be considered abusive or violent behavior.

Threatening refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.

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

19-II.C. REFERRAL TO PROGRAMS

The AHA will receive direct referrals from Alameda County's Coordinated Entry System (CES) and other non-profit partners only if the CES does not meet MOU deadlines; therefore, since HUD waived sections of 24 CFR 982.204, the sections (mostly Chapter 4) of this Plan relating to waiting list selection do not apply.

A Memorandum of Understanding (MOU) must be executed before the AHA will receive referrals from partner agencies. These partner agencies will provide to the AHA a verification that the family meets the criteria of one of the above categories under Section 19-II.A.

19-II.D. PREFERENCES

The AHA will not apply the HCV preferences to the EHV or SV applicants. The referring agencies will be responsible for determining order of referrals. Waiting lists for each type of voucher will be ordered by date and time referred. Admission to the EHV/SV programs will be on a first ready, first served basis.

19-II.E. VERIFICATIONS AND CORRECTION OF OMISSIONS AND ERRORS

Since HUD has waived program requirements under 24 CFR 982.201 for verifications of applicants under the EHV and SV program, the AHA will accept documents dated over 60-days as valid verifications for EHV and SV applicants.

EIV requirements remain in affect for applicants such as searching the Existing Tenant Search and running a report within 90 days of admission to verify reported income.

If it is discovered that the EHV or SV family did not report income at admission into the program, the AHA will terminate the family's assistance. If it is discovered that the EHV or SV family did not correctly report income and the family would still have been eligible for the program, the AHA will offer the option to repay all overpaid assistance prior to terminating assistance.

Acceptance of verifications older than 60-days and a certification will not require additional verification until the family experiences a change in income or family composition or until the next regular reexamination.

19-II.F. HOUSING SEARCH

To obtain assistance with an initial (first lease-up) housing search, EHV and SV referrals will be given contact information for this service once the voucher has been issued.

The AHA will use payment standards set at 120% of the area fair market rents (FMR). As of November 2, 202~~3~~², this sets the payment standards at:

Unit Size	FMR
Studio	\$1,658 \$2,190
1-bedroom	\$2,557 1,969
2-bedroom	\$3,108 2,405
3-bedroom	\$4,010 3,144
4-bedroom	\$4,744 3,706
5-bedroom	\$5,456 4,261

The selected unit must still comply with all Rent Reasonableness tests performed by AHA prior to move in.

The AHA would prefer an initial lease for 12 months to assist with housing stability but will accept a lesser term.

19-II.G. VOUCHER ISSUANCE

The AHA will issue an EHV or SV family a voucher for an initial term of 180 days. If an extension for a voucher term of more than 180 days is needed, the regular HCV extension requirements apply. Please see Chapter 5 Section 5-II.E *Voucher Term, Extensions, and Suspensions* subpart *Extensions of Voucher Term* for additional information. The AHA will follow its normal suspension procedures found in Section 5.II.E of Chapter 5 of its Administrative Plan.

19-II.H. PORTABILITY

Portability, moving outside the City of Alameda, will not be restricted on nonresident applicants, so all applicants may move prior to initial lease-up to any jurisdiction operating a housing choice voucher program.

The AHA’s briefing for EHV and SV families will include, along with the normal portability information, information on how portability will impact the EHV or SV services and assistance that may be available to the family.

PART III. CONTINUED OCCUPANCY

19-III.A. APPLICABILITY OF ALL REQUIREMENTS FOR CONTINUE OCCUPANCY

All HCV rules will apply to EHV and SV households, including adding family members.

PART IV. TERMINATION AND REISSUANCE

19-IV.A. REISSUANCE

EHV turnover vouchers will not be reissued after September 30, 2023 per PIH Notice 2021-15.

SV turnover vouchers do not have the above restriction and will be issued to other SV eligible families.

19-IV.B. TERMINATION

All HCV rules will apply to EHV and SV households in reasons for termination by action or inaction of the family. All HCV rules will apply in the noticing and procedures of terminations such as offering an Informal Hearing of the termination if the family's action or inaction caused the termination.

19-IV.C. TERMINATION OF ASSISTANCE DUE TO UNDER FUNDING EHV

The program has been allocated its full funding through the ARP. When the remaining EHV HAP renewal funding is no longer sufficient to fully fund all PHAs' EHV renewal funding eligibility, HUD will prorate EHV renewal funding allocations. If EHV funding received from HUD is not sufficient to cover the HAP of the remaining families, the AHA will follow all procedures to secure more EHV funding. If after all procedures are followed to obtain more funding, the funding is still insufficient to cover EHV HAP expenses, the AHA will terminate assistance in the following order:

- In consultation with any agencies providing supportive services, those families deemed the most self-sufficient with the resources to maintain housing.
- Families with the smallest EHV HAP payment.
- Families with the longest tenure in the program.

EHV families are not eligible for conversion to a Housing Choice Voucher while residing in the AHA's jurisdiction. EHV families are eligible to apply to any open waiting lists the AHA administers, but the EHV does not guarantee the family a place on the waiting list. The EHV family must apply and be processed in the same manner as all other applicants.

GLOSSARY

A. ACRONYMS USED IN SUBSIDIZED HOUSING

AAF Annual Adjustment Factor. A factor published by HUD in the Federal Register which is used to compute annual rent adjustment.

ACC Annual Contributions Contract

CFR Code of Federal Regulations. Commonly referred to as "the regulations". The CFR is the compilation of Federal rules which are first published in the Federal Register and define and implement a statute.

ELI Extremely low income

FICA Federal Insurance Contributions Act - Social Security taxes

FMR Fair Market Rent

FY Fiscal Year

FYE Fiscal Year End

GR Gross Rent

HAP Housing Assistance Payment

HQS Housing Quality Standards

HUD The Department of Housing and Urban Development or its designee.

IRA Individual Retirement Account

MSA Metropolitan Statistical Area established by the U.S. Census Bureau

MTW Moving to Work

PHA Public Housing Agency

PMSAA Primary Metropolitan Statistical Area established by the U.S. Census Bureau

PS Payment Standard

QC Quality Control

RFTA Request for Tenancy Approval

SRO Single Room Occupancy

TR Tenant Rent

TTP Total Tenant Payment

UA Utility Allowance

URP Utility Reimbursement Payment

VAWA Violence Against Women Reauthorization Act of 2005

B. GLOSSARY OF TERMS IN SUBSIDIZED HOUSING

1937 ACT. The United States Housing Act of 1937 (42 U.S.C. 1437 et seq.)

ADMINISTRATIVE PLAN. The HUD required written policy of the PHA governing its administration of the Section 8 tenant-based programs. The Administrative Plan and any revisions must be approved by the PHA's board and a copy submitted to HUD as a supporting document to the PHA Plan.

ABSORPTION. In portability, the point at which a receiving PHA stops billing the initial PHA for assistance on behalf of a portability family. The receiving PHA uses funds available under the receiving PHA consolidated ACC.

ACC RESERVE ACCOUNT (FORMERLY "PROJECT RESERVE"). Account established by HUD from amounts by which the maximum payment to the PHA under the consolidated ACC (during a PHA fiscal year) exceeds the amount actually approved and paid. This account is used as the source of additional payments for the program.

ADA. Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.)

ADJUSTED INCOME. Annual income, less allowable HUD deductions.

ADMINISTRATIVE FEE. Fee paid by HUD to the PHA for administration of the program.

ADMINISTRATIVE FEE RESERVE (Formerly "Operating reserve"). Account established by PHA from excess administrative fee income. The administrative fee reserve must be used for housing purposes.

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.

ANNUAL BUDGET AUTHORITY. The maximum annual payment by HUD to a PHA for a funding increment.

ANNUAL CONTRIBUTIONS CONTRACT (ACC). A written contract between HUD and a PHA. Under the contract HUD agrees to provide funding for operation of the program, and the PHA agrees to comply with HUD requirements for the program

ANNUAL INCOME. The anticipated total Annual Income of an eligible family from all sources for the 12-month period following the date of determination of income, computed in accordance with the regulations.

ANNUAL INCOME AFTER ALLOWANCES. The Annual Income (described above) less the HUD-approved allowances.

APPLICANT. (or applicant family). A family that has applied for admission to a program but is not yet a participant in the program.

ASSETS. (See Net Family Assets.)

ASSISTED TENANT. A tenant who pays less than the market rent as defined in the regulations. Includes tenants receiving rent supplement, Rental Assistance Payments, or

Section 8 assistance and all other 236 and 221 (d)(3) BMIR tenants, except those paying the 236 market rent or 120% of the BMIR rent, respectively.

BUDGET AUTHORITY. An amount authorized and appropriated by the Congress for payment to PHAs under the program. For each funding increment in a PHA program, budget authority is the maximum amount that may be paid by HUD to the PHA over the ACC term of the funding increment.

CHILD CARE EXPENSES. Amounts paid by the family for the care of minors under 13 years of age where such care is necessary to enable a family member to be employed or for a household member to further his/her education.

CO-HEAD. An individual in the household who is equally responsible for the lease with the Head of Household. (A family never has a Co-head and a Spouse and; a Co-head is never a Dependent).

CONGREGATE HOUSING. Housing for elderly persons or persons with disabilities that meets the HQS for congregate housing.

CONSOLIDATED ANNUAL CONTRIBUTIONS CONTRACT. (Consolidated ACC). See 24 CFR 982.151.

CONTIGUOUS MSA. In portability, an MSA that shares a common boundary with the MSA in which the jurisdiction of the initial PHA is located.

CONTINUOUSLY ASSISTED. An applicant is continuously assisted under the 1937 Housing Act if the family is already receiving assistance under any 1937 Housing Act program when the family is admitted to the voucher program. A brief interruption in assistance does not constitute a break in the “continuously assisted” definition for Special Admission. A brief interruption is defined only as an interruption that is not under the control of the applicant and does not exceed 30 days in length. For example continued assistance to residents of a Section 8 project after the HAP contract expires or is terminated for owner breach, and there may be a short delay in arranging for continued assistance for project residents.

CONTRACT. (See Housing Assistance Payments Contract.)

CONTRACT RENT. The total amount of rent specified in the HAP contract as payable to the owner by the tenant and by HUD or the PHA on the tenant’s behalf.

COOPERATIVE. (term includes mutual housing). Housing owned by a nonprofit corporation or association, and where a member of the corporation or association has the right to reside in a particular apartment, and to participate in management of the housing. A special housing type: See 24 CFR 982.619.

COVERED FAMILIES. Statutory term for families who are required to participate in a welfare agency economic self-sufficiency program and who may be subject to a welfare benefit sanction for noncompliance with this obligation. Includes families who receive welfare assistance or other public assistance under a program for which Federal, State or local law requires that a member of the family must participate in an economic self-sufficiency program as a condition for the assistance.

DATING VIOLENCE. Violence committed by a person who is or has been in a social relationship of a romantic or intimate nature with the victim, and where the existence of such a relationship shall be determined based on a consideration of the following factors:

The length of the relationship

The type of relationship

The frequency of interaction between the persons involved in the relationship

DAY LABORER. An individual hired and paid one day at a time without an agreement that the individual will be hired or work again in the future.

DEPENDENT. A member of the family household (excluding foster children, foster adults, and Live-In Aides) other than the family head or spouse, who is under 18 years of age or is a person with a disability or is a full-time student 18 years of age or over.

DISABILITY ASSISTANCE EXPENSE. Anticipated costs for care attendants and auxiliary apparatus for disabled family members which enable a family member (including the disabled family member) to work.

DISABLED FAMILY. A family whose head, spouse, or sole member is a person with disabilities; or two or more persons with disabilities living together; or one or more persons with disabilities living with one or more live-in aides.

DISABLED PERSON. See Person with Disabilities.

DISPLACED PERSON/FAMILY. A person or family displaced by governmental action, or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized under federal disaster relief laws.

DOMESTIC VIOLENCE. Felony or misdemeanor crimes of violence committed by a current or former spouse of the victim, by a person with whom the victim shares a child in common, by a person who is cohabitating with or has cohabitated with the victim as a spouse, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction receiving grant monies, or by any other person against an adult or youth victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction.

DOMICILE. The legal residence of the household head or spouse as determined in accordance with State and local law.

DRUG-RELATED CRIMINAL ACTIVITY. The illegal manufacture, sale, distribution, use, or the possession with intent to manufacture, sell distribute or use, of a controlled substance (as defined in Section 102 of the Controlled Substance Act (21 U.S.C. 802)).

DRUG TRAFFICKING. The illegal manufacture, sale, distribution, use, or possession with intent to manufacture, sell, distribute or use, of a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)).

EARNED INCOME. Income or earnings from wages, tips, salaries, other employee compensation, and net income from self-employment. Earned income does not include any pension or annuity, transfer payments (meaning payments made or income received

in which no goods or services are being paid for, such as welfare, social security, and governmental subsidies for certain benefits), or any cash or in-kind benefits.

ECONOMIC SELF-SUFFICIENCY PROGRAM. Any program designed to encourage, assist, train or facilitate the economic independence of assisted families, or to provide work for such families. Can include job training, employment counseling, work placement, basic skills training, education, English proficiency, Workfare, financial or household management, apprenticeship, or any other program necessary to ready a participant to work (such as treatment for drug abuse or mental health treatment). Includes any work activities as defined in the Social Security Act (42 U.S.C. 607(d)). Also see 24 CFR 5.603 (c).

ELDERLY FAMILY. A family whose head, spouse, or sole member is a person who is at least 62 years of age; or two or more persons who are at least 62 years of age living together; or one or more persons who are at least 62 years of age living with one or more live-in aides.

ELDERLY HOUSEHOLD. A family whose head or spouse or whose sole member is at least 62 years of age; may include two or more elderly persons living together or one or more such persons living with another person who is determined to be essential to his/her care and wellbeing.

ELDERLY PERSON. A person who is at least 62 years old.

ELIGIBLE FAMILY (Family). A family is defined by the PHA in the administrative Plan, which is approved by HUD.

EXTREMELY LOW-INCOME FAMILY. A very low-income family whose annual income does not exceed the higher of the Federal poverty level or 30 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD may establish income ceilings higher or lower than 30% of medical income for an area if HUD finds such variations are necessary due to unusually high or low family incomes.

FAIR HOUSING ACT. Title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988 (42 U.S.C. 3601 et seq.)

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. Fair market rents for existing housing are established by HUD for housing units of varying sizes (number of bedrooms) and are published in the *Federal Register*.

FAMILY. "Family" includes, but is not limited to, the following, regardless of actual or perceived sexual orientation, gender identity, or marital status: 1) a single person, who may be: i) an elderly person, displaced person, disabled person, near-elderly person, or any other single person; ii) An otherwise eligible youth between 18 and 24 years of age who has left foster care or who will leave foster care within 90 days, and is homeless or at risk of becoming homeless at age 16 or older; 2) or a group of persons residing

together, and such group includes, but is not limited to: i) a family with or without children (including a child who is temporarily away from the home because of placement in foster care); ii) an elderly family; iii) a near-elderly family; iv) a disabled family; v) a displaced family; and vi) the remaining member of a tenant family.

FAMILY OF VETERAN OR SERVICE PERSON. A family is a "family of veteran or service person" when:

- The veteran or service person (a) is either the head of household or is related to the head of the household; or (b) is deceased and was related to the head of the household, and was a family member at the time of death.

The veteran or service person, unless deceased, is living with the family or is only temporarily absent unless s/he was (a) formerly the head of the household and is permanently absent because of hospitalization, separation, or desertion, or is divorced; provided, the family contains one or more persons for whose support s/he is legally responsible and the spouse has not remarried; or (b) not the head of the household but is permanently hospitalized; provided, that s/he was a family member at the time of hospitalization and there remain in the family at least two related persons.

FAMILY RENT TO OWNER. In the voucher program, the portion of the rent to owner paid by the family.

FAMILY SELF-SUFFICIENCY PROGRAM (FSS PROGRAM). The program established by a PHA to promote self-sufficiency of assisted families, including the provision of supportive services.

FAMILY SHARE. The amount calculated by subtracting the housing assistance payment from the gross rent.

FAMILY UNIT SIZE. The appropriate number of bedrooms for a family, as determined by the PHA under the PHA's subsidy standards.

FMR/EXCEPTION RENT. The fair market rent published by HUD headquarters. In the voucher program the PHA adopts a payment standard schedule that is within 90% to 110% of the FMR for each bedroom size for households not included in MTW activities. Under approved MTW Activity 2022-01, this amount may be set within 80% to 150% of FMR.

FOSTER ADULT. A member of the household who is 18 years of age or older and meets the definition of a foster adult under State law. In general, a foster adult is a person who is 18 years of age or older, is unable to live independently due to a debilitating physical or mental condition and is placed with the family by an authorized placement agency or by judgment, decree, or other order of any court of competent jurisdiction.

FOSTER CHILD. A member of the household who meets the definition of a foster child under State law. In general, a foster child is placed with the family by an authorized placement agency (e.g., public child welfare agency) or by judgment, decree, or other order of any court of competent jurisdiction.

FOSTER CHILD CARE PAYMENT. Payment to eligible households by state, local, or private agencies appointed by the State, to administer payments for the care of foster children.

FULL-TIME STUDENT. A person who is attending school or vocational training on a full-time basis (carrying a subject load that is considered full-time for day students under the standards and practices of the educational institution attended).

FUNDING INCREMENT. Each commitment of budget authority by HUD to a PHA under the consolidated annual contributions contract for the PHA program.

GROSS RENT. The sum of the Rent to Owner and the utility allowance. If there is no utility allowance, Rent to Owner equals Gross Rent.

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-in aide).

HAP CONTRACT. (See Housing Assistance Payments contract.)

HEAD OF HOUSEHOLD. The head of household is the person who assumes legal and financial responsibility for the household and is listed on the application as head.

HEALTH AND MEDICAL CARE EXPENSES. Health and medical care expenses are any costs incurred in the diagnosis, cure, mitigation, treatment, or prevention of disease or payments for treatments affecting any structure or function of the body. Health and medical care expenses include medical insurance premiums and long-term care premiums that are paid or anticipated during the period for which annual income is computed.

HOUSING AGENCY. A state, county, municipality or other governmental entity or public body (or agency or instrumentality thereof) authorized to engage in or assist in the development or operation of low-income housing. ("PHA" and "HA" mean the same thing.)

HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974. Act in which the U.S. Housing Act of 1937 (sometimes referred to as the Act) was recodified, and which added the Section 8 Programs.

HOUSING ASSISTANCE PAYMENT. The monthly assistance payment by a PHA. The total assistance payment consists of:

A payment to the owner for rent to owner under the family's lease.

An additional payment to the family if the total assistance payment exceeds the rent to owner. The additional payment is called a "utility reimbursement" payment.

HOUSING ASSISTANCE PAYMENTS CONTRACT. (HAP contract). A written contract between a PHA and an owner in the form prescribed by HUD headquarters, in which the PHA 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 assisted under the tenant-based programs.

HUD. The Department of Housing and Urban Development.

HUD REQUIREMENTS. HUD requirements for the Section 8 programs. HUD requirements are issued by HUD headquarters as regulations. Federal Register notices or other binding program directives. Some of these may be waived under the MTW program.

IMMEDIATE FAMILY MEMBER. A spouse, parent, brother or sister, or child of that person, or an individual to whom that person stands in the position or place of a parent; or any other person living in the household of that person and related to that person by blood and marriage.

IMPUTED ASSET. Asset disposed of for less than Fair Market Value during two years preceding examination or reexamination.

IMPUTED INCOME. HUD passbook rate x total cash value of assets. Calculation used when assets exceed \$50,000 as of July 1, 2023 for families included in the MTW activities and as of the implementation of HOTMA for families not included in MTW activities.

IMPUTED WELFARE INCOME. An amount of annual income that is not actually received by a family as a result of a specified welfare benefit reduction but is included in the family's annual income and therefore reflected in the family's rental contribution.

INCOME. Income from all sources of each member of the household as determined in accordance with criteria established by HUD.

INCOME FOR ELIGIBILITY. Annual Income.

INDEPENDENT CONTRACTOR. An individual who qualifies as an independent contractor instead of an employee in accordance with the Internal Revenue Code Federal income tax requirements and whose earnings are consequently subject to the Self-Employment Tax. In general, an individual is an independent contractor if the payer has the right to control or direct only the result of the work and not what will be done and how it will be done.

INITIAL PHA. In portability, the term refers to both:

A PHA that originally selected a family that later decides to move out of the jurisdiction of the selecting PHA; and

A PHA that absorbed a family that later decides to move out of the jurisdiction of the absorbing PHA.

INITIAL PAYMENT STANDARD. The payment standard at the beginning of the HAP contract term.

INITIAL RENT TO OWNER. The rent to owner at the beginning of the HAP contract term.

JURISDICTION. The area in which the PHA has authority under State and local law to administer the program.

LANDLORD. This term means either the owner of the property or his/her representative or the managing agent or his/her representative, as shall be designated by the owner.

LEASE. A written agreement between an owner and a tenant for the leasing of a dwelling unit to the tenant. The lease establishes the conditions for occupancy of the dwelling unit by a family with housing assistance payments under a HAP contract between the owner and the PHA. In cooperative housing, a written agreement between a cooperative and a member of the cooperative. The agreement establishes the conditions for occupancy of the member's family with housing assistance payments to the cooperative under a HAP contract between the cooperative and the PHA.

LIVE-IN AIDE. A person who resides with an elderly person or disabled person and who is determined to be essential to the care and well-being of the person, is not obligated for the support of the person, and would not be living in the unit except to provide necessary supportive services.

LOCAL PREFERENCE. A preference used by the PHA to select among applicant families.

LOW-INCOME FAMILY. 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. HUD may establish income ceilings higher or lower than 80% for areas with unusually high or low income families.

MANUFACTURED HOME. A manufactured structure that is built on a permanent chassis, is designed for use as a principal place of residence, and meets the HQS. A special housing type. See 24 CFR 982.620 and 982.621.

MINOR. A member of the family household (excluding foster children) other than the family head or spouse, who is under 18 years of age.

MIXED FAMILY. A family with citizens and eligible immigration status and without citizens and eligible immigration status as defined in 24 CFR 5.504(b)(3)

MONTHLY ADJUSTED INCOME. 1/12 of the Annual Income after Allowances or Adjusted Income.

MONTHLY INCOME. 1/12 of the Annual Income.

MOVING TO WORK (MTW). A demonstration program for public housing authorities (PHAs) that provides them the opportunity to design and test innovative, locally designed strategies that use Federal dollars more efficiently, help residents find employment and become self-sufficient, and increase housing choices for low-income families. MTW allows PHAs exemptions from many existing voucher rules and provides funding flexibility with how they use their Federal funds. AHA became MTW on March 23, 2022.

NATIONAL. A person who owes permanent allegiance to the United States, for example, as a result of birth in a United States territory or possession.

NEAR-ELDERLY FAMILY. A family whose head, spouse, or sole member is a person who is at least 50 years of age but below the age of 62; or two or more persons who are at least 50 years of age but below the age of 62, living together; or one or more persons who are at least 50 years of age but below the age of 62, living with one or more live-in aides.

NECESSARY SUPPORTIVE SERVICES. These services are those that are required to live independently. They are the generally recognized medical/social standard of “Activities of Daily Living” and include cleaning, cooking, shopping, bathing, etc.

NET FAMILY ASSETS. Value of equity in savings, checking, IRA and Keogh accounts, real property, stocks, bonds, and other forms of capital investment. The value of necessary items of personal property such as furniture and automobiles is excluded from the definition.

NON CITIZEN. A person who is neither a citizen nor a national of the United States.

OCCUPANCY STANDARDS. [Now referred to as Subsidy Standards] Standards established by a PHA to determine the appropriate number of bedrooms for families of different sizes and compositions.

OWNER. Any persons or entity having the legal right to lease or sublease a unit to a participant.

PARTICIPANT. A family that has been admitted to the PHA's program and is currently assisted in the program. The family becomes a participant on the effective date of the first HAP contract executed by the PHA for the family (First day of initial lease term).

PAYMENT STANDARD. The maximum monthly assistance payment for a family assisted in the voucher program (before deducting the total tenant payment by the family).

PERSON WITH DISABILITIES. A person who has a disability as defined in 42 U.S.C 423 or a developmental disability as defined in 42 U.S.C. 6001. Also includes a person who is determined, under HUD regulations, to have a physical or mental impairment that is expected to be of long-continued and indefinite duration, substantially impedes the ability to live independently, and is of such a nature that the ability to live independently could be improved by more suitable housing conditions. For purposes of reasonable accommodation and program accessibility for persons with disabilities, means an "individual with handicaps" as defined in 24 CFR 8.3. Definition does not exclude persons who have the disease of acquired immunodeficiency syndrome or any conditions arising from the etiologic agent for acquired immunodeficiency syndrome, but does not include a person whose disability is based solely on drug or alcohol dependence (for low-income housing eligibility purposes).

PHA PLAN. The annual plan and the 5-year plan as adopted by the PHA and approved by HUD in accordance with 24 CFR 903 and includes the MTW Supplement.

PORTABILITY. Renting a dwelling unit with Section 8 tenant-based assistance outside the jurisdiction of the initial PHA.

PREMISES. The building or complex in which the dwelling unit is located, including common areas and grounds.

PROCESSING ENTITY. Entity responsible for making eligibility determinations and for income reexaminations. In the Section 8 Program, the "processing entity" is the "responsible entity."

PROGRAM. The Section 8 tenant-based assistance program under 24 CFR Part 982.

PROGRAM RECEIPTS. HUD payments to the PHA under the consolidated ACC, and any other amounts received by the PHA in connection with the program.

PUBLIC ASSISTANCE. Welfare or other payments to families or individuals, based on need, which are made under programs funded, separately or jointly, by Federal, state, or local governments.

PUBLIC HOUSING AGENCY (PHA). PHA includes any State, county, municipality or other governmental entity or public body which is authorized to administer the program (or an agency or instrumentality of such an entity), or any of the following:

A consortia of housing agencies, each of which meets the qualifications in paragraph (1) of this definition, that HUD determines has the capacity and capability to efficiently administer the program (in which case, HUD may enter into a consolidated ACC with any legal entity authorized to act as the legal representative of the consortia members):

Any other public or private non-profit entity that was administering a Section 8 tenant-based assistance program pursuant to a contract with the contract administrator of such program (HUD or a PHA) on October 21, 1998; or

For any area outside the jurisdiction of a PHA that is administering a tenant-based program, or where HUD determines that such PHA is not administering the program effectively, a private non-profit entity or a governmental entity or public body that would otherwise lack jurisdiction to administer the program in such area.

REASONABLE RENT. A rent to owner that is not more than rent charged for comparable units in the private unassisted market, and not more than the rent charged for comparable unassisted units in the premises.

RECEIVING PHA. In portability: A PHA that receives a family selected for participation in the tenant-based program of another PHA. The receiving PHA issues a voucher and provides program assistance to the family.

RECERTIFICATION. Sometimes called reexamination. The process of securing documentation of total family income used to determine the rent the tenant will pay for a set period if there are no additional changes to be reported. There are annual, triennial, and interim recertifications depending on the participant's program.

REMAINING MEMBER OF TENANT FAMILY. Person left in assisted housing after other family members have left and become unassisted.

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.

RESIDENCY PREFERENCE. A PHA preference for admission of families that reside anywhere in a specified area, including families with a member who works or has been hired to work in the area ("residency preference area"). Work means gainfully employed for at least 20 hours per week and receiving ongoing monetary compensation for such work at an amount equal to or greater than the minimum wage as established by the State of California. Temporary Agency work may be considered employment in the city of Alameda if:

a. The person is on ongoing assignment in Alameda, regardless of where the temporary agency is headquartered; or

b. The temporary agency is located in Alameda and the person received payroll from alameda, even if the actual assignment was elsewhere.

With the exception of temporary agency work, the actual place where work is performed, and not the location of the employer's headquarters, shall serve as the basis for residency preference determination. Occasional, sporadic, undocumented or unpaid employment (volunteer work) are not considered gainful employment.

A homeless person or family may be considered a resident if the person/family resides in a facility located in the area, which provides temporary or transitional shelter for homeless persons or if the family's last permanent address was in the area.

RESIDENCY PREFERENCE AREA. The specified area where families must reside to qualify for a residency preference.

RESPONSIBLE ENTITY. For the public housing and Section 8 tenant-based assistance, project-based certificate assistance and moderate rehabilitation program, the responsible entity means the PHA administering the program under an ACC with HUD. For all other Section 8 programs, the responsible entity means the Section 8 owner.

SEASONAL WORKER. An individual who is hired into a short-term position and the employment begins about the same time each year (such as summer or winter). Typically, the individual is hired to address seasonal demands that arise for the particular employer or industry.

SECRETARY. The Secretary of Housing and Urban Development.

SECTION 8. Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f).

SECURITY DEPOSIT. A dollar amount which can be applied to unpaid rent, damages or other amounts to the owner under the lease.

SERVICE PERSON. A person in the active military or naval service (including the active reserve) of the United States.

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. A special housing type.

SINGLE PERSON. A person living alone or intending to live alone.

SINGLE ROOM OCCUPANCY (SRO) HOUSING. A unit for occupancy by a single eligible individual capable of independent living which does not contain food preparation and/or sanitary facilities in accordance with 24 CFR §882.109 and is located within a multifamily structure consisting of more than 12 units.

SPECIAL ADMISSION. Admission of an applicant that is not on the PHA waiting list or without considering the applicant's waiting list position.

SPECIAL HOUSING TYPES. See Subpart M of 24 CFR 982, which states the special regulatory requirements for SRO housing, congregate housing, group homes, shared housing, cooperatives (including mutual housing), and manufactured homes (including manufactured home space rental).

SPECIFIED WELFARE BENEFIT REDUCTION. Those reductions of welfare benefits (for a covered family) that may not result in a reduction of the family rental contribution. A reduction of welfare benefits because of fraud in connection with the welfare program, or because of welfare sanction due to noncompliance with a welfare agency requirement to participate in an economic self-sufficiency program.

SPOUSE. The husband or wife of the head of the household.

STALKING. Means engaging in a course of conduct directed at a specific person that would cause a reasonable person to: (1) Fear for the person's individual safety or the safety of others; or (2) Suffer substantial emotional distress.

SUBSIDIZED PROJECT. A multi-family housing project (with the exception of a project owned by a cooperative housing mortgage corporation or association) which receives the benefit of subsidy in the form of:

Below-market interest rates pursuant to Section 221(d)(3) and (5) or interest reduction payments pursuant to Section 236 of the National Housing Act; or

Rent supplement payments under Section 101 of the Housing and Urban Development Act of 1965; or

Direct loans pursuant to Section 202 of the Housing Act of 1959; or

Payments under the Section 23 Housing Assistance Payments Program pursuant to Section 23 of the United States Housing Act of 1937 prior to amendment by the Housing and Community Development Act of 1974;

Payments under the Section 8 Housing Assistance Payments Program pursuant to Section 8 of the United States Housing Act after amendment by the Housing and Community Development Act unless the project is owned by a Public Housing Agency;

A Public Housing Project.

SUBSIDY STANDARDS. Standards established by a PHA to determine the appropriate number of bedrooms and amount of subsidy for families of different sizes and compositions.

SUBSTANDARD UNIT. Substandard housing is defined by HUD for use as a federal preference.

SUSPENSION/TOLLING. Stopping the clock on the term of a family's voucher, for such period as determined by the PHA, from the time when the family submits a request for PHA approval to lease a unit, until the time when the PHA approves or denies the request.

TENANCY ADDENDUM. For the Housing Choice Voucher Program, the lease language required by HUD in the lease between the tenant and the owner.

TENANT. The person or persons (other than a live-in-aide) who executes the lease as lessee of the dwelling unit.

TENANT RENT. The amount payable monthly by the family as rent to the unit owner (Section 8 owner).

TOTAL TENANT PAYMENT (TTP). The total amount the HUD rent formula requires the tenant to pay toward gross rent and utility allowance.

UNIT. Residential space for the private use of a family.

UTILITIES. Utilities means water, electricity, gas, other heating, refrigeration, cooking fuels, trash collection and sewage services. Telephone service is not included as a utility.

UTILITY ALLOWANCE. If the cost of utilities (except telephone) including range and refrigerator, and other housing services for an assisted unit is not included in the Contract Rent but is the responsibility of the family occupying the unit, an amount equal to the estimate made or approved by a PHA or HUD of 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 healthy living environment.

UTILITY REIMBURSEMENT. In the voucher program, the portion of the housing assistance payment which exceeds the amount of the rent to owner.

UTILITY REIMBURSEMENT PAYMENT. Same as Utility Reimbursement.

VERY LOW INCOME FAMILY. A Lower-Income Family whose Annual Income does not exceed 50% of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD may establish income limits higher or lower than 50% of the median income for the area on the basis of its finding that such variations are necessary because of unusually high or low family incomes. This is the income limit for the voucher programs.

VETERAN. A person who has served in the active military or naval service of the United States at any time and who shall have been discharged or released therefrom under conditions other than dishonorable.

VIOLENT CRIMINAL ACTIVITY. Any illegal criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force against the person or property of another.

VOUCHER (rental voucher). A document issued by a PHA to a family selected for admission to the voucher program. This document describes the program and the procedures for PHA approval of a unit selected by the family. The voucher also states the obligations of the family under the program.

VOUCHER HOLDER. A family holding a voucher with an unexpired term (search time).

VOUCHER PROGRAM. The Housing Choice Voucher program.

WAITING LIST. A list of families organized according to HUD regulations and PHA policy who are waiting for subsidy to become available.

WAITING LIST ADMISSION. An admission from the PHA waiting list.

WELFARE ASSISTANCE. Income assistance from Federal or State welfare programs, including assistance provided under TANF and general assistance. Does not include

assistance directed solely to meeting housing expenses, nor programs that provide health care, child care or other services for working families. FOR THE FSS PROGRAM (984.103(b)), "welfare assistance" includes only cash maintenance payments from Federal or State programs designed to meet a family's ongoing basic needs, but does not include food stamps, emergency rental and utilities assistance, SSI, SSDI, or Social Security.

C. GLOSSARY OF TERMS USED IN THE NONCITIZENS RULE

CHILD. A member of the family other than the family head or spouse who is under 18 years of age.

CITIZEN. A citizen or national of the United States.

EVIDENCE OF CITIZENSHIP OR ELIGIBLE STATUS. The documents which must be submitted to evidence citizenship or eligible immigration status.

HEAD OF HOUSEHOLD. The adult member of the family who is the head of the household for purpose of determining income eligibility and rent.

HUD. Department of Housing and Urban Development.

INS. The U.S. Immigration and Naturalization Service.

MIXED FAMILY. A family whose members include those with citizenship or eligible immigration status and those without citizenship or eligible immigration status.

NATIONAL. A person who owes permanent allegiance to the United States, for example, as a result of birth in a United States territory or possession.

NONCITIZEN. A person who is neither a citizen nor national of the United States.

PHA. A housing authority who operates Public Housing.

RESPONSIBLE ENTITY. The person or entity responsible for administering the restrictions on providing assistance to noncitizens with ineligible immigration status (the PHA).

SECTION 214. Section 214 restricts HUD from making financial assistance available for noncitizens unless they meet one of the categories of eligible immigration status specified in Section 214 of the Housing and Community Development Act of 1980, as amended (42 U.S.C. 1436a).

SPOUSE. Spouse refers to the marriage partner, either a husband or wife, who is someone you need to divorce in order to dissolve the relationship. It includes the partner in a common-law marriage. It does not cover boyfriends, girlfriends, significant others, or "co-heads." "Co-head" is a term recognized by some HUD programs.



PHONE: (510) 747-4300
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701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Joshua Altieri, Community Relations Manager

Date: June 26, 2024

Re: Accept a presentation on Emergency & Climate Preparedness.

BACKGROUND

In September 2023, the Housing Authority of the City of Alameda (AHA) welcomed its very first Fellow, Rona Leigh De Guzman, from CivicSpark. CivicSpark Fellows assist in building local government capacity to respond to community resilience needs such as climate change, water management, affordable housing, and mobility by completing projects on topics including sustainable transportation, energy efficiency, sea level rise, affordable housing, implementation of climate action plans and water efficiency. CivicSpark Fellows have provided over 1,000,000 hours of service to communities throughout California, Colorado, and Washington, succeeding in a wide range of local sustainability and resilience actions.

AHA's CivicSpark Fellow worked on an Emergency and Climate Preparedness project that further equips AHA with the knowledge and strategies needed to prepare for and respond to emergencies related to climate change, as well as other ecological challenges.

DISCUSSION

The Emergency and Climate Preparedness project will aid AHA in assessing future housing initiatives within the context of projected climate change impacts on the City of Alameda, while also identifying opportunities to enhance our current emergency planning efforts for the AHA portfolio. By acknowledging the historical evolution of the region and analyzing its demographic makeup, this project aims to conduct a comprehensive assessment of emergency preparedness in the City of Alameda. This assessment will specifically consider the implications of climate change and social vulnerability, with the overarching goal of providing a solid foundation for the development of proactive strategies to enhance emergency preparedness within AHA's communities.

Currently, AHA's efforts to mitigate climate change, study the impacts on its residents, and prepare for potential emergency scenarios in the City of Alameda, include the



following:

- Emergency protocols for staff, including regular trainings and pocket-sized emergency contact lists
- Emergency Point Of Contact (EPOC) procedures and trainings for designated staff responders
- 24-hour answering service for after-hours emergencies
- Supplies of Personal Protective Equipment (PPE) for staff
- Annual training on emergency preparedness for residents by LifeSTEPS
- Emergency supply boxes at office and residential sites
- Cloud-based data storage and back up
- Portable generator for emergencies at 701 Atlantic Avenue
- Partnerships with the City and Alameda-based non-profits.

FISCAL IMPACT

NA

CEQA

NA

RECOMMENDATION

Accept a presentation on Emergency & Climate Preparedness.

ATTACHMENTS

None

Respectfully submitted,



Joshua Altieri, Community Relations Manager



PHONE: (510) 747-4300
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701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Louie So, Chief Financial Officer

Date: June 26, 2024

Re: Adopt the Resolution to Approve the Housing Authority of the City of Alameda One-Year Budget for Fiscal Year July 1, 2024 to June 30, 2025 including approval of: A) Summary of the Fiscal Year 2024-2025 Budget and related income and expenses; B) Housing Assistance Payment (HAP) Budget and related expenditure of HUD-held HAP reserves; C) Capital Improvement Project (CIP) Budget and related use of property and agency reserves and any surplus operating cash from Fiscal Year 2024-2025 to cover these expenses; D) Transfer by the Executive Director of up to \$1,377,999 in this budget year, as needed, from AHA property reserves or from Moving-To-Work fungible funds to cover losses in the Housing Programs Department administrative operating budget E) Adopt the revised Schedule of Authorized Positions for Fiscal year 2024-2025 and Pay Schedule for Fiscal Year 2024-2025.

BACKGROUND

The Housing Authority of the City of Alameda (AHA) adopts its annual budget in the last quarter of each Fiscal Year. AHA is currently ending the budget cycle for the one-year budget period starting July 1, 2023 and ending June 30, 2024 (Fiscal Year 2023-2024). Fiscal Year reporting is mandated by the Department of Housing and Urban Development (HUD).

This memorandum documents the proposed agency-wide budget for Fiscal year July 1, 2024 to June 30, 2025 (Fiscal Year 2024-2025). A detailed process for all programs, including substantial input from all departments (Executive, Data & Policy, Administrative, Housing Programs, Housing Development, Human Resources, Property Management, Asset Management and Finance) and operating property budgets from FPI Management, Inc. (property management company) were incorporated in the agency-wide proposed budget. AHA staff utilized a conservative approach in developing the annual budget.

The annual budget is also a tool to track actual receipts and disbursements to budget



variances, and is also reviewed by our independent financial auditors, Novogradac and Company LLP, during their annual audit of the AHA financial statements. It is also important to note, that this is the combined budget for AHA and Alameda Affordable Housing Corporation (AAHC), AHA's real estate nonprofit affiliate and administrator of the Alameda Affordable Housing Trust Fund, as AAHC is defined as a blended component unit of AHA per HUD regulations. All members of the AHA Board of Commissioners also serve as the Board of Directors for AAHC and as such, both legal entities have common control by the same individuals. Substantially, all real estate assets are owned by AAHC, except some scattered site properties and Parrot Gardens which are owned by AHA. This budget does not include income and expenses for Island City Development (ICD), a nonprofit corporation, and its related low-income housing tax credit projects. The ICD budget is presented to the ICD Board of Directors towards the end of the calendar year in line with its fiscal year.

The AAHC specific budget will be presented for approval in the AAHC Board of Directors meeting separately, but AAHC's information is included here on a combined basis with AHA for ease of comparison in this memorandum.

Staff will return to the Board of Commissioners via a budget amendment if there is a negative material change to the budgeted cash flow with a greater than 10% variance.

AHA staff is presenting a balanced operating cash budget for Fiscal Year 2024-2025, where revenues are equal to or greater than total expenses. However, HUD has indicated that AHA is under a shortfall in housing assistance payment funding and further discussions on this funding shortfall is presented below.

DISCUSSION

Key highlights for this Fiscal Year 2024-2025 budget include the following:

Net position: Total income is \$62,885,526 inclusive of HAP and other sources of income and total expenses, including depreciation, are \$63,238,789 resulting in a Net Loss After Depreciation of \$353,262. Adjusting out non-cash depreciation expense and must pay principal on mortgages, the Fiscal Year 2024-2025 cash flow is a net positive of \$87,215.

Exhibit A shows the proposed budget for the Fiscal year July 1, 2024 to June 30, 2025 (Fiscal Year 2024-2025), projected actuals and budget for Fiscal Year 2023-2024 (July 1, 2023 to June 30, 2024). Please note that Fiscal Year 2023-2024 amounts have been reclassified for presentation purposes only and the net budget did not change.

As in prior years, the Fiscal Year 2024-2025 budget provides budget schedules in three (3) key areas:

Exhibit A: Operating Income and Expenses

Exhibit B: Housing Assistance Payments [(HAP) Pass-through]

Exhibit C: Capital Improvement Projects (CIP)

Additional exhibits are presented including budgeted staff members and pay schedule effective July 1, 2024.

Exhibit A: Operating Income and Expenses

The operating budget includes the income and expenses for AHA and AAHC rental housing and commercial use properties, Housing Programs Department administration, the Housing Successor Assets, Housing Development, AHA staff salaries and benefits, back office, Information Technology (IT) infrastructure and administrative expenses. It is important to note that a number of the services AHA provides are not income generating (e.g. Resident Services, Ombudsman Program).

The operating budget includes HAP pass-through to private landlords which is also presented separately in the HAP budget. The budget, however, does include current HAP and tenant rent income for units where AHA/AAHC is the owner/landlord. To clarify, AHA, as HUD's contracted HAP administrator, receives funds from HUD and then passes these funds to Alameda landlords. As AHA/AAHC also acts as landlord of affordable units, AHA also remits HAP funds to the properties that it owns.

Operating Income: Total budgeted operating income for Fiscal Year 2024-2025 is \$24,500,601, which compares to a budgeted operating income \$22,133,680 for Fiscal Year 2023-2024.

Rental Income includes: Rent payments from tenants and HAP payments from AHA on behalf of HUD in all AHA/AAHC-owned properties. This is budgeted at Fiscal Year 2024-2025 \$15,085,810 which is 9% above last year's budget of Fiscal Year 2023-2024 \$13,796,449. This is in line with the expected Fiscal Year 2023-2024 year-end projection. Budgeted rental income is derived from a detailed review of maximum rents that are allowed to be charged to the tenant, including an annual percentage escalator and estimates of vacancy loss. Commercial lease income from prepaid ground lease earned from the low-income housing tax credit projects Ground Leases, Alameda Family Services, HeadStart Childcare Center, and the parking lease at Esperanza is estimated to be \$68,000.

Tax Increment Funding from the City of Alameda for Independence Plaza is estimated to be \$2,561,722 for Fiscal Year 2024-2025 and will be drawn and used in that fiscal year. This subsidy will expire in 2026. AHA is currently in discussions with HUD on converting Independence Plaza using the Faircloth to Rental Assistance Demonstration (RAD) program, which if successful, awards additional project-based vouchers to Independence Plaza which will aid in stabilizing the cash flow at the property in advance of the expiration of the Tax Increment Funding. As the budget is conservative, the rental income reflected in the exhibit does not include this additional increase. A separate memo on the transaction is presented for the June 2024 Board meeting.

Administrative Fee Income: The majority of the Administrative Fee income is paid by HUD and is used by AHA to cover the cost of administration of the Housing Choice Voucher (HCV) program and all the special programs funded under this Annual

Contributions Contract (ACC). The budgeted Administrative Fee income also includes the fees for the Shelter Plus Care (from the County of Alameda through its partnerships with HUD) and Moderate Rehabilitation (from HUD) programs. The Administrative Fee for the HCV ACC is included at a proration of 91% for the full Fiscal Year. The Administrative Fee income for the Moderate Rehabilitation and Shelter Plus Care programs must be used for the administration of those programs. As part of its Moving-To-Work (MTW) flexibility, the AHA can use its Administrative Fees from the HCV program flexibly. However, since the AHA has been running a deficit in the administrative costs of the HCV program for many years, AHA does not anticipate being able to use Administrative Fee income for anything but program costs for the Fiscal Year 2024-2025. Portability in/portability out administrative fees and income are only included at 50% of historical fees as they are minimal and unpredictable. In the event of major changes from HUD to Administrative Fee income and/or HAP proration with the new federal budget in the fall 2024, staff will return to the Board for a budget adjustment if necessary.

Staff has used a base number of 1,672 leased units per month as units for the coming Fiscal Year 2024-2025 (which is the current rate of leased units) in the calculation of the Administrative Fees, versus 1,543 units for Fiscal Year 2023-2024. For reference, there was 1,612 units leased in May 2024. This assumes that AHA can continue to offer rents at or above 120% Fair Market Rents (FMR) and there is no significant loss of units due to landlord withdrawal from the voucher program. These assumptions are estimates that may vary based on a number of funding and market conditions. Any changes in market rents resulting in a lower lease-up rate could negatively impact this assumption. Additionally, due to HAP shortfall, AHA has stopped issuance of new vouchers in the month of June 2024. We have applied for additional funding prior to the fiscal year end which may stabilize HAP funding for Fiscal Year 2024-2025.

Based on this, total Administrative Fees for Fiscal Year 2024-2025 are expected to be \$2,802,069. This is an increase from \$2,602,865 budgeted in Fiscal Year 2023-2024, driven primarily by HUD's payment of a higher-than-normal Administrative Fee (at a 91% proration) and the Emergency Housing Voucher (EHV) fees. Additionally, as part of the Moving-To-Work Landlord Incentive Cohort, it is expected that AHA will disburse approximately \$150,000 in landlord incentives based on historical Fiscal Year 2023-2024 trending. The goal of the landlord incentive cohort is to offer encouragement for new landlords to lease with the program, so this may positively affect units leased.

Grant Income: This income is received through the Family Self Sufficiency (FSS) program and can only be used to support that program. The grant operates on a calendar year and the grant for 2024 is approximately \$100,000. For Fiscal Year 2024-2025, staff has budgeted 12 months of new grant income based on the 2024 funding. If the grant is not forthcoming for 2025 as the program is funded by calendar year, staff will review with the Board whether to continue with the FSS program or whether it wishes to utilize Moving-To-Work flexibility to continue the program.

Other Income: Other income includes maintenance fees and late fees, laundry

commission, land trust rents for Regent Street and Santa Clara Avenue properties, Rica Vista management fees, Island City Development Annual Services Agreement fee of \$300,000, Developer Fee from low-income housing tax credit projects (historically, AHA's share, with the developer fee structure generally split between 90% Island City Development and 10% to AHA, going forward the developer fee will be split 50% to Island City Development and 50% to AHA), Alameda Unified School District Recognized Obligation Payments (AUSD ROPS) of \$2,000,000 and interest income from AHA's investment in Local Area Investment Fund (LAIF) and California Asset Management Program (CAMP). The Alameda Affordable Housing Trust Fund Annual Services Agreement fee of \$100,000 is not specifically showcased in this line item, due to the net effect of the expense to zero.

In Fiscal Year 2024-2025, interest income is expected to be on par with the prior year until the planned usage of cash and investments to fund acquisition and development per the Board of Commissioners approved Reserves Policy (as amended in May 2024).

Operating Expenses: Total operating expenses for Fiscal Year 2024-2025 are \$21,894,142 compared to the prior year budget of Fiscal Year 2023-2024 of \$20,620,144.

Personnel Expenses and Benefits: Fiscal Year 2023-2024 budgeted AHA personnel direct costs is \$12,456,766 compared to \$14,327,764 for Fiscal year 2024-2025. Please refer to Exhibit D (Fiscal Year 2024-2025 Schedule of Authorized Positions) and Exhibit E (Fiscal Year 2024-2025 Pay Schedule). Specifically, please refer to the proposed changes for Fiscal Year 2024-2025. The budget also includes filling all current vacant positions. There are currently 10 vacant positions as of June 2024, including the Deputy Executive Director, Management Analysts, Program Assistants, Assistant Director of Property Operations, Assistant Director of Development, Construction Project Manager, Senior Executive Assistant and Housing Specialist focused on the Family Self-Sufficiency program. Recruiting continues to be challenging in the governmental and non-profit sectors, especially in affordable housing. Due to potential promotions and difficulties with recruitment, however, it is expected that salaries and benefits expense for the year may be overbudgeted. The budget includes a proposed cost of living adjustment (COLA) of up to 4%. AHA has historically used the June data from the Consumer Price Index (CPI) for the San Francisco Bay Area as reported from the Bureau of Labor Statistics and proposed any final COLA adjustment to the Board of Commissioners on or around August 2024, and will plan to bring a final proposal again this year in August. The COLA, if approved, is implemented in accordance with policies contained in AHA's Employee Policies and Procedures Handbook.

AHA provides a maximum flat rate payment for medical and one for dental/vision insurance at the employee plus two or more level. This contribution is typically approved by the Board of Commissioners in August, and goes into effect in January of each year, as premium amounts change on a calendar year (rather than a fiscal year). Therefore, this budget includes an estimate of expected changes. Last year, the maximum actual AHA contribution beginning January 1, 2024 was equivalent to the 2024 Kaiser

“employee plus two or more” premium cost of \$2,655.67 per employee per month plus comparable coverage for dental insurance at a cost of \$248.31 per employee per month. This year, staff has budgeted the full amount for medical and dental assuming that all employees take the benefits at the level of the employee plus 2 or more dependents. Staff also assumed a 10% increase in the cost of medical insurance and a 5% increase in other benefits costs over the 2024 rates beginning in January 2025 (i.e. for one-half of the upcoming fiscal year) and actuals for the first half of the fiscal year. Although the Board of Commissioners is approving the budget for these additional funds at this time, the final employer contribution for Fiscal Year 2024-2025 will be brought to the Board for approval on or around August 2024, along with the COLA request, after 2024 premium information are released by CalPERS in July 2024.

Human Resource costs: This number is relatively flat and is expected to be fully utilized due to both the need for temporary staff for temporary projects and to fill-in vacancies and extended staff absences. In this last category, salary and/or benefits often continue to be paid to the employee, depending on the type and length of leave, while temporary staffing is often needed for coverage due to the extended period of the leave, so salary savings cannot be used to cover the costs of temporary staff as has been used in the past. Note that increased use of vacation leave is expected to continue from prior years as staff utilize banked accrued vacation from the COVID period of health emergency.

Eligible AHA staff may request a cash-in-lieu payment for payout of accrued vacation time. Recruiting fees are included to address the need to fill positions, including the various newly created vacant exempt positions. In most cases, utilizing recruitment firms in the current market has resulted in success at filling vacant exempt positions.

Non-Personnel Expenses: These expenses include costs other than employee and tenant costs which include such costs as audits, contracted services and office supplies. Additionally, this includes the leasing cost of AHA’s additional office at Southshore Center.

Legal Expenses: Legal expenses for general operations is budgeted at \$600,000 (on par with \$600,000 from budgeted Fiscal Year 2023-2024). These costs include terminations of tenancy, personnel matters, and legal advice on actual and potential claims against the agency. Additionally, we anticipate that legal work on acquisition and development, Year 15 work for one or two low-income housing tax credit properties, a few remaining cases related to the lifting of the rent moratorium and other HUD topics (including Moving-To-Work and Faircloth to Rental Assistance Demonstration (RAD)) will be included in Fiscal Year 2024-2025.

Information Technology Services: Staff has budgeted for some hardware replacements as well as software updates needed for procurement, asset management, Moving-To-Work, to support remote working and online client services. The budget increase from \$843,506 (Fiscal Year 2023-2024) to \$1,019,500 (Fiscal Year 2024-2025) includes all software program licenses to allow the agency to operate with expanded online solutions (e.g. Yardi, Laserfiche, etc.) and cloud computing (e.g. virtual private networks) that enables secured connectivity and defense against bad online actors who

may attempt attacks towards AHA's information technology infrastructure. This also includes the budget for continued information technology services with Techordia. All exempt employees have agency issued cell phones with hot spot capabilities and laptops.

Training and Conferences: These budgeted expenses are \$270,000. The prior budget for Fiscal Year 2023-2024 was underutilized in the beginning of the current fiscal year but is expected to be fully utilized in Fiscal Year 2024-2025 due to filling of vacancies, especially at the management level, the availability of in-person training and conferences and the need for online training. Best practices for staff training require regularly scheduled professional and housing re-certification training to address changing regulations, and staff will focus some additional agency time and resources on general staff and supervisor training needs. Also, in 2023, the Board of Commissioners approved a pilot program of training for hourly, exempt and Director level staff and have been extended through 2024. The budget also includes funds for Board training and conferences.

Tenant Activities/Social Services include a \$30,000 scholarship fund for the Alameda Boys and Girls Club for children and youth who live in AHA complexes or whose families are on a program operated by the Housing Programs Department. The budget also includes \$336,363 for social workers through the LifeSTEPS social services provider, as in prior years.

Utilities: The Fiscal Year 2024-2025 amounts budgeted for utilities are based on actual utility expenditures in the current Fiscal Year 2023-2024 with a 3% escalator increase. As of July 1, 2024, AHA and AAHC owned properties will transition from the Association of Bay Area Governments Power (ABAG Power) for gas back to Pacific Gas and Electric with no expected material changes in costs to AHA.

Facilities & Maintenance: Maintenance expenditures include salaries and benefits for one (1) AHA maintenance/facilities employee (see above under Personnel Costs), maintenance materials, and maintenance contract costs. Staff also reviewed the annual operating budgets for the properties under FPI Management, Inc. and consolidated their maintenance budgets.

General/Insurance/Interest Expense: This line item includes the cost of auto, property, liability and cybersecurity insurance, and mortgage interest payments. Insurance costs have increased substantially year over year. Must pay interest expense includes those to lenders from Independence Plaza, Esperanza, Eagle Village and Parrot Village. This budget assumes that there is no early pay off of the Northmarq loan for Independence Plaza pursuant to the planned Independence Plaza Faircloth to Rental Assistance Demonstration program discussed in a separate Board memorandum in June 2024. The Poplar received predevelopment funding from Capital Impact Partners during Fiscal Year 2023-2024, and due to an interest reserve built into the loan no must pay interest expense is projected in Fiscal Year 2024-2025. Pursuant to California law, AHA and AAHC are exempt from property taxes. AHA staff have been in discussions

on the refund of property taxes previously remitted to Alameda County for AAHC over the prior 4 years as permitted by AB1528. Any refunds will benefit the cash flow operations of the properties and are not reflected in the attached exhibits.

Ombudsman, Community Relations and Communication Costs: AHA created the Ombudsman Program in Fiscal Year 2020-2021 to act as a liaison to tenants, participants, landlords and community organizations. As per the prior Fiscal Year 2023-2024, costs for this program and marketing/communication/community relations are budgeted at \$50,000. The current Civic Spark fellow has been working on emergency preparedness for low-income residents of Alameda, including our clients. The cost of this intern is part of administrative salaries for Fiscal Year 2023-2024. It also includes additional funding for the agency's 85th year anniversary.

EXHIBIT B: Housing Assistance Payments [(HAP) pass-through]

Please note that the Moving-To-Work (MTW) Annual Contribution Contract Amendment between AHA and HUD was executed March 23, 2022. At this time, the AHA's budget showcases the distinction between Housing Assistance Payments (HAP) and Administrative Fees. The Moving-To-Work designation allows the AHA to report their HAP and Administrative Fees fungibly on a total basis rather than strictly separated from each other, but these federal funds must still be separated out from other Housing Authority funds.

Exhibit B shows the Housing Choice Voucher Program (and other assisted programs) Housing Assistance Payment (HAP) subsidy that is paid to landlords on behalf of assisted participants. These are government restricted "pass-through" funds and must be kept separate from all other AHA funds.

The budget shows the HAP funds received from HUD will be paid to landlords through HAP payments, but under the Landlord Incentives Cohort, these funds may also be used to pay the landlord varying incentives as outlined in the Moving-To-Work Supplement.

Income: AHA anticipates receiving \$38,384,925 funding for Housing Assistance Payments (HAP), which compares with the budgeted amount of \$38,251,685 from the last period. A reduction in funding is budgeted resulting in a HUD shortfall. The prior year Fiscal Year 2023-2024 budget assumed an average of 1,543 units leased per month. Fiscal year 2024-2025 budget conservatively assumes 1,672 units leased per month. This includes HAP payments and Rental Assistance received directly from HUD or the County of Alameda under the following programs:

- Tenant-Based and Project-Based Housing Choice Vouchers including Family Unification Program (FUP), Non-Elderly Disabled (NED) and Veteran Affairs Supportive Housing (VASH) (HUD program)
- Shelter Plus Care (County of Alameda program administered on behalf of HUD)
- Moderate Rehabilitation Program (HUD program)
- 57 Emergency Housing Vouchers (EHV) (HUD program): In May 2021, additional

vouchers were available through the American Rescue Plan Act of 2021. AHA has a Memorandum of Understanding with our community partners, including other local housing authorities, to administer services for this program. Under current regulations, this program started to sunset in September 2023. Families leased-up will continue to receive assistance, but the AHA is unable to issue new vouchers as families move out after September 2023.

-10 Stabilization Vouchers (HUD program)

Expenses: HAP expense to participating landlords is expected to be \$39,624,646 in Fiscal Year 2024-2025. HAP is AHA's largest single expense item and is generally offset dollar-for-dollar by the HAP subsidy received. However, in Fiscal Year 2024-2025, HUD anticipates that AHA is projected to only receive \$38,384,925 in HAP income and is expected to operate at a deficit based on leasing levels in the HUD Two-Year-Tool.

AHA and HUD staff (local field office and shortfall prevention team) have begun conversations on actions needed to mitigate this shortfall by AHA staff, including requesting additional Shortfall Funds to prevent termination of participants and additional withdrawals of the HUD held cash reserves to balance the HAP expenditures.

It is important to note that Budget Authority for HAP is provided by HUD on a calendar year basis versus a fiscal year.

In 2014, HUD moved the cash reserves from all Housing Authorities into a HUD-held account. These HUD-held HAP reserves may be used anytime assuming there are sufficient cash reserves for any potential shortfalls. Reserves can be used to cover HAP costs as long as AHA does not exceed its baseline number of units in any calendar year. AHA's baseline number of units is 22,716 (or 1,893 x 12 months) without the 57 EHV's and 10 stability vouchers, or 23,520 with EHV and stability vouchers. The Fiscal Year 2024-2025 budget assumes conservative leasing of 20,064 in the year (or an average of 1,672 per month).

As of June 2024, AHA's HUD held reserves are projected to be minimal by the calendar year end, that can be used to cover a Fiscal Year 2024-2025 deficit. Staff have applied for shortfall funds and are challenging the 2024 renewal inflation factor of 1.8% with HUD. If additional funds are available these could also be used in Moving-To-Work fungibility activities such as Faircloth to RAD. However, such uses not explicitly approved in this budget would be presented to the Board of Commissioners in the annual Moving-To-Work plan.

EXHIBIT C: Capital Improvement Project (CIP) Budget

Exhibit C shows the one-year capital budget along with additional information on the Fiscal Year 2024-2025 estimated costs. The proposed Capital Projects budget for FY 2024-2025 includes major repair, acquisition and replacement projects from AHA/AAHC. This schedule also showcases the funding needs of AHA/AAHC to Island City Development projects.

The identified projects include capital work that is proposed to be contracted in the next Fiscal Year 2024-2025. Work will be done according to urgency and availability of funds and staff capacity. Once approved in this budget, these projects will be funded from the following sources:

1) Operating

Cash flow from the specific property, including approved tax increment funding for Independence Plaza

2) Replacement reserves held by lenders/bond holders which are generally specific to specific properties subject to their approval

3) Reserves held by AHA or AAHC for specific properties.

Additional funds required for Island City Development properties are also showcased via predevelopment and or acquisition loans from AHA or AAHC.

Operating Budget by Program

Property Management: All AHA/AAHC owned properties continue to be managed by FPI Management, Inc. Island City Development properties (Everett Commons, Littlejohn Commons, Rosefield Village, Estuary I, Linnet Corner, and the predevelopment work for North Housing and The Poplar) are not included in these exhibits but are or will be managed by FPI Management, Inc.

Housing Programs Department (HPD): The Housing Programs Department has budgeted an operating loss of \$1,377,999 for Fiscal Year 2024-2025 as there is insufficient administrative fee income received from HUD for AHA to operate the program on a standalone basis. While this loss is not new, staff will continue to seek ways to keep these costs under budget in the coming year and this is also a goal for the Strategic Plan. Under the designation of Moving-To-Work, the administrative deficit can be covered by HUD HAP funds going forward if HUD HAP is underutilized, although it is not anticipated that the department will have an excess of funds for the first couple years due to the commitment to offer Landlord Incentives, so we are requesting the Board of Commissioners allow fungibility of the HAP to fill this operating deficit if needed. As AHA is under shortfall, there may be insufficient HUD held cash reserves to replenish this loss.

Housing Development (HD): The Housing Development budget includes real estate development. In Fiscal Year 2024-2025, Housing Development staff will continue with construction on multiple large development projects, including the North Housing projects Estuary I and Linnet Corner, The Poplar (formerly known as Tilden Commons), along with preservation of the AHA portfolio, the Independence Plaza Faircloth-to-RAD conversion and potential acquisitions in the island of Alameda.

Asset Management (AM): The Asset Management budget includes the long term management of AHA's assets and the administration of the Housing Successor Agency, Alameda Affordable Housing Trust Fund and other initiatives such as acting on AHA's right of first refusal for low-income housing tax credit projects.

Housing Successor Agency: In 2012, after the dissolution of redevelopment in the state of California, the City of Alameda became the Successor Agency to the Community Improvement Commission (CIC) and authorized the assumption by the AHA of the rights, powers, assets, liabilities, duties, and obligations associated with the housing activities of the CIC, known as the Housing Successor Assets (of approximately \$13 Million in original loans). The expenses associated with managing the Housing Successor Agency for FY 2024-2025 are estimated at almost \$200,000 to be paid from existing Housing Successor funds. Salary and benefit costs are limited by State law to \$200,000 annually for Successor Agency Housing Assets administration.

Local Housing Trust Fund (Alameda Affordable Housing Trust Fund – AAHTF): In 2021, in an effort to create a source of long-term funding for affordable home creation, and to leverage local financing, the Housing Authority of the City of Alameda (AHA) and its affiliate Alameda Affordable Housing Corporation (AAHC) created the Alameda Affordable Housing Trust Fund (AAHTF). These funds are monitored separately (an annual report is due every year). AHA will receive an annual fee for administering this fund for AAHC, equal to the grant for ongoing revenue.

Reserve Policy: In October 2021, the Board of Commissioners adopted a framework Reserve Policy, setting aside funds for Operating Reserves, Preservation, and Production activities. The Board earmarked \$30 million of AHA reserves for various purposes and instructed staff to continue to update the Board on the use of these funds per the Reserve Policy guidelines. Funds that are committed to production of new affordable housing are typically lent to Island City Development either as a predevelopment or permanent loan, or passthrough as a grant through AAHTF which then lends to Island City Development. These commitments are carried on AHA's balance sheet as a loan to ICD or the limited partnership once a loan is made. The last Reserve Policy amendment was approved by the Board of Commissioners in May 2024. This is for information only. A separate agenda item in a future meeting will revisit and amend the Reserve Policy.

Accounting Notes

Cost Allocation Plan: The Cost Allocation Plan (CAP) (available on request) is normally completed at least once a year and allocates costs based on metrics. The metrics range from the number of hours worked on a project to the number of bedrooms in a complex to the amount of expenses paid for an item the prior year. The metrics are mostly pulled from AHA's database, Yardi, or from verifiable data (such as the number of units in a specific complex). The CAP explains the logic behind the distribution of different costs including legal costs, audit costs, travel and training, and salaries and benefits. Staff calculates a salary distribution for every position in the Agency based on the position's primary duties and functions. Some positions are allocated to only one department while others are allocated across numerous departments.

Fund Transfers: The General Fund does not generate its own cash flow. The only mechanism to get cash into the General Fund is to make transfers from other programs

and properties with available excess cash reserves. Staff will make reimbursement transfers as necessary during the budget year in accordance with the agency's interfund transfer policy.

Depreciation Expense: Depreciation is strictly an accounting method to recognize the cost of buildings and equipment over time. There is no current year cash impact, as the cash outlay has already been incurred previously. Per the Capitalization Policy, which was effective July 1, 2016, AHA uses the straight-line method of depreciation. When an asset is purchased, a cash expense is incurred. Depreciation is not a cash expense, but an accrual expense to financially match the expense with the period of usage. The Fiscal Year 2024-2025 depreciation expense is budgeted at \$1,720,000.

Other: Certain items are not budget items but will impact available cash in Fiscal Year 2024-2025. Island City Development low-income housing tax credit project loan repayments to AHA: AHA loan(s) repayments are not expected from Everett Commons, Rosefield Village, Estuary I and Linnet Corner in the Fiscal Year 2024-2025 year.

Littlejohn Commons: AHA expects to receive a \$70,000 debt service payment from Littlejohn Commons for the loan AHA made to the legal entity Sherman and Buena Vista, L.P.

Other low-income housing tax credit project loan repayments to AHA:

Shinsei Gardens: AHA expects to receive \$60,000 debt service payment from Shinsei Gardens for the loan from AHA (as successor to the Community Improvement Commission). Furthermore, an Island City Development affiliate, ICD Shinsei, LLC, now owns the limited partner interest in the legal entity Shinsei Gardens, L.P., which was purchased from National Equity Fund on March 31, 2024. Jack Capon Villa: AHA expects to receive approximately \$26,400 debt service payment from Jack Capon Villa for the loans AHA and CIC made to the limited partnership. Stargell Commons: AHA expects to receive \$15,000 debt service payment from Stargell Commons for the loan from AHA. Park Alameda: AHA does not expect to receive soft debt service payment from Park Alameda for the loan from AHA. AHA expects to start the Year 15 purchase of the limited partner for this property in this fiscal year.

Low-income housing tax credit project developer fee to Island City Development and AHA: AHA and ICD expect a total of approximately \$300,000 in developer fee from Rosefield Village in Fiscal Year 2024-2025. No other developer fee income is expected during Fiscal Year 2024-2025 for Littlejohn Commons (fully paid), Everett Commons (fully paid), Estuary I (not yet at a major milestone for developer fee payment) and Linnet Corner (not yet at a major milestone for developer fee payment).

Payments to CalPERS for Outstanding Liabilities: As a local government agency, AHA has to maintain its books by standards set by the Government Accounting Standards Board (GASB). Each year the GASB sets guidelines for accounting practices and identifies them by number. These rules require all government agencies (States, Counties, Cities, and Special Purpose Local Governments) to report pension and post-employment liabilities up front which had historically been reported on a pay-as-you go

basis by all government entities. Since AHA is a member of the CalPERS retirement system, AHA is required to report each year on any unfunded pension liability.

AHA has made prior contributions to the pension and OPEB liabilities. The first was a \$1,000,000 contribution in 2016 for pension retirement costs and second a payment of \$1,000,000 made in late June 2020 for CalPERS unfunded liability, as well as the payment of \$981,940 made in June 2017 to open the AHA's CERBT (California Employers' Retiree Benefit Trust) Section 115 trust account for Other Post Employment Benefits (OPEB). No funds are included here in this budget to adjust the pension liabilities above the required annual payment of unfunded accrued liabilities. Staff returns to the Board of Commissioners at the financial audit to present pension liability funding needs if any additional funding is required.

Please note that this budget does not include further pension or OPEB contributions beyond the regular payments made to service the annual payments of the unfunded accrued liabilities. The regular annual payments of the unfunded accrued liabilities are approximately \$200,000 to be paid in the Summer of 2024. In the Summer of 2024, staff will be drawing from the OPEB Trust's earnings only to repay the costs of retirees' subsidized benefits which will mostly offset the payment of unfunded accrued liability.

FISCAL IMPACT

The budget presents positive operating cash flow for Fiscal Year 2024-2025.

CEQA

N/A

RECOMMENDATION

Staff recommend the Board of Commissioners of the Housing Authority of the City of Alameda approve the Housing Authority of the City of Alameda Budget for Fiscal Year 2024-2025 including approval of:


- 1) Summary of the Fiscal Year 2024-2025 Budget and related income and expenses
- 2) Housing Assistance Payment (HAP) Budget and related expenditure of HUD-held HAP reserves.
- 3) Capital Improvement Project (CIP) Budget and related use of property and agency reserves and any surplus operating cash from Fiscal Year 2024-2025 to cover these expenses.
- 4) Transfer by the Executive Director of up to \$1,377,999 in this budget year, as needed, from AHA property reserves or from Moving-To-Work fungible funds to cover losses in the Housing Programs Department administrative operating budget.
- 5) Adopt the revised Schedule of Authorized Positions for Fiscal year 2024-2025 and Pay Schedule for Fiscal Year 2024-2025.

Staff will return to the Board for a budget adjustment if necessary if significant negative variances from actuals are presented (e.g., variance of net income is lower by 10%).

ATTACHMENTS

1. EXHIBIT A (AHA and AAHC Budget)
2. EXHIBIT B (HAP Budget)
3. EXHIBIT C (CIP Budget)
4. EXHIBIT D (Authorized Positions)
5. EXHIBIT E (Pay Schedule)
6. EXHIBIT F (Board Resolution)

Respectfully submitted,

A handwritten signature in blue ink that reads "Louie So". The signature is written in a cursive style and is placed on a light-colored rectangular background.

Louie So, Chief Financial Officer

Attachment A: Summary FY 2024-2025 Budget (July 1, 2024 through June 30, 2025)

Housing Authority of the City of Alameda & Alameda Affordable Housing Corporation - Consolidated Activity
 FY 2023-2024 Budget Amounts have been reclassified for Presentation Purposes. No Net Changes to Net Cash Flow.

Decimals Hidden for Presentation

*Does not include Island City Development and Low-Income Housing Tax Credit Partnerships

Account Name	B FY 2023-2024 PROJECTED ACTUALS	C FY 2023-2024 BUDGET	D FY 2024-2025 BUDGET	E FY2023-2024 Actuals versus FY 2023-2024 Budget		F FY 2023-2024 Budget		G FY 2024-2025 Budget versus FY 2023-2024 Budget		H FY 2023-2024 Budget		I FY 2023-2024 Budget versus FY 2023-2024 Actuals		J %
				B minus C	%	B minus C	%	D minus C	%	D minus C	%	D minus B	%	
				\$	%	\$	%	\$	%	\$	%	\$	%	
OPERATING BUDGET														
1	Rental Income and HAP Income, net of vacancy	14,189,498	13,796,449	15,085,810	393,050	3%		1,289,361	9%	896,312	6%			
2	Tax Increment Payment - Independence Plaza	2,886,976	2,886,976	2,561,722	-	0%		(325,254)	-11%	(325,254)	-11%			
3	HAP Administrative Fee Income (Including EHV)	2,640,412	2,602,865	2,802,069	37,548	1%		199,204	8%	161,656	6%			
4	Other Income and Grants	5,231,276	2,847,390	4,051,000	2,383,886	46%		1,203,610	42%	(1,180,276)	-23%			
5	OPERATING INCOME	24,948,162	22,133,680	24,500,601	2,814,483	11%		2,366,921	11%	(447,561)	-2%			
6	Administrative	3,048,572	2,033,296	1,502,385	1,015,276	33%		(530,911)	-26%	(1,546,188)	-51%			
7	AHA Staff Salaries + Benefits	7,662,818	12,456,766	14,327,764	(4,793,948)	-63%		1,870,998	15%	6,664,946	87%			
8	Tenant/Social Services	286,167	286,808	336,363	(641)	0%		49,555	17%	50,195	18%			
9	3rd Party Management Salaries + Benefits	1,356,002	1,198,291	1,396,682	157,711	12%		108,179	8%	262,456	21%			
10	Utilities	2,628,514	1,409,628	1,528,570	(154,276)	-12%		198,391	17%	40,680	3%			
11	Maintenance	1,711,252	1,814,964	1,012,412	1,218,886	46%		(397,216)	-28%	(1,616,102)	-61%			
12	General/Insurance/Interest Expense	17,959,439	20,620,144	1,789,967	(103,713)	-6%		(24,997)	-1%	78,716	5%			
13	OPERATING EXPENSE	6,988,723	1,513,536	21,894,142	(2,660,704)	-15%		1,273,999	6%	3,934,703	22%			
14	NET OPERATING INCOME	6,988,723	1,513,536	2,606,459	5,475,187	78%		1,092,923	72%	(4,382,264)	-63%			
15	HAP Income	39,827,800	38,251,685	38,384,925	1,576,115	4%		133,240	0%	(1,442,875)	-4%			
16	HAP Expenses	39,829,569	38,251,685	39,624,646	1,577,884	4%		1,372,961	4%	(204,923)	-1%			
17	NET HOUSING ASSISTANCE PAYMENTS/(DEFICIT)	(1,769)	-	(1,239,721)	(1,769)	100%		(1,239,721)	N/A	(1,237,952)	69970%			
18	NET INCOME BEFORE DEPRECIATION	6,986,954	1,513,536	1,366,738	5,473,418	78%		(146,798)	-10%	(5,620,216)	-80%			
19	LESS: DEPRECIATION (NON-CASH)	1,713,000	1,713,000	1,720,000	-	0%		7,000	0%	7,000	0%			
20	NET INCOME (LOSS) AFTER DEPRECIATION	5,273,954	(199,464)	(353,262)	5,473,418	104%		(153,798)	77%	(5,627,216)	-107%			
21	TOTAL INCOME AND EXPENSES (ACCRUAL BASIS)													
22	TOTAL INCOME	64,775,962	60,385,365	62,885,526	4,390,597	7%		2,500,161	4%	(1,890,436)	-3%			
23	TOTAL EXPENSES	59,502,009	60,584,829	63,238,789	(1,082,821)	-2%		2,653,959	4%	3,736,780	6%			
24	NET INCOME (LOSS) AFTER DEPRECIATION	5,273,954	(199,464)	(353,262)	5,473,418	104%		(153,798)	77%	(5,627,216)	-107%			
25	OPERATING CASH FLOW													
26	NET INCOME (LOSS) AFTER DEPRECIATION	5,273,954	(199,464)	(353,262)	5,473,418	104%		(153,798)	77%	(5,627,216)	-107%			
27	ADD: DEPRECIATION (NON-CASH)	1,713,000	1,713,000	1,720,000	-	0%		7,000	0%	7,000	0%			
28	LESS: PAY DOWN MORTGAGE PRINCIPAL	1,228,410	1,228,410	1,279,523	-	0%		51,113	4%	51,113	4%			
29	OPERATING CASH FLOW	5,758,544	285,126	87,215	5,473,418	95%		(197,911)	-69%	(5,671,329)	-98%			
30	REQUEST FOR ADDITIONAL HUD FUNDING PENDING	-	-	1,239,721	-	N/A		1,239,721	N/A	1,239,721	N/A			
31	ADJUSTED CASH FLOW	5,758,544	285,126	1,326,936	5,473,418	95%		1,041,810	365%	(4,431,608)	-77%			

Housing Authority of the City of Alameda & Alameda Affordable Housing Corporation									
Attachment B: HAP Passthrough for FY 2024-2025									
	A	B	C	D	E	F	G	H	I
		Housing Assistance Payments (HAP)	Shelter Plus Care (17)	Bessie Coleman SRO Mod Rehab (30)	Emergency Housing (57) and Stabilization Vouchers (10)	FY 2024-2025 Total	FY 2023-2024 Budget	Increase/ (Decrease) \$	%
1	HUD Subsidy Revenue	36,055,386		350,000	1,509,897	37,915,283	37,791,499	123,784	0.33%
2	Rental Assistance (from Alameda County)		469,642			469,642	460,186	9,456	2.05%
3	Total HUD Subsidy Revenue	36,055,386	469,642	350,000	1,509,897	38,384,925	38,251,685	133,240	-2.84%
4									
5	HAP Payments to Landlords	37,292,004	469,642	350,000	1,513,000	39,624,646	38,251,685	1,372,961	3.59%
6	Total Expenses	37,292,004	469,642	350,000	1,513,000	39,624,646	38,251,685	1,372,961	3.59%
7									
8	HAP Income/Loss	-1,236,618	0	0	-3,103	-1,239,721	0	-1,239,721	N/A

Attachment C: Capital Improvement Projects ("CIP") for Fiscal Year 2024-2025

Housing Authority of the City of Alameda ("AHA") & Alameda Affordable Housing Corporation ("AAHC")

Island City Development ("ICD") Showcased for reference to funds required from AHA and AAHC

Please note: This schedule does not include potential projected refunds from specific project and other sources

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
	AAHC	AAHC	AAHC	AAHC	AAHC	AAHC	AAHC	AAHC	AAHC	AAHC	AAHC	AAHC + AAHC	AAHC	ICD	AHA, AAHC + ICD
1	Project Description	Esperanza	Scattered Sites	Parrot Village	Parrot Gardens	Eagle Village	China Clipper	Anne B. Diamant	Indepen. Plaza	AHA Main Office	Scattered Sites	All Properties	Total	Multiple Projects	Memo Total
3	IP - Faircloth to RAD Financing Costs	-	-	-	-	-	4,670,250	-	-	-	-	-	4,670,250	-	4,670,250
4	North Housing Master Plan	-	-	-	-	-	-	-	-	-	-	-	-	1,500,000	1,500,000
5	The Poplar (FKA Tilden Commons)	-	-	-	-	-	-	-	-	-	-	-	-	2,100,000	2,100,000
6	Life, Safety and Immediate Needs	507,600	27,200	105,000	133,800	98,632	73,000	25,000	532,264	158,350	139,834	-	1,800,680	-	1,800,680
7	Paint & Carpet (10% of Portfolio)	-	-	-	-	-	-	-	-	-	-	420,000	420,000	-	420,000
8	Fences	60,000	-	-	-	-	-	-	-	-	-	-	60,000	-	60,000
9	Garage Partial Conversion - Design	-	-	-	-	-	-	-	-	250,000	-	-	250,000	-	250,000
10	Tree Removal	-	-	-	-	-	-	-	20,000	-	-	-	20,000	-	20,000
11	Water Heaters	-	-	10,000	-	-	-	-	-	-	-	-	10,000	-	10,000
12	Balcony Repairs	-	-	-	-	-	-	1,100,000	-	-	-	-	1,100,000	-	1,100,000
13	Appliance Replacements	6,000	4,500	6,000	1,500	6,500	6,500	-	6,000	-	6,000	-	43,000	-	43,000
14	Interior and Exterior Replacements	30,000	5,000	25,000	-	25,000	5,000	-	70,000	-	5,000	-	165,000	-	165,000
15	Total Reserve Expenditures	603,600	36,700	146,000	135,300	130,132	84,500	1,125,000	5,298,514	408,350	150,834	420,000	8,538,930	3,600,000	12,138,930

Housing Authority of the City of Alameda
EXHIBIT D: Fiscal Year 2024-2025 Schedule of Authorized Positions

Department/Position Title	2023-2024 approved FTE 2023-2024	Proposed change FTE 2024 - 2025	Year on Year Difference
Executive Department			
Executive Director	1.00	1.00	
Deputy Executive Director/Chief Administrative Officer	1.00	1.00	
Executive Assistant	1.00	0.00	
Senior Executive Assistant (See Note B)	0.00	1.00	
Director of Data and Policy	1.00	1.00	
Principal Management Analyst (See Note B)	1.00	1.00	
Management Analyst (Data and Policy) (See Note D)	2.00	2.00	
Program Assistant	1.00	1.00	
Sub-Total	8.00	8.00	0.00
Administration Department			
Director of Administrative Services	1.00	1.00	
Assistant Director of Administrative Services	1.00	1.00	
Risk Control Manager (See Note B)	1.00	1.00	
Community Relations Manager	1.00	1.00	
Senior Management Analyst (General) (See Note B)	1.00	1.00	
Management Analyst (See Note D)	1.00	1.00	
Maintenance Technician I & II (See Note A)	1.00	1.00	
Program Assistant	1.00	1.00	
Sub-Total	8.00	8.00	0.00
Human Resources Department			
Director of Human Resources	1.00	1.00	
HR Manager (See Note B)	1.00	1.00	
Program Assistant	1.00	1.00	
Sub-total	3.00	3.00	0.00
Finance Department			
Director of Finance/Chief Financial Officer	1.00	1.00	
Assistant Director of Finance/Controller	1.00	1.00	
Development Accounting Officer	1.00	1.00	
Management Analyst (Finance) (See note B)	1.00	1.00	
Accounting Specialist I & II (See Note A)	3.00	3.00	
Program Assistant	0.00	1.00	
Sub-total	7.00	8.00	1.00
Housing Programs Department			
Director of Housing Programs	1.00	1.00	
Assistant Director of Housing Programs	1.00	1.00	
Housing Programs Supervisor	1.00	1.00	
Management Analyst (Housing Programs) (See Note D)	1.00	1.00	
Housing Specialist III (See Note B)	3.00	2.00	
Housing Specialist I & II (See Note A)	5.00	5.00	
Program Assistant	2.50	2.00	
Sub-total	14.50	13.00	-1.50
Property Operations Department			
Director of Property Operations	1.00	1.00	
Assistant Director of Permanent Supportive Housing (See Note B)	1.00	1.00	
Management Analyst (Property Operations) (See note B)	1.00	1.00	
Housing Specialist I (See Note B)	0.00	1.00	
Program Assistant	1.00	1.00	
Sub-total	4.00	5.00	1.00
Housing Development Department			
Director of Housing Development	1.00	1.00	
Assistant Director of Housing Development (See Note C)	1.00	1.00	
Senior Project Manager (See note B)	2.00	2.00	
Project Manager (See note B)	1.00	1.00	
Senior Construction Project Manager (See note B)	1.00	1.00	
Construction Project Manager	1.00	1.00	
Housing Development Specialist	2.00	2.00	
Sub-total	9.00	9.00	0.00
Asset Management Department (note the Director and Asset Manager were in Property Operations prior)			
Director of Asset Management	1.00	1.00	
Senior Asset Manager (See Note B)	1.00	1.00	
Asset Manager (See Note B)	2.00	2.00	
Associate Asset Manager (See note B)	1.00	1.00	
Sub-total	5.00	5.00	0.00
Total	58.50	59.00	0.50

Housing Authority of the City of Alameda
EXHIBIT D: Fiscal Year 2024-2025 Schedule of Authorized Positions
Additional Comments

Note A: Positions at the I and II levels are combined as a total count to allow for flexibility in staffing.

Note B: Position may be renamed or filled at a lower level

Note C: If position is filled with an internal candidate, the vacant position may not be backfilled.

Note D: May be filled at the Senior level

Note E: Temporary staff are not included in the Schedule of Authorized Positions

EXHIBIT E
HOUSING AUTHORITY OF THE CITY OF ALAMEDA
PAY SCHEDULE FY 2024-2025, Eff. July 1, 2024

Position Title	Salary Range	Effective Date	MONTHLY SALARY				
			Step 1	Step 2	Step 3	Step 4	Step 5
Housing Assistant	10	8/28/2022	\$ 5,273	\$ 5,537	\$ 5,814	\$ 6,104	\$ 6,409
Program Assistant	15	10/23/2022	\$ 5,959	\$ 6,257	\$ 6,569	\$ 6,898	\$ 7,243
Maintenance Technician I****	16	8/28/2022	\$ 6,104	\$ 6,409	\$ 6,730	\$ 7,066	\$ 7,419
Housing Specialist I	19	10/23/2022	\$ 6,569	\$ 6,898	\$ 7,243	\$ 7,605	\$ 7,986
Accounting Specialist I	19	10/23/2022	\$ 6,569	\$ 6,898	\$ 7,243	\$ 7,605	\$ 7,986
Maintenance Technician II****	22	8/28/2022	\$ 7,066	\$ 7,419	\$ 7,791	\$ 8,180	\$ 8,590
Accounting Specialist II	23	10/23/2022	\$ 7,243	\$ 7,605	\$ 7,986	\$ 8,384	\$ 8,804
Asset Management Specialist	23	10/23/2022	\$ 7,243	\$ 7,605	\$ 7,986	\$ 8,384	\$ 8,804
Housing Development Specialist	23	12/16/2022	\$ 7,243	\$ 7,605	\$ 7,986	\$ 8,384	\$ 8,804
Housing Specialist II	23	3/15/2023	\$ 7,243	\$ 7,605	\$ 7,986	\$ 8,384	\$ 8,804
Executive Assistant	26	10/23/2022	\$ 7,791	\$ 8,180	\$ 8,590	\$ 9,019	\$ 9,470
Housing Specialist III	27	10/23/2022	\$ 7,986	\$ 8,384	\$ 8,804	\$ 9,244	\$ 9,706
Associate Asset Manager (prior title Assistant Asset Manager)	31	10/23/2022	\$ 8,804	\$ 9,244	\$ 9,706	\$ 10,191	\$ 10,701
Associate Project Manager (prior title Assistant Project Manager)	31	10/23/2022	\$ 8,804	\$ 9,244	\$ 9,706	\$ 10,191	\$ 10,701
Development Accounting Officer	33	8/28/2022	\$ 9,244	\$ 9,706	\$ 10,191	\$ 10,701	\$ 11,237
Housing Programs Supervisor	33	8/28/2022	\$ 9,244	\$ 9,706	\$ 10,191	\$ 10,701	\$ 11,237
Management Analyst	33	8/28/2022	\$ 9,244	\$ 9,706	\$ 10,191	\$ 10,701	\$ 11,237
Property Management Supervisor	33	3/15/2023	\$ 9,244	\$ 9,706	\$ 10,191	\$ 10,701	\$ 11,237
Senior Executive Assistant	33	3/15/2023	\$ 9,244	\$ 9,706	\$ 10,191	\$ 10,701	\$ 11,237
Asset Manager	36	3/15/2023	\$ 9,942	\$ 10,440	\$ 10,962	\$ 11,510	\$ 12,085
Construction Project Manager	36	10/23/2022	\$ 9,942	\$ 10,440	\$ 10,962	\$ 11,510	\$ 12,085
Project Manager	36	10/23/2022	\$ 9,942	\$ 10,440	\$ 10,962	\$ 11,510	\$ 12,085
Community Relations Manager	45	10/23/2022	\$ 12,388	\$ 13,008	\$ 13,657	\$ 14,341	\$ 15,057
Human Resources Manager	45	10/23/2022	\$ 12,388	\$ 13,008	\$ 13,657	\$ 14,341	\$ 15,057
Risk Control Manager	45	10/23/2022	\$ 12,388	\$ 13,008	\$ 13,657	\$ 14,341	\$ 15,057
Senior Asset Manager	45	10/23/2022	\$ 12,388	\$ 13,008	\$ 13,657	\$ 14,341	\$ 15,057
Senior Construction Project Manager	45	10/23/2022	\$ 12,388	\$ 13,008	\$ 13,657	\$ 14,341	\$ 15,057
Senior Management Analyst	45	10/23/2022	\$ 12,388	\$ 13,008	\$ 13,657	\$ 14,341	\$ 15,057
Senior Project Manager	45	10/23/2022	\$ 12,388	\$ 13,008	\$ 13,657	\$ 14,341	\$ 15,057
Assistant Director of Administrative Services	46	3/15/2023	\$ 12,689	\$ 13,324	\$ 13,991	\$ 14,691	\$ 15,425
Assistant Director of Finance	46	3/15/2023	\$ 12,689	\$ 13,324	\$ 13,991	\$ 14,691	\$ 15,425
Assistant Director of Housing Development	46	3/15/2023	\$ 12,689	\$ 13,324	\$ 13,991	\$ 14,691	\$ 15,425
Assistant Director of Housing Programs	46	3/15/2023	\$ 12,689	\$ 13,324	\$ 13,991	\$ 14,691	\$ 15,425
Principal Management Analyst	49	10/23/2022	\$ 13,657	\$ 14,341	\$ 15,057	\$ 15,810	\$ 16,602
Director of Administrative Services	54	7/30/2023	\$ 15,425	\$ 16,196	\$ 17,006	\$ 17,856	\$ 18,749
Director of Data and Policy	54	7/30/2023	\$ 15,425	\$ 16,196	\$ 17,006	\$ 17,856	\$ 18,749
Director of Housing Programs	54	7/30/2023	\$ 15,425	\$ 16,196	\$ 17,006	\$ 17,856	\$ 18,749
Director of Property Operations	54	7/30/2023	\$ 15,425	\$ 16,196	\$ 17,006	\$ 17,856	\$ 18,749
Director of Asset Management	56	7/30/2023	\$ 16,196	\$ 17,006	\$ 17,856	\$ 18,749	\$ 19,686
Director of Human Resources	56	7/30/2023	\$ 16,196	\$ 17,006	\$ 17,856	\$ 18,749	\$ 19,686
Director of Housing Development	60	7/30/2023	\$ 17,856	\$ 18,749	\$ 19,686	\$ 20,671	\$ 21,704
Director of Finance/Chief Financial Officer	60	7/30/2023	\$ 17,856	\$ 18,749	\$ 19,686	\$ 20,671	\$ 21,704
Deputy Executive Director	65	7/30/2023	\$ 20,178	\$ 21,187	\$ 22,246	\$ 23,359	\$ 24,527
Executive Director**	N/A	8/27/2023	\$ 29,438	\$ 30,910			

**Salary authorized by Board of Commissioners per Employment Agreement

****Indicates classification with 40 hour work week; other positions are based on 37-1/2 hour work week

HOUSING AUTHORITY OF THE CITY OF ALAMEDA

Resolution No. _____

APPROVING AND ADOPTING
HOUSING AUTHORITY'S ONE YEAR BUDGET
FOR THE FISCAL YEAR ENDING JUNE 30, 2025

WHEREAS, the Executive Director has submitted a one year proposed budget to the Board of Commissioners of the Housing Authority of the City of Alameda; and

WHEREAS, the Housing Authority has sufficient operating reserves to meet the working capital needs of its properties; and

WHEREAS, the proposed budget includes expenditures that are necessary for the efficient and economical operation of the housing for the purpose of serving low-income residents; and

WHEREAS, the proposed budget indicates a source of funds adequate to cover all proposed expenditures; and

WHEREAS, the Housing Authority will comply with all state and federal wage rate requirements where applicable and requirements for access to records and audits.

WHEREAS, the proposed Fiscal Year 2024-2025 budget includes approval of:

- i. Summary of the Fiscal Year 2024-2025 Budget and related income and expenses
- ii. Housing Assistance Payment (HAP) Budget and related expenditure of HUD-held HAP reserves
- iii. Capital Improvement Project (CIP) Budget and related use of property and agency reserves and surplus operating cash from Fiscal Years 2024-2025 to cover these expenses
- iv. Transfer by the Executive Director of up to \$1,377,999 in this budget year, as needed, from AHA property reserves or from HUD Held Moving-To-Work fungible funds to cover losses in the Housing Programs administrative operating budget
- v. Adopt the revised Schedule of Authorized Positions for Fiscal Year 2024-2025 and Pay Schedule for Fiscal Year 2024 and 2025

NOW, THEREFORE. BE IT RESOLVED, that the Board of Commissioners of the Housing Authority of the City of Alameda hereby adopts the Housing Authority's Budget Resolution for the fiscal year ending June 30, 2025.

ATTEST:

Vanessa M. Cooper
Secretary/Executive Director

Carly Grob, Chair
Board of Commissioners

Adopted: _____



PHONE: (510) 747-4300
FAX: (510) 522-7848
TTY/TRS: 711

701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Vanessa Cooper, Executive Director

Date: June 26, 2024

Re: Establish a Nominating Ad Hoc Committee for the Appointment of the Chair and Vice Chair of the Board of Commissioners for the Period of July 1, 2024 - June 30, 2025.

BACKGROUND

Section 4 of the Rules and Procedures of the Housing Authority states: "The Chair and Vice Chair shall be elected by the Board of Commissioners from its membership at the first meeting after July 1 of each year when the Commission is fully constituted."

DISCUSSION

The Board is asked to appoint up to three Board members to constitute the ad hoc committee. This committee will report back to the Executive Director with recommendations no later than two weeks before the first meeting after August 1, 2024.

FISCAL IMPACT

N/A

CEQA

N/A

RECOMMENDATION

Establish a Nominating Ad Hoc Committee for the Appointment of the Chair and Vice Chair of the Board of Commissioners for the Period of July 1, 2024 - June 30, 2025.

ATTACHMENTS

None

Respectfully submitted,

Vanessa Cooper



Vanessa Cooper, Executive Director