



Housing Authority
of the
City of Alameda

PHONE: (510) 747-4300
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701 Atlantic Avenue • Alameda, California 94501-2161

AGENDA **REGULAR MEETING OF THE BOARD OF COMMISSIONERS**

DATE & TIME **Wednesday, October 16, 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** 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 Real Property Negotiations**

(Government Code § 54956.8)

Property: 501 Mosely Street, Alameda, CA 94501, APN 074-0905-012-09

Portion of 074-0905-010-12 and Portion 074-0905-010-03

Agency Negotiation: Vanessa Cooper, Executive Director, Sylvia Martinez, Director of Housing Development, Alison Torbitt (Nixon and Peabody - counsel)

Negotiating Parties: Housing Authority of the City of Alameda

Under Negotiation: Price and terms of payment.

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 Meeting held on September 18, 2024 and the Special Board of Commissioners Meeting held on September 25, 2025. **Page 4**

10.B. Accept the Monthly Overview Report for the Housing Programs Department. **Page 14**

10.C. Accept the Monthly Overview Report for Property Operations. **Page 17**

10.D. Accept the Monthly Update on Construction in Progress (CIP). **Page 22**



- 10.E. Accept the Monthly Construction Report for The Estuary I. **Page 26**
- 10.F. Accept the Monthly Construction Report for Linnet Corner. **Page 32**
- 10.G. Accept FY2022-23, FY2023-24 and FY2024-25 ROPS funding and Approve a FY2025-26 and Up To Three More Years of ROPS Funding Request for The Poplar. **Page 40**
- 10.H. Accept the Monthly Report for North Housing Offsites. **Page 43**
- 10.I. Authorize the Executive Director to make minor administrative changes to the Agency Cash in Lieu of Vacation program and to make the pilot program permanent. **Page 46**
- 10.J. Approve changes to the Administrative Plan. **Page 50**
11. AGENDA
- 11.A. Accept the Housing Authority of the City of Alameda (AHA) Annual Report for the Fiscal Year 2023-2024 (July 1, 2023 - June 30, 2024). **Page 250**
- 11.B. Accept the Annual CIP Update and Forecast for Years 2023–2025. **Page 279**
- 11.C. Adopt the Resolution to Revise the Housing Authority’s Conflict of Interest Code. **Page 317**
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, September 18, 2024

PLEDGE OF ALLEGIANCE

Chair Grob called the meeting to order at 7:02 p.m.

1. ROLL CALL

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

Subsequent to Roll Call – Commissioner Kaufman arrived at approximately 7:27 p.m.

Note: Vanessa Cooper, Executive Director Cooper was also present. Tonya Schuler-Cummins, Director of Data and Policy acted as meeting host.

2. 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.



Chair Grob confirmed there were 4 Commissioners present in the noticed meeting room and no Commissioners were attending virtually.

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 August 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. Approve Additional Charges for the Properties.
- *5.H. Approve revised Payment Standards for the Housing Choice Voucher program and for Project-Based Vouchers effective immediately for new admission and movers, with the implementation date being effective November 2, 2024, for re-certifications and interim adjustments.
- *5.I. Approve Updates on the 2019-2024 Strategic Plan.
- *5.J. Accept this report and authorize the Executive Director to continue to budget for the major software solutions with Yardi Systems Inc, ECS Imaging Inc, Microsoft Office, and Global Relay.
- *5.K. Ratify the Second Amendment to the Grant Agreement between the Housing Authority of the City of Alameda and Alameda Affordable Housing Corporation.
Items accepted or adopted are indicated by an asterisk.

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

Yes 7 Chair Grob, Vice-Chair Sidelnikov, Commissioner Decoy,



Commissioner Husby, Commissioner Joseph-Brown,
and Commissioner Tamaoki

6. AGENDA

6.A. Conduct the Public Hearing for the Significant Amendment to the Annual Plan and Moving to Work Supplement for Fiscal Year 2024-2025.

Sepideh Kiumarsi, Senior Management Analyst, provided a presentation that summarized staff's request to conduct a Public Hearing for the Significant Amendment to the Annual Plan and Moving to Work Supplement for Fiscal Year 2024-2025; which included a brief overview of the Housing Authority of the City of Alameda's (AHA) Annual Plan, MTW Supplement and the Process, updates on MTW Activities proposed for FY 24-25, and Significant Amendments for FY24-25

In response to the Board, Ms. Kiumarsi stated that the breakdown of preference points is included on page 140 of the Board packet. For Independence Plaza, the In Place preference would be 55 points, and the Senior preference would be 25 points. When points for either of these categories are combined with points from other eligible categories, In Place and Senior families would yield the first and second most preference points for the Project Based Voucher (PBV) Faircloth to RAD program. Tonya Schuler-Cummins, Director of Data and Policy, stated that although AHA does maintain a Senior Waitlist, a waitlist is not maintained for Independence Plaza (IP) only. While a senior-only designation and waitlist can be made for the PBV Program, a senior-only designation and waitlist cannot be made under the Faircloth to RAD PBV Program. Considering this limitation, to move forward with the Faircloth to RAD process, staff is proposing to have IP operate as housing for general occupancy with a waitlist that has an absolute preference for households currently at the property ("in-place preference") and a preference for seniors ("senior preference"). The current Senior Waitlist feeds into the PBV units at the IP, Anne B. Diamant, Lincoln Willow, and Littlejohn Commons properties. The proposed waitlist with "in-place preference" and "senior preference" will feed into the "PBV Faircloth to RAD Program" only. As waitlists are opened based on where families are needed, if it is determined that both the Senior Waitlist and the proposed waitlist should be opened, families can apply for both. Applications received will be processed through a random lottery for these waitlists. To reduce waitlist redundancy, where able, the waitlist for most PBV properties is grouped based on waitlist characteristics. However, Jack Capon Villas has its own waitlist because of the nature of the services offered at this property. Unlike PBV regulations, Faircloth to RAD regulations do not allow AHA to open a waitlist to seniors only, so setting a "senior preference" for the proposed waitlist will allow AHA to use Faircloth to RAD vouchers hopefully for seniors at Independence Plaza.

Vice-Chair Sidelnikov stated that, although not successful, he appreciated staff's



creative approach to proposing MTW Activity 2024-03: Include Internet in Utility Allowance and encouraged staff to continue with their creative work.

Chair Grob opened the Public Comment Hearing at 7:31 p.m. Hearing none, Chair Grob closed the Public Comment Hearing at 7:32 p.m.

- 6.B. Adopt the Agency’s Significant Amendment to the Annual Plan for Fiscal Year Starting July 1, 2024 and Authorize the Chair to Certify, By Resolution, that the Board of Commissioners has Approved Submission of the Significant Amendment to the Annual Plan to HUD.

Ana Campos, Management Analyst, stated that in conjunction with item 6.A, staff’s recommendation is to adopt the significant amendment to the Annual Plan for Fiscal Year 2024-2025 and Authorize the Chair to Certify, By Resolution, that the Board of Commissioners has Approved Submission of the Significant Amendment to the Annual Plan to HUD.

Vice-Chair Sidelnikov moved to adopt the Agency’s Significant Amendment to the Annual Plan for Fiscal Year Starting July 1, 2024, and Authorize the Chair to Certify, By Resolution, that the Board of Commissioners has Approved Submission of the Significant Amendment to the Annual Plan to HUD, and Commissioner Joseph-Brown seconded. A roll call vote was taken, and the motion passed unanimously.

Yes	7	Chair Grob, Vice-Chair Sidelnikov, Commissioner Decoy, Commissioner Husby, Commissioner Joseph-Brown, Commissioner Kaufman, and Commissioner Tamaoki
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- 6.C. Adopt the Resolution to revise the Employer’s 2025 Contributions for Eligible Employees’ Health by up to 8.9% to \$2,893.54 per employee per month and with no increase in Dental/Vision Care over 2024 rates.

Alicia Southern, Director of Human Resources stated that staff has received the health, dental, and vision rates, from CalPERS, and is re-presenting this item to the Board with the respective rates reflected.

While budgeted at 7%, the rates for dental and vision came back with a 0% increase, and will continue as is, medical came in at an increase of 8.9% which is slightly over the 7% budgeted. This resulted in an increase of approximately \$40k. As the budgeted amounts for dental and vision did not increase, and many staff choose health coverage at levels lower than the budgeted Employee+2 amount, staff does anticipate being able to cover this difference.

Commissioner Kaufman moved to adopt the Resolution to revise the Employer’s 2025 Contributions for Eligible Employees’ Health by up to 8.9% to \$2,893.54



per employee per month with no increase in Dental/Vision Care over 2024 rates, and Commissioner Tamaoki seconded. A roll call vote was taken, and the motion passed unanimously.

Yes 7 Chair Grob, Vice-Chair Sidelnikov, Commissioner Decoy, Commissioner Husby, Commissioner Joseph-Brown, Commissioner Kaufman, and Commissioner Tamaoki

6.D. Accept the 2024 Customer Satisfaction Survey.

Joshua Altieri, Community Relations Manager, provided a presentation that summarized the results of the 2024 Customer Satisfaction Survey.

At request, Ms. Schuler-Cummins provided Commissioner Tamaoki with the results of the 2023 Landlord Survey. Ms. Schuler-Cummins stated that the results received this year indicate duplicate submissions and negative response to the implementation of AB1482, which restricts the rent increases that landlords can achieve, as it caps rent increases at a certain amount. Implementation was mandated by the State Attorney General and supported by HUD.

Vice-Chair Sidelnikov expressed appreciation for staff capturing landlord and property management feedback in the survey. Being provided with property condition data allows the Board to be informed when making decisions surrounding property management. To guide staff training appropriately, Vice-Chair Sidelnikov suggested that the Customer Service data be differentiated between AHA staff and property management staff. Vice-Chair Sidelnikov expressed concern that the landlord survey results could be skewed by duplicate submissions, which would make the presented data invaluable, and suggested that staff research parameters that could be put in place to ensure that results are more accurate. To reduce and/or identify duplicate submissions, Commissioner Joseph-Brown suggested sending the surveys via email, including a QR code for scanning, or using a third-party to conduct the surveys.

Responding to Commissioner Tamaoki, Mr. Altieri clarified that survey results do not include a differentiation of tenants that live in AHA properties and indicate that 1 in 5 households with K-12 children do not have access to the internet. While AHA and LifeSTEPS can connect tenants to low-cost internet/Wi-Fi service providers, AHA does not provide internet/Wi-Fi throughout all properties. Ms. Schuler-Cummins stated that Wi-Fi is available in the community rooms of the larger properties (i.e., Independence Plaza, Anne B. Diament, & Esperanza). Loaner tablets, which include data plans, are available at the smaller properties.

Chair Grob suggested that staff continue to investigate opportunities to bridge the technology gap and Vice-Chair Sidelnikov requested that staff present at least 3 years of data in future presentations.



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

None.

8. EXECUTIVE DIRECTOR'S COMMUNICATIONS

Ms. Schuler Cummins stated that at the end of August Rica Vista Apartment hosted a community service event that invited residents to enjoy free food and engage with multiple community services agencies including AHA, Alameda Boys & Girls Club, LifeSTEPS, Alameda Food Bank, and Building Futures. To boost membership of AHA families at the Alameda Boys & Girls Club, staff are in the midst of executing a multi-media outreach campaign targeted to AHA families which will include the Boys & Girls Club tabling at 3 separate AHA properties in the coming weeks. On behalf of AHA, Ms. Schuler-Cummins thanked the Alameda Boys & Girls Club for their recent donation of bikes and helmets to AHA youth.

Ms. Schuler-Cummins announced that in an effort to reduce waste produced by AHA residents, staff are collaborating with the City's Zero Waste Program to educate residents about composting and recycling. Program staff will go door to door to distribute brochures, compost bins, & recycle totes. The first distribution event will take place in October or November, and Zero Waste program staff will notify residents a week prior to the visit.

Ms. Schuler-Cummins stated that staff are currently conducting Townhall Meetings to engage and further educate residents about access to services and resources, as well as, general lease and property management information. The first meetings were held at Anne B. Diamant and Parrot Gardens/Village. The next meetings are scheduled to take place on October 2nd at Littlejohn Commons and Rosefield Village.

Lastly, Ms. Schuler-Cummins stated that AHA received a NAHRO award for the local partnership and favorable results in affordable housing; for the Pulte units.

9. COMMISSIONER COMMUNICATIONS, (Communications from the Commissioners)

Vice-Chair Sidelnikov stated that support for the Alameda Foodbank expansion project, which was stopped by a CEQA lawsuit, can be expressed by emailing the City Council. In the upcoming election two City Council seats are open; voting registration is encouraged.

Vice-Chair Sidelnikov also reminded Commissioners to review the list of available conferences for the upcoming year, as sent by Vanessa Cooper,



Executive Director.

10. ADJOURNMENT

Chair Grob adjourned to Closed Session at 8:18 p.m.

Vanessa M. Cooper
Secretary and Executive Director

Carly Grob, Chair
Board of Commissioners





DRAFT MINUTES
SPECIAL MEETING OF THE BOARD OF COMMISSIONERS
Wednesday, September 25, 2024

PLEDGE OF ALLEGIANCE

Chair Grob called the meeting to order at 5:05 p.m.

1. ROLL CALL

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

Absent: Commissioner Husby and 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.

Chair Grob confirmed that there were more than 4 Commissioners present in the noticed meeting room and no Commissioners were attending virtually.

3. COMMISSIONER RECUSALS



None.

4. Public Comment (Non-Agenda)

None.

5. AGENDA

5.A. Approve a revised Schedule of Authorized Positions effective immediately and a revised Pay Schedule effective September 26, 2024.

Alicia Southern, Director of Human Resources, stated that in July 2023 it was decided by the Board that AHA would complete compensation studies every three years at a minimum over the next 5-10 years. Due to positions being created or modified, the length of vacancies in some positions, and to ensure equity amongst Directors, an internal equity review of the Director compensation was conducted in September 2024. As a result, Management recommends that the salary levels of individuals currently at range 54 be moved to range 56. The cost to grant the recommended adjustments was included in the FY24-25 budget, so there is no expected financial impact related to this request. Additionally, Management is requesting approval to make corrections to the Schedule of Authorized positions to reflect newly added positions created by internal promotions and remove the positions vacated as a result of these promotions. Management is also proposing a title change from Director of Administrative Services to Director of Administration and Services and from Maintenance Technician I and II to Facilities and Maintenance Technician I and II, to better align with current job duties. Vanessa Cooper, Executive Director, stated that while the proposed changes will not affect the number of Full-Time Employees (FTEs) or the overall budget, CalPERS requires Board approval of such changes.

Commissioner Tamaoki moved to approve a revised Schedule of Authorized Positions effective immediately and a revised Pay Schedule effective September 26, 2024, and Commissioner Joseph-Brown seconded. A roll call vote was taken, and the motion passed unanimously.

Yes 5 Chair Grob, Vice-Chair Sidelnikov, Commissioner Decoy, Commissioner Joseph-Brown, and Commissioner Tamaoki

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

None.

7. 2024 BOARD OF COMMISSIONERS RETREAT



8. DISCUSSION AGENDA NOTE: THIS STUDY SESSION IS FOR DISCUSSION ONLY. NO ACTION WILL BE TAKEN AND ANY ITEMS THAT NEED ACTION WILL RETURN TO A LATER BOARD MEETING.

Ms. Cooper stated that the Board of Commissioners Retreat is open to the public and the meeting recording will continue during this study session. During the Board of Commissioners Retreat, she stated, Joshua Altieri, Community Relations Manager and Sepideh Kiumarsi, Senior Management Analyst, will provide an overview presentation of the prior and current Strategic Plans and 5-Year Plan. Ms. Cooper expressed appreciation for the effort put forth by Mr. Altieri and Ms. Kiumarsi to consolidate and compose the current Strategic Plan and 5-Year Plan internally.

8.A. Overview and Discussion of AHA's 2025-2030 Strategic Plan and 5-Year Plan.

A general discussion took place, and no decisions were made.

9. EXECUTIVE DIRECTOR'S COMMUNICATIONS

Ms. Cooper thanked the Board and staff for their time and Mr. Altieri and Ms. Kiumarsi for their presentation of the current Strategic Plan and 5-Year Plan. Through the efforts of Mr. Altieri and Ms. Kiumarsi, staff is well prepared to present the Strategic Plan and 5-Year Plan for final approval in spring of 2025.

10. COMMISSIONER COMMUNICATIONS, (Communications from the Commissioners)

None.

11. ADJOURNMENT

Chair Grob adjourned to Closed Session at approximately 8:00 p.m.

Vanessa M. Cooper
Secretary and Executive Director

Carly Grob, Chair
Board of Commissioners





Housing Authority
of the
City of Alameda

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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: October 16, 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

Annual Owner Workshops

The Housing Programs Department (HPD) staff hosted two Owner Workshops sessions this year to increase our outreach to owners and meet their customer service needs. An in-person meeting was held at Independence Plaza, on September 18, 2024, from 9:30 a.m. - 11:30 a.m., and a second virtual workshop was held on September 30, 2024, from 10:30 a.m. - 12:00 noon. Both sessions were well received by our owners, who gave good feedback and suggestions to the staff. One of the suggestions from the owners was regarding the new rent increases approval process on our owner portal. Owners stated they liked the process but made suggestions to receive notification from staff acknowledging receipt of their request and also the status during the process.

The rent increases portal process was created by our Data and Policy Management Analyst to make the process paperless and smooth for both the staff and owners. Since the meeting, staff have met to review the suggested changes and are currently implementing new changes to the process. The workshop presentation included a guest speaker from Echo Housing who updated owners on the Fair Housing Rights for tenants and owners' responsibilities when renting and maintaining units.

HCV Participant Town Hall Meeting

AHA also held a participant Town Hall Meeting on September 1, 2024, from 3:00 p.m. - 4:30 p.m. to address questions from participants regarding the new re-certification process and to meet and greet their housing specialists. The participant Town Hall was not as well attended as the owners' workshop, but staff will continue to set up meetings



and work on advertising this event in our newsletter to draw more participants to the meeting.

Shortfall Update

AHA staff continue to meet monthly with HUD’s shortfall team to navigate through the end of the fiscal year. On a monthly basis, staff provide HUD with projections on spending and review the two-year-tool with the team to project our HAP spending. Based on the two-year tool, AHA is projected to have a \$2M shortfall. AHA has applied for shortfall funding and is awaiting HUD determination of eligibility. Most other Bay Area PHAs are in the same situation because the inflation factor provided by HUD was 1.2% while the Bay Area CPI is 3.2%.

Update on Independence Plaza RAD certifications

HPD staff have processed and approved fifty applicants for the RAD conversion for Independence Plaza. Staff also have back-up residents approved in the event one of the approved fifty falls out of the process. AHA is awaiting HUD's final approval to move forward, and expects approval in November 2024.

Staff Updates

AHA is currently recruiting a Housing Specialist II to work with the Family Self-Sufficiency Program (FSS). This position will be responsible for continuing to grow the FSS program and will report to the Assistant Director of Housing Programs. FSS enrollment is currently at 26 participants. Management is currently reviewing the applications received and will begin the interview process shortly. Staff's goal is to have the position filled with part-time or full-time staff before end of the year.

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,



Lynette Jordan, Director of Housing Programs

Housing Programs Department Dashboard for September 2024

Total NON-ACC Vouchers Leased By Type		
Program	Vouchers Leased	Amount Awarded/Funded
Shelter Plus Care	18	18
Moderate Rehabilitation SRO	28	30

Total ACC Vouchers Leased By Type		
Voucher Program	Vouchers Leased	Amount Awarded
Housing Choice Vouchers (HCV)	1004	Not Applicable
Project Based Vouchers (PBV)	323	Not Applicable
AHA-Owned HCV	240	Not Applicable
Port Outs	0	Not Applicable
Family Unification Program (FUP)	42	50
Veterans Affairs Supportive Housing (VASH)	53	76
Stability Vouchers (SV)	1	10
Total Vouchers Leased	1662	
Units on ACC	1923	
ACC Vouchers Not Leased	261	

Budget Authority (For September 2024 - Average Across 12 months)	
\$	3,105,050.00
Total HAP expended	
\$	3,550,801.00
HAP/Budget Authority	
114.4%	

Emergency Housing Vouchers*	
EHV (7760) in Alameda	37
EHV Port Outs	16
Total Leased	53
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 September 2024 (days)	
66.2	
Average Tenant Rent to Owner	
\$	548.94
Average TTP	
\$	610.92
Average HH income	
\$	25,167.26
Percentage of Inspections Passed First-Time (09/2024)	
19%	
Inspections Completed (09/2024)	
335	

Average of HAP per Bedroom size		
Bedroom Size	Average HAP	Count of Households
0	\$ 678.24	405
1	\$ 1,762.92	599
2	\$ 2,098.82	527
3	\$ 2,740.21	187
4	\$ 3,019.08	26
5	\$ 3,975.00	2



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To: Honorable Chair and Members of the Board of Commissioners

From: Nancy Gerardin, Director of Property Operations

Date: October 16, 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 previous 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 September for all properties FPI Management (FPI) manages. We continue to work closely with FPI to improve overall property operations.

VACANCY

The attached table (Attachment 1) reflects the end of month occupancy and leased rate per site. Staff are working with FPI to improve the timeliness of the leasing efforts and review vacancy loss weekly with FPI to reduce vacancies and improve the unit turn process. The average days to make ready for the month of September was 5.25. This is an improvement over August which was 11 (a decrease of 5 days over July at 16 days to make ready). The Q3 average days to make ready was 10.75 which is an improvement over Q2 at 18.6 days and Q1 which was 25 days to make ready.

In August, AHA implemented a pre-screening process to assist with the leasing efforts of PBV units at Anne B. Diament, Parrot Village, and Little John Commons. The intent is to minimize the amount of downtime during the outreach and review of the initial resident selection criteria with staff performing the outreach, initial review of occupancy and income qualifications, and mailing of disposition letters to families and the Housing Programs Department. Once applications have been identified as pre-qualified, the files will be sent to FPI for final criteria review to include background and landlord reference confirmation. Thus far this process has proven to be beneficial and we included the pre-screening process for Independence Plaza and Parrot Village 4 bedroom units effective in September. 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.

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 rent collection rate versus budget for all AHA-owned and affiliate-owned sites managed by FPI. Overall portfolio rent collection rate for the month of September was 95.3%, an increase over the month of August which was 90%.

Properties with collection rates in excess of 95% 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 (some properties are still affected by non-payment of rent during the COVID-19 pandemic).

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 \$587,595. Of this, the total delinquency for residents in legal (i.e. subject to a 30-day notice of termination) is \$438,976.

All residents with a past due balance are 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. 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 2024. 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. LifeSTEPS is also actively engaged in resident functions such as hosting National Night Out in August and is currently working closely with FPI and AHA to implement a community garden for Independence Plaza. In the month of October, FPI and LifeSTEPS will collaborate to engage with residents to introduce and encourage online and automated payment options such as through the resident portal, WIPS (walk in payment system), and Flex. Flex is a new payment option that allows residents to pay rent on a bi-monthly schedule, however, landlords receive rent payments as they are due per the lease terms.

The intent is to hold several resident meetings to personally assist residents with signing up for their desired payment options and provide support on navigating Rent Café/the tenant portal. We will also be using this time as an opportunity to gather and confirm current resident contact information and demographic data.

MAINTENANCE

Unit by unit inspections were conducted by FPI for each community and annual HQS inspections are in process. These inspections allow management and ownership to proactively address any repairs needed, evaluate overall property condition, and assist residents that may need social services to address personal needs.

AHA continues to conduct bi-weekly site inspections to assess all common areas, vacant units, and potential life safety matters.

HIRING

The department is in the process of hiring an Assistant Director of Permanent Supportive Housing and has placed a hold on recruiting for the Management Analyst position until Q1 of 2025.

FISCAL IMPACT

Not applicable.

CEQA

Not applicable.

RECOMMENDATION

Accept the Monthly Overview Report for Property Operations.

ATTACHMENTS

1. Attachment October 2024 BOC Memo

Respectfully submitted,



Nancy Gerardin, Director of Property Operations

ATTACHMENT 1

Sep-24

Property Name	Owned by	Managed by	Total units	Senior or Family	Manager units	Gross Potential Rent (Budgeted)	Resident Rent Collected	Subsidy collected	Total Rent Collected (Actual)	% collected	Current Total Unpaid Charges September Month End	0-30 Day AR	31-60 Day AR	61-90 Day AR	90 + Day AR	Eviction Status AR - September Month End
China Clipper	AHHC	FPI	26	Family	0	\$53,626.00	\$13,113	\$ 40,529	\$ 53,642	100.0%	\$ 23,450	\$ 2,420	\$ 787	\$ 15,830	\$ 4,505	\$ 12,979
Esperanza	AAHC	FPI	120	Family	1	\$392,959.00	\$85,082	\$ 320,201	\$ 405,283	103.1%	\$ 42,252	\$ 11,174	\$ 3,986	\$ 31	\$ 42,843	\$ 103,238
Littlejohn Commons	ICD	FPI	31	Senior	1	\$65,167.00	\$12,603	\$ 55,290	\$ 67,893	104.2%	\$ 424	\$ 411	\$ 18	\$ 0	\$ 113	\$ 0
Parrot Garden	AHA	FPI	8	Family	1	\$25,384.00	\$8,742	\$ 11,065	\$ 19,807	78.0%	\$ 15,025	\$ 0	\$ 0	\$ 0	\$ 15,025	\$ 0
Parrot Village	AAHC	FPI	50	Family	0	\$183,063.00	\$41,170	\$ 134,884	\$ 176,054	96.2%	\$ 22,765	\$ 2,983	\$ 969	\$ 0	\$ 19,100	\$ 50,131
Everett Commons	ICD	FPI	20	Family	1	\$53,865.00	\$12,440	\$ 39,308	\$ 51,748	96.1%	-\$ 573	\$ 134	\$ 0	\$ 0	\$ 138	\$ 15,687
Scattered Sites	AHA	FPI	25	Family	0	\$53,482.00	\$2,219	\$ 44,289	\$ 46,508	87.0%	\$ 576	\$ 426	\$ 51	\$ 0	\$ 2,239	\$ 32,872
Scattered Sites	AAHC	FPI	27	Family	0	\$64,222.00	\$26,552	\$ 37,680	\$ 64,232	100.0%	\$ 12,145	\$ 246	\$ 2,479	\$ 25	\$ 11,581	\$ 44,821
Rosefield Village	ICD	FPI	92	Family	1	\$180,217.00	\$105,523	\$ 83,698	\$ 189,221	105.0%	\$ 26,492	\$ 135	\$ 2,670	\$ 25	\$ 25,279	\$ 142,363
Eagle Village	AAHC	FPI	36	Family	1	\$94,381.00	\$20,074	\$ 74,316	\$ 94,390	100.0%	-\$ 4,237	\$ 75	\$ 224	\$ 25	-\$ 4,037	\$ 17,968
Independence Plaza	AAHC	FPI	186	Senior	1	\$460,813.00	\$212,350	\$ 162,634	\$ 374,984	81.4%	\$ 12,857	\$ 917	-\$ 191	\$ 1,069	\$ 11,498	\$ 8,961
Anne B Diamant	AHHC	FPI	65	Senior	1	\$138,986.00	\$44,626	\$ 95,440	\$ 140,066	100.8%	-\$ 2,558	\$ 25	\$ 0	\$ 0	\$ 144	\$ 9,956
TOTAL			686		8	\$1,766,165.00	\$584,495.39	\$1,099,334.00	\$1,683,829.39	95.3%	\$ 148,619	\$18,946	\$10,992	\$17,005	\$128,428	\$438,976

Month Ending September 2024

Property Name	Owned by	Total Vacant 9/30/24	Occupancy	Leased %
China Clipper	AHHC	0	100.00%	100.00%
Esperanza	AAHC	3	94.56%	99.18%
Littlejohn Commons	ICD	3	90.32%	100.00%
Parrot Garden	AHA	1	87.50%	87.50%
Parrot Village	AAHC	3	94.00%	96.00%
Everett Commons	ICD	2	90.00%	90.00%
Scattered Sites	AHA	1	96.15%	100.00%
Scattered Sites	AAHC	0	100.00%	100.00%
Rosefield Village	ICD	4	95.65%	97.82%
Eagle Village	AAHC	0	100.00%	100.00%
Independence Plaza	AAHC	8	95.69%	97.31%
Anne B Diamant	AHHC	2	96.92%	96.92%
TOTAL		27	96.1%	97.82%



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701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Joseph Nagel, Senior Construction Project Manager

Date: October 16, 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 property 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 and safety needs and items for short-term attention.

AHA and AAHC have completed or begun all health and 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. Priority tasks are divided between onsite FPI staff and contracting, and larger projects where there may be additional plan and permit submissions, which are undertaken by AHA staff. The Housing Development Department is currently recruiting an additional Construction Manager to assist with the roll-out of these upcoming CIP projects. A formal update to the Board on portfolio work is in this package.

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

1. SB721 Inspections

Site: Multiple Properties

Total cost: \$ 37,697

Source of funds: AHA General Fund

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: Inspections have been completed.

Status: Repair has been completed at Independence Plaza in 2023 and is finishing up at Anne B Diament. Inspection reports from Bureau Veritas were received and have been reviewed. Two properties were reported to have immediate needs for remediation of defects on elevated balconies and walkways. Lincoln House Unit D elevated entry walkway and China Clipper units 203 and 303, private balconies. AHA is currently soliciting engineering services for these repairs.

2. Parrot Village Siding/Paint Repairs

Site: Parrot Village

Total cost: \$ 46,644

Source of funds: Property Operating Budget

Purpose: Lender required exterior repairs and new exterior paint

Timeline: Work is expected to take 5 to 6 months, weather permitting.

Status: The siding is complete, and the painting of the buildings is complete. Painting of the backyard and perimeter fencing began on September 2, 2024, and has been completed.

3. Guardrail and Stair Handrail Renovations

Sites: Esperanza, China Clipper, Lincoln House, Stanford House.

Total cost: \$ 339,250

Source of funds: Property Operating Budget

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

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

Status: An RFP was issued on August 28, 2023, and a bid walk conducted September 26, 2023. AHA received a (1) proposal for the work at these four (4) 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 and elevation drawings with dimensions and notes for Leyland Saylor to base an accurate cost analysis on. These plan and elevation drawings will be archived for future reference. The cost analysis by Leland Saylor has been completed and confirms the sole proposal received reflects reasonable costs. In August 2024, the Board of Commissioners authorized the Executive Director to sign a contract not to exceed \$339,250 for the required upgrades. The contract has been signed, and the contractor has begun and is expected to be completed by the end of October 2024.

4. Anne B. Diament Balcony Repairs

Site: Anne B. Diament

Total cost: \$ 951,265

Source of funds: Property Operating Budget

Purpose: Repair balconies in compliance with Senate Bill 721.

Timeline: This scope of work is expected to take 6 months to complete.

Status: The balcony replacements, 30 of 46 units, began on April 22, 2024, is currently 100% complete. AHA, has approved change order work in the amount of \$18,527.05 to re-install the existing siding and trim that was removed in 2018 as part of the SB721 Inspections. Also approved was the upgrade of the remaining 16 guardrails to meet the current building code. That additional cost is \$56,409.20.

Both of the change order costs, \$74,936.25 will be covered by the \$120,000 in contingency funds set aside for this project.

5. Independence Plaza

Site: Independence Plaza

Total cost: \$984,983

Source of funds: Property Operating Budget

Purpose: A Capital Needs Assessment (CNA) was performed in January 2024 noting various items requiring remediation. Staff has completed extensive siding repairs and is addressing the exterior walkway pergola wood framing rot. Staff has contracted to upgrade the existing elevators with light curtain sensors. Staff is also addressing ADA deficiencies at the exterior doors, lobby restroom door knobs, leasing office door knobs, laundry room counter, sink and folding table heights, kitchen faucets with knobs instead of handle levers, audio and visual units where the existing strobes are not working with the fire alarm system. FPI is working on the issues at the ADA parking spaces and approaches where there is excessive slope on grade, etc.

Timeline: This work is in progress and being addressed by various vendors as well as FPI and AHA Staff.

Status: All items in the report are scheduled to be completed by the end of October 2024.

FISCAL IMPACT

Funding for repairs and maintenance on existing properties owned by either AHA or the AAHC is from either project reserves or the 2024 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

None

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Joseph Nagel". The signature is fluid and cursive, with the first name "Joseph" and the last name "Nagel" clearly distinguishable.

Joseph Nagel, Senior Construction Project Manager



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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: October 16, 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 construction permanent supportive housing units for homeless or formerly homeless individuals or households, including one manager's unit. Amenities include property management offices, social service coordination offices, a community room, a 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 8, 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 September 30, 2024, is approximately 52%. Window installation is completed on the north elevation. Waterproofing on the east, south, and courtyard elevations is completed. Drywall in the units and corridors on the first and second floor are completed.

CCTV cameras and the live guard, patrolling the site after hours and weekends, provide 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 drywall installation on the units and corridors on the third and fourth floors; tape and texture on all floors; continuing exterior siding and stucco on east, south, and courtyard elevations; completion of window installation at north elevation; and ongoing



waterproofing for exterior stucco and plaster at the north elevation.

Change orders over the past month total \$115,871, bringing the total approved change orders amount to \$294,776. A owner's hard cost contingency and a General Contractor's contingency (already budgeted within the GC contract) are available for upgrades, master plan cost overruns, as well as unexpected costs detailed below. Owner contingency funds are held separately from the contract. Executed change orders have utilized 21% of available contingency.

Upgrade category: AHA has added solar, an in-unit washer and dryer amenity in the manager's unit, elevator pit waterproofing, and upgraded door access control and camera systems. These upgrades improve security, the resident experience, sustainability, and maintenance of the future building. These upgrades are projected to utilize 35% of the available contingency.

Master Plan category: Hard cost contingency is reserved for expected additional soil off-haul and offsite costs to be split pro rata between the North Housing Block A projects, with Estuary I responsible for 23% of the costs. Although final cost estimates are still being obtained, staff anticipates that this cost will utilize approximately 52% of hard cost contingency.

Unexpected items: 22% of owner's contingency is reserved for unexpected items.

Total projected use of owner contingency is 100%. (The sum of the actual, projected, and reserved contingency uses is above 100% because GC contract contingency will be used in some cases, and there is some double counting between the change orders executed and the categories.) Only the Executive Director can approve additional costs to the contract, within the planned contingency amounts, and staff tightly reviews all prospective change orders at the site. Staff is also tracking soft cost savings and contingency availability, which can also be applied to hard cost uses later in the project's cycle.

Operation and Lease Up Activities

Staff is 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. 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 September 2024
2. Att2_The Estuary I Progress Photos

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Jenny Wong".

Jenny Wong, Senior Project Manager

The Estuary I
Monthly Update - as of September 30, 2024

Total Development Costs to Date				
	\$ Budget	\$ Disbursed	% Disbursed	\$ Balance
Land & Holding Costs	\$2,461,115	\$2,444,510	99%	\$16,605
Hard Costs	\$27,175,843	\$13,154,332	48%	\$14,021,510
Soft Costs	\$13,286,926	\$3,307,402	25%	\$9,979,524
Total	\$42,923,884	\$18,906,244	44%	\$24,017,640

General Contract Status	
Total Contract Value	\$24,898,007
Change Orders	\$294,776
Revised Contract Value	\$25,192,783
Value of Work Completed to Date	\$13,079,012
Retention Withheld	\$1,256,531
Amount Paid to Date	\$11,822,480
Balance to Finish	\$13,370,302
% Construction Complete	52%

Contingency Utilization		
	Hard Cost	Soft Costs
Total Contingency Approved	\$1,394,525	\$250,000
Approved Change Orders to Date	\$294,776	(\$14,186)
Remaining Balance of Contingency	\$1,099,749	\$264,186
% of Contingency Used	21%	-6%
Anticipated Soil Off-Haul Costs	\$687,700	
Projected Use of Contingency	\$244,570	
Remaining Balance of Contingency	\$167,479	
% of Contingency Projected	88%	

The Estuary I Progress Photos



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



Building progress photo from the southeastern elevation (view from the future parking lot).





Exterior siding installation on the building elevation.



Drywall hung in a studio unit.



To: Honorable Chair and Members of the Board of Commissioners

From: Paris Howze, Project Manager

Date: October 16, 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 a roof terrace.

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

Please see previous Board of Commissioner reports for project details before this month's update.

DISCUSSION

Construction

The overall project completion and billing percentage, through September 30, 2024, is approximately 40%. This month's construction activities included installation of the exterior building maintenance anchors at roof, roof sheathing installation, window installation, waterproofing at all window openings, tub installation at levels two and three, and rough electrical installation at level one. Currently, the project is on track to



be completed on time.

Change orders over the past month total \$40,129 bringing the total approved change orders amount to \$267,538. An owner's hard cost contingency and a General Contractor's contingency (already budgeted within the GC contract) are available for both upgrades, master plan cost overruns, as well as unexpected costs detailed below. Owner contingency funds are held separately from the contract. Executed change orders have utilized 15% of available contingency.

Upgrade Category: AHA has added solar, elevator pit waterproofing, elevator back-up battery, modified building signage visibility, and upgraded door access control and camera systems. These upgrades improve security, resident experience, sustainability, and maintenance of the future building. These upgrades are projected to utilize 28% of the available contingency.

Master Plan category: Hard cost contingency is reserved for expected additional soil off-haul and offsite costs to be split pro rata between the North Housing Block A projects, with Linnet Corner responsible for a portion of the costs. Although final cost estimates are still being obtained, staff anticipates that this cost will utilize approximately 38% of hard cost contingency.

Unexpected Items: 19% of owner's contingency is reserved for unexpected items.

Total projected use of owner contingency is 100%. Only the Executive Director can approve additional costs to the contract within the planned contingency amounts, and staff tightly reviews all prospective change orders at the site. Staff is also tracking soft cost savings and use of contingency, which can also be applied to hard cost uses later in the project's cycle.

Operation and Lease-Up Activities

Staff is 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 (September 2024)
2. Linnet Corner - Monthly Construction Progress Photos (September 2024)

Respectfully submitted,



Paris Howze, Project Manager

Linnet Corner
Monthly Update - as of September 30, 2024

Total Development Costs to Date				
	\$ Budget	\$ Disbursed	% Disbursed	\$ Balance
Land & Holding Costs	\$640,864	\$526,338	82%	\$114,526
Hard Costs	\$36,513,061	\$12,285,901	34%	\$24,227,160
Soft Costs	\$16,118,331	\$3,014,501	19%	\$13,103,830
Total	\$53,272,256	\$15,826,741	30%	\$37,445,515

General Contract Status	
Total Contract Value	\$29,561,507
Change Orders	\$196,964
Revised Contract Value	\$29,758,471
Value of Work Completed to Date	\$11,915,609
Retention Withheld	\$1,131,729
Amount Paid to Date	\$10,783,880
Balance to Finish	\$18,974,591
% Construction Complete	40%

Contingency Utilization		
	Hard Cost	Soft Costs
Total Contingency Approved	\$1,738,717	\$450,000
Approved Change Orders to Date	\$267,538	\$0
Remaining Balance of Contingency	\$1,471,179	\$450,000
% of Contingency Used	15%	0%
Anticipated Master Plan Costs	\$ 658,053.54	\$0
Projected Use of Contingency	\$813,125	
Remaining Balance of Contingency	\$0	\$450,000
% of Contingency Projected	100%	

Linnet Corner
Progress Photos
(September 30, 2024)



Figure 1: Bird's-eye view of Linnet Corner & Estuary I



Figure 2: Bird's-eye view from Lakehurst Circle

Linnet Corner
Progress Photos
(September 30, 2024)



Figure 3: View from Mosley Avenue



Figure 4: View from corner of Lakehurst Circle & Mabuhay Street

Linnet Corner
Progress Photos
(September 30, 2024)



Figure 5: View from Mabuhay Street



Figure 6: View of north courtyard elevation

Linnet Corner
Progress Photos
(September 30, 2024)



Figure 7: Roof & Exterior Building Maintenance (EBM) Installation



Figure 8: Rough electrical installation



Housing Authority
of the
City of Alameda

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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: October 16, 2024

Re: Accept FY2022-23, FY2023-24 and FY2024-25 ROPS funding and Approve a FY2025-26 and Up To Three More Years of ROPS Funding Request for The Poplar.

BACKGROUND

In 2012, redevelopment law ended in California. Redevelopment Successor Agencies, including the City of Alameda, are required to monitor redevelopment assets under the review of the California Department of Finance. The City of Alameda has an approved Recognized Obligation Payment Schedule (ROPS) that includes funding for affordable housing, a portion of which is directed through the Alameda Unified School District (AUSD). In 2018, the Housing Authority of the City of Alameda (AHA) and the AUSD signed a Memorandum of Understanding (MOU) to direct former redevelopment funds, listed on the ROPS, to affordable housing projects in the City of Alameda. This MOU provides for AHA to propose projects for funding to the AUSD Board, and for a preference for AUSD staff to live in the created housing. The amount of ROPS funding available each year depends on tax revenues, and has averaged approximately \$1.5 – \$2 million each year. Thus, it may take several years to accumulate funds sufficient to assist new construction development. The funds are only available on a draw-down basis for eligible costs incurred. The funds are directed to producing new affordable family housing. Typically, this funding has not been used for 100% senior, permanent supportive housing or rehabilitation.

In June 2020, the Board authorized the use of ROPS funding and future ROPS requests for funding on behalf of the Rosefield Village development. Funding totaling approximately \$6 million dollars supported this affordable family project. An AUSD staff preference was provided during the initial lease up of that site.

DISCUSSION

In 2022, The Poplar family housing project was proposed as a project subject to the AHA-AUSD MOU. Since that time, three requests have been made for ROPS funding on behalf of The Poplar affordable housing development, two of which have been fully drawn. In addition, staff requests authority to request funding up to \$2 million each year



for the FY25-26 fiscal year, as well as for up to three more years. In this way, the AUSD funds can be accumulated to support the development of this affordable family site. A summary of past and projected funding is below:

Fiscal Year Request	Amount Received/<i>Proposed</i>
FY 22-23	\$1,224,053
FY 23-24	\$1,664,000
FY 24-25	\$2,000,000
FY 25-26	<i>\$2,000,000</i>
FY 26-27	<i>\$2,000,000</i>
FY 27-28	<i>\$2,000,000</i>
FY28-29	<i>\$2,000,000</i>
TOTAL	\$12,888,053

FISCAL IMPACT

AHA has already purchased the property for The Poplar and plans to develop the site as affordable family housing. If ROPS funds are not used, AHA must allocate its reserve funding, or look for other scarce local sources of money. In affordable housing, a substantial local match is needed to match state and federal funds. This use of ROPS funding, per the MOU with the Alameda Unified School District, furthers AHA's mission to provide additional homes in Alameda.

CEQA

Not applicable

RECOMMENDATION

Accept FY2022-23, FY2023-24 and FY2024-25 ROPS funding and Approve a FY2025-26 and Up To Three More Years of ROPS Funding Request for The Poplar.

ATTACHMENTS

None

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Sylvia Martinez', with a stylized flourish at the end.

Sylvia Martinez, Director of Housing Development



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: October 16, 2024

Re: Accept the Monthly Report for North Housing Offsites.

BACKGROUND

The Housing Development Department provides monthly reports on projects under construction, and the Housing Authority of the City of Alameda (AHA) is leading the North Housing Master-Plan work to prepare the sites and provide infrastructure for Linnet Corner and Estuary I. This report provides updates on the North Housing Block A offsite work.

DISCUSSION

Site: North Housing Block A Offsite Improvements, 501 Mosley Ave Alameda, CA 94501

Total cost: \$4,015,747

Source of funds: Budgeted within the North Housing Block A projects with Estuary I covering 23%, Linnet Corner covering 60%, and Estuary II covering 17% of the offsite improvement costs.

Purpose: AHA contracted with J.H. Fitzmaurice, Inc. (JHF) for offsite improvements for North Housing Block A, such as the realignment of Lakehurst Circle, the new water main extension, and the new Mabuhay Street. Offsite improvements work is expected to be on a parallel track to the two active housing development projects (Estuary I and Linnet Corner). Therefore, the contract end date is October 2025, which aligns with the later of the two housing projects' expected completion date. The contracted value for the offsite improvements work are budgeted in each of the housing developments at Block A and funding was approved by the Board of Commissioners in December 2023. There is a 'contractor's contingency' of \$150,000 in the contract that is partially used at 46%. To project for completion, staff has added \$280,000 in owner's contingency that is held outside of the construction contract. Pro rata shares of the \$280,000 owner's contingency is being planned for in the contingency trackers of Estuary I, Linnet Corner, and Estuary II. Staff anticipate that the contract contingency will be fully used at the end of construction.

Timeline: February 2024 to October 2025

Status: As of the end of September 2024, offsite improvements work is about 37%



complete. Contractor billing for September 2024 is at \$191,467 and consists of earthwork, survey and staking, erosion control, dry utilities such as the joint trench for electricity, and contractor fees. There are no change orders, and the project is on schedule. Details on the contract status and contingency used are attached.

FISCAL IMPACT

The Board of Commissioners approved the funding for the North Housing Master-Plan in August and December 2023.

CEQA

Not Applicable

RECOMMENDATION

Accept the Monthly Report for North Housing Offsites.

ATTACHMENTS

1. Att 1_NH Block A_Offsites_Contract_Tracking

Respectfully submitted,

A handwritten signature in blue ink that reads "Tony Weng". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Tony Weng, Senior Project Manager

North Housing Block A - Offsite Improvements Contract Tracking
Update - as of September 30, 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	\$1,486,630
Retention Withheld	\$139,105
Amount Paid to Date	\$1,347,525
Balance to Finish	\$2,668,222
% Construction Complete	37%

Contract Contingency Utilization	
	Hard Cost
Total Contract Contingency	\$150,000
Approved Contract Contingency Usage To Date	\$68,396
Remaining Balance of Contract Contingency	\$81,604
% of Contract Contingency Used	46%

Owner Contingency Utilization	
Total Owner Contingency Outside of Contract	\$280,000
Approved Owner Contingency Usage To Date	\$0
Remaining Balance of Owner Contingency	\$280,000
% of Owner Contingency Used	0%

To: Honorable Chair and Members of the Board of Commissioners

From: Alicia Southern, Director of Human Resources

Date: October 16, 2024

Re: Authorize the Executive Director to make minor administrative changes to the Agency Cash in Lieu of Vacation program and to make the pilot program permanent.

BACKGROUND

In November 2020, the Housing Authority of the City of Alameda (AHA) Management proposed eliminating the Cash in Lieu of Vacation (Vacation Pay-Out) provision included in the Vacation Leave policy, among other changes to the policy impacting caps on vacation accrual. In June 2023, the program was reinstated. In October 2023, further administrative changes were made to the program.

DISCUSSION

This memo proposes a number of minor administrative changes to be made by the Human Resources Department which will streamline the process for the 2025 cash out year. 2024 pay-outs will not be impacted. This recommendation is based on the experience of the 2024 pilot.

The proposed changes are:

1. Employees must have completed three (3) full years of employment by the November 1 election date.
2. The eligibility amount will be lowered from 160 hours to 120 hours.
3. Allow up to 120 hours of Executive Leave cash out (this was previously 75 hours).
4. Election cash out amounts are limited to three choices: 40 hours, 80 hours, or 120 hours.
5. Pay-out is automatically scheduled as one quarter of the elected amount in the pay period after March 31st, June 30th, or November 30th and the last pay period in December, subject to available balance. Employees may not elect specific amounts for specific payout periods. All payments will be automatically processed by the Finance Department.
6. Staff may select the pay-out funds to be paid directly to their pay checks or their



457 accounts. This election must be made for the whole year at the election time on the election form.

FISCAL IMPACT

There is not expected to be any additional or un-budgeted costs related to these changes.

CEQA

Not applicable to this item.

RECOMMENDATION

Authorize the Executive Director to make minor administrative changes to the Agency Cash in Lieu of Vacation program and to make the pilot program permanent.

ATTACHMENTS

1. Exhibit 1 - Pilot Policy Cash In Lieu 2025 Final

Respectfully submitted,



Alicia Southern, Director of Human Resources

PILOT POLICY FOR 2025 - CASH IN LIEU OF LEAVE HOURS POLICY
Revised 10/16/24

ELIGIBILITY:

Cash in Lieu of Leave is limited to 120 hours of vacation leave in any calendar year, and employees who request a Cash in Lieu of Leave pay-out are required to have 120 hours of vacation leave accrued on November 1 of the calendar year prior to that in which the employee is electing to cash out in.

Additional criteria include:

- Eligible employees must have completed three (3) full years of employment by the November 1 election date for the following year.
- Cash in Lieu is available only to full-time regular employees who have completed their probationary period; no other employees are eligible to participate in this program.
- Employees who wish to cash out vacation leave must have accrued a minimum of 120 hours of vacation leave by November 1 of the calendar year when they make the request. Up to 120 hours of Executive Leave may also be cashed out for eligible employee.
- Cash in Lieu of Leave requests must be in the following increments 40 hours, 80 hours, or 120 hours. Staff can elect to receive this as a cash out through payroll or into their 457 accounts. Either election must be made for the whole year at the time of election.
- Cash in Lieu of Leave is a final transaction, i.e., leave may not be reinstated once it has been paid out to the employee.

ELECTION PROCESS:

Employees must submit an irrevocable election form by November 30th of each year to receive payment in the subsequent year for accrued vacation under the following conditions:

- Employees may elect to cash out accrued vacation hours on an annual basis, in increments set at 40 hours, 80 hours, or 120 hours up to a maximum of one hundred and twenty (120) hours each year, to be paid no later than the last paycheck in December of the following year. If the employee normally accrues less than 120 hours in a calendar year, then the maximum election will be limited at their normal annual accrual.
- For example, irrevocable election forms submitted in December 2024 will be for the 2025 cash out. The hours of leave, which are converted to pay at the base hourly rate of pay, shall be deducted from the employee's vacation accrual bank in the amount identified on the irrevocable election form. The remaining unused leave shall remain in the employee's vacation accrual bank. The hours which are paid out are hours which will be accrued in 2025.
- Irrevocable election forms will be sent out from Human Resources beginning November 1st each year. Employees who do not submit irrevocable election forms by the November 30th due date will have been deemed to have elected to forgo participation in the optional annual vacation accrual cash out program. Late irrevocable election forms will not be accepted. There is no avenue to change

- an election after the November 30th yearly submission deadline.
- All elections must be received and recorded by the Director of HR on or before December 31 of the calendar year preceding the taxable calendar year accrual and cash out period (taxable pay periods between January 1 and December 31).

CONFIRMING ELIGIBILITY

Upon receipt of the election form, the Director of Human Resources will confirm employee eligibility. Only employees that meet eligibility requirements prior to or during the taxable leave redemption period may be allowed cash in lieu of leave hours during the taxable calendar year period. Employees ineligible to receive cash in lieu of leave hours must wait for the next calendar year cycle to perform another election and request a purchase.

- Employees who elect cash in lieu of leave hours but do not qualify will be notified by HR by January 15.
- Payroll staff will be notified of eligible elections received by January 15.

CASH OUT PROCESS

- Payout is automatically scheduled as one quarter of elected amount on pay period after March 31, June 30, or September 30 and the last pay period in December, subject to available balance. Employees may not elect specific amounts for specific payout periods. All payments will be automatically processed by Finance.

Policies and procedures governing the payment of employees who separate from AHA are not affected by this policy, i.e., employees who separate prior to or without requesting to receive cash in lieu are not subject to this policy as accrued vacation and executive leave is paid out at separation per AHA policy.



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701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Sepideh Kiumarsi, Management Analyst

Date: October 16, 2024

Re: Approve changes to the Administrative Plan.

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 or make revisions to the 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 have been or 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

On May 7, 2024, HUD implemented a final rule as part of HOTMA that implemented changes to the Housing Choice Voucher (HCV) tenant-based program and the Project-Based Voucher (PBV) program for 24 CFR Parts 5, 8, 42, 50, 91, 92, 93, 247, 290, 882, 888, 891, 903, 908, 943, 945, 960, 972, 982, 983, 985, and 1000. Under this final rule, HUD required Public Housing Authorities (PHAs) to be in compliance by June 6, 2024 except for some sections which HUD delayed indefinitely or postponed until one of the following compliance dates: September 4, 2024, December 3, 2024, or June 6, 2025. At this time, the AHA is revising the Administrative Plan with the sections that HUD required PHAs to be in compliance with by June 6, 2024 and September 4, 2024.



AHA is also revising the Administrative Plan for revisions made to interim policy and hardship policy for MTW Activity 2022-02 Alternative Reexamination Schedule as required by HUD.

Lastly, AHA has added new definitions to the glossary, made some formatting changes, and updated the table of contents.

FISCAL IMPACT

Not Applicable.

CEQA

Not Applicable.

RECOMMENDATION

Approve changes to the Administrative Plan.

ATTACHMENTS

1. Attachment - Overview of Administrative Plan Changes

Respectfully submitted,

Sepideh Kiumarsi

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: ~~June 26~~October 16, 2024

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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 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~~An explanation of portability including how portability may affect the family's assistance through screening, subsidy standards, payment standards, and any other elements of the portability process

which may affect the family's assistance. 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;
- Information on the Reasonable Accommodation process;
- 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, and when exceptions are required as a reasonable accommodation for persons with disabilities under Section 504, the Fair Housing Act, or the Americans with Disabilities Act.
- 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, the contact information for the Section 504 coordinator and a copy of the housing discrimination complaint form, and information on how to request a reasonable accommodation or modification (including information on requesting exception payment standards as a reasonable accommodation) under Section 504, the Fair Housing Act, and the Americans with Disabilities Act.

- 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 AHA will provide a current listing of accessible units known to the PHA and, if necessary, other assistance in locating an available accessible dwelling unit.
- Explain the advantages of areas that do not have a high concentration of low income families which may include, access to accessible and high-quality housing, transit, employment opportunities, educational opportunities, recreational facilities, public safety stations, retail services, and health services.
- 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 inspection protocol including a 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 the Housing Quality Standards. 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 21 calendar days of receiving the family's request. 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.

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 CFR 5.603(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)
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*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 calendar year if the household gross income has decreased by 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 ~~offer~~ less than 10% from the last income calculation or would like a second interim in the calendar year 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~~

Request a Hardship

To qualify for a hardship exemption for additional reexaminations, a family must submit a request through the agency's online form located on the AHA's website (<https://www.alamedahsg.org/housing-programs/program-forms/>) or by filling out a paper copy (<https://www.alamedahsg.org/housing-programs/program-forms/>) and emailing it to hardshiprequest@alamedahsg.org ~~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 will review the request within 5 business days to determine whether the household is eligible for a hardship based on the information provided. If the AHA needs additional information, the household has 7 business days from the AHA's request for information to provide all of the information required. The AHA has 3 business days to make an eligibility determination. If the AHA requests information from the family and it is not received within the 7 business days after the request was made, the AHA may deny the request.

If the AHA determines that the request does not meet the definition of a hardship as outlined in this policy, the agency will notify the household. Please refer to the "Grievance Procedure" below for household's available next steps in this circumstance.

If the AHA determines that the request does meet the definition of a hardship as outlined in this policy, the agency must suspend the MTW activity while the request is being processed. This means the AHA will conduct a reexamination and recalculate the family's portion of rent based on current circumstances until the final 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. ~~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 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 the family's first regular reexamination following the change in family size.

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: 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 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% from the last regular reexamination or interim, whichever came last, need to be reported. Increases of less than ~~\$10% annually~~ do not need to be reported between regular recertifications. Cumulative increases resulting in more than ~~\$10%~~ of income increases need to be reported when the ~~\$10%~~ level is reached.

For income decreases, there is a one interim per calendar year limit for families under MTW Activity 2022-02. T-the family must show that the gross income loss is going to significantly (greater than 10% from the income used at the last income calculation in order to receive an interim.) ~~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% 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% 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% 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 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 [\[24 CFR 888.113\]](#).

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 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 or prior notification to HUD if the exception amount does not exceed 120 percent of the applicable FMR for the unit size. The AHA may establish a payment standard greater than 120% but less than 150% of the applicable FMR for the unit size as a reasonable accommodation for a person with a disability, after requesting and receiving HUD approval (24 CFR 982.503 (d)(5)).

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.

According to 24 CFR 983.12, the AHA will retain the following documents for each PBV project throughout the HAP contract and for three years after:

- Records to document the basis for PHA selection of the proposal, if selection is competitive, or project, if selection is noncompetitive, including records of the PHA's site selection determination.
- Records to document the completion of the review of the selection process in the case of PHA-owned units and copies of the written notice of proposal selection and response of the appropriate party.
- The analysis of impact (see § 983.58(b)), if applicable;
- The subsidy layering determination, if applicable;
- The environmental review record, if applicable;
- The Agreement to enter into HAP contract, if applicable;
- Evidence of completion (see § 983.155), if applicable;
- The HAP contract and any rider and/or amendments, including amendments to extend the term of the contract;
- Records to document the basis for PHA determination and redetermination of rent to owner;
- Records to document HUD approval of the independent entity or entities, in the case of PHA-owned units;
- Records of the accessibility features of the project and each contract unit; AND
- Other records as HUD may require.

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-projects~~ rather than using it for tenant-based assistance [24 CFR 983.6]. As defined in 24 CFR 983.3(b), a project can be a single building, multiple contiguous buildings, or multiple buildings on contiguous parcels of land. “Contiguous” in this definition includes “adjacent to,” as well as touching along a boundary or a point. 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)]. Under an approved MTW activity, at its discretion the AHA can have up to 100% PBV units at a project.

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].

The AHA must notify HUD of its intent to project-base its vouchers and when the PHA executes, amends, or extends a HAP contract.

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.

An owner may submit, and the AHA may select, a single proposal covering multiple projects where each project consists of a single-family building, provided all projects are the same housing type (existing, rehabilitated, or newly constructed).

Under approved MTW Activity 2022-10 Elimination of PBV Selection Process for PHA-owned Projects without Improvement, Development, or Replacement, 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. 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 including a statement of the AHA's intent to make a noncompetitive selection in its 5-Year Plan or an amendment to its 5-Year Plan, conducting a Subsidy Layering Review, if necessary, 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. The decision to use this MTW Activity versus the full RFP process as outlined below is at the discretion of the AHA.

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 NSPIREHQs 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 (d)(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(he) and 983.579]

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 approval from the HUD Field Office or approval to have an independent entity which will review the project selection process the PHA undertook and determines that the project was appropriately selected based on the selection procedures specified in the PHA Administrative Plan, 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(f)]

For projects selected from a RFP under the competitive selection method, wWithin 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 proposal selection date is the date on which the AHA provides written notice to the party that submitted the selected proposal. Within 14 calendar days from the date of the notification letter, the owner or party that submitted the selected proposal must provide a written response to the AHA accepting the terms and requirements stated in the notice. 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).

For projects selected as part of the noncompetitive process, the AHA will provide written notice of project selection to the owner 14 calendar days following the AHA board's resolution approving the project-basing of assistance at the specific project. The project selection date is the date of the AHA's board resolution approving the project-basing of assistance at the specific project. Within 14 calendar days from the date of the notification letter, the owner or party that submitted the selected proposal must provide a written response to the AHA accepting the terms and requirements stated in the notice.

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.

When an environmental review is required, if such a review has not been conducted prior to the project or proposal selection date, the AHA's written notice of project or proposal selection must state that the selection is subject to completion of a favorable environmental review and that the project or proposal may be rejected based on the results of the environmental review in accordance with 983.56(c).

If the project contains AHA-owned units that are not owned by a separate legal entity from the AHA, the AHA must provide the written notice of proposal or project selection to the responsible AHA official, and that official must certify in writing that the AHA accepts the terms and requirements stated in the notice.

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 NSPIRE 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 NSPIRE 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.~~CD~~. PROHIBITION OF ASSISTANCE FOR CERTAIN UNITS

Ineligible Housing Types [24 CFR 983.5~~23~~]

The AHA will not attach or pay PBV assistance for any of the following housing types:

- ~~• S~~shared housing units;
- ~~• U~~units on the grounds of a penal reformatory, medical, mental, or similar public or private institution;
- ~~• N~~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);
- ~~• U~~units that are owned or controlled by an educational institution or its affiliate and are designated for occupancy by students;
- Manufactured homes are ineligible only if the manufactured home is not permanently affixed to a permanent foundation or the owner does not own fee title to the real property (land) on which the manufactured home is located~~manufactured homes or pads~~; and
- ~~• T~~transitional housing.

In addition, the AHA will not attach or pay PBV assistance for a unit occupied by an owner (a member of a cooperative who owns shares in the project assisted under the PBV program shall not be considered an owner for purposes of participation in the PBV program) 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.

In addition, the AHA may not execute a HAP contract for units on which construction or rehabilitation commenced after the date of proposal submission (for housing subject to competitive selection) or the date of the AHA's board resolution approving the project-basing of assistance at the project (for housing excepted from competitive selection) and prior to the effective date of an Agreement. At HUD's sole discretion, HUD may approve a AHA's request for an exception to this prohibition. In determining whether to approve the AHA request, HUD will consider appropriate factors, including the nature and extent of the construction or rehabilitation that has commenced.

Subsidized Housing [24 CFR 983.5~~34~~]

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 ~~521236~~ rental assistance payments (except that the AHA could attach assistance to a unit subsidized with Section ~~515236~~ interest reduction payments);
- A Section 202 project for non-elderly persons 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.~~DE~~. SUBSIDY LAYERING REQUIREMENTS ~~[24 CFR 983.153]~~~~[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. [A subsidy layering review is required for newly constructed and rehabilitated housing and requirements can be found at 24 CFR 983.153.](#)

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.

According to 24 CFR 981.11, for newly constructed or rehabilitated housing under a HAP contract, the owner must disclose to the PHA, in accordance with HUD requirements, information regarding any additional related assistance from the Federal Government, a State, or a unit of general local government, or any agency or instrumentality thereof. Such related assistance includes but is not limited to any loan, grant, guarantee, insurance, payment, rebate, subsidy, credit, tax benefit, or any other form of direct or indirect assistance. If this additional assistance meets certain threshold and other requirements established by HUD through publication in the Federal Register, a subsidy layering review may be required to determine if it would result in excess public assistance to the project. Housing assistance payments must not be more than is necessary, as determined in accordance with HUD requirements, to provide affordable housing after taking account of such related assistance. The AHA must adjust, in accordance with HUD requirements, the amount of the housing assistance payments to the owner to compensate in whole or in part for such related assistance.

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 APHA and the APHA 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.EF. CAP ON NUMBER OF PBV UNITS IN EACH PROJECT [24 CFR 983.54]

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.FG. SITE SELECTION STANDARDS

Compliance with PBV Goals, Civil Rights Requirements, and Site Standards [24 CFR 983.55]

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 developing the standards to apply in determining whether a proposed PBV development will be selected, the AHA will consider the following:

- Whether the census tract in which the proposed PBV development will be located is in a HUD-designated Enterprise Zone, Economic Community, or Renewal Community;
- Whether a PBV development will be located in a census tract where the concentration of assisted units will be or has decreased as a result of public housing demolition;
- Whether the census tract in which the proposed PBV development will be located is undergoing significant revitalization;
- Whether State, local, or Federal dollars have been invested in the area that has assisted in the achievement of the statutory requirement;

- Whether new market rate units are being developed in the same census tract where the proposed PBV development will be located and the likelihood that such market rate units will positively impact the poverty rate in the area;
- If the poverty rate in the area where the proposed PBV development will be located is greater than 20 percent, the AHA will consider whether in the past five years there has been an overall decline in the poverty rate;
- Whether there are meaningful opportunities for educational and economic advancement in the census tract where the proposed PBV development will be located.

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)~~Americans with Disabilities Act, Section 504 of the Rehabilitation Act, and similar regulations as described in 24 CFR 983.55(b)(2).

In addition, the site and neighborhood must be reasonably free from disturbing noises and reverberations and other dangers to the health, safety, and general welfare of the occupants. The site and neighborhood may not be subject to serious adverse environmental conditions, natural or manmade, that could affect the health or safety of the project occupants, such as dangerous walks or steps; contamination; instability; flooding, poor drainage, septic tank back-ups or sewage hazards; mudslides; abnormal air pollution, smoke or dust; excessive noise, vibration or vehicular traffic; excessive accumulations of trash; vermin or rodent infestation; or fire hazards.

~~, and that the site meets the site and neighborhood standards at 24 CFR 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 983.55]

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 that are at least equivalent to those found in neighborhoods consisting largely of unassisted, standard housing of similar market rents~~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 providing a range of jobs for lower-income workers is not excessive. While it is important that housing for the elderly not be totally isolated from employment opportunities, this requirement need not be adhered to rigidly for such projects.

New Construction Site and Neighborhood Standards [24 CFR 983.55]

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 unless

there is actively in progress a concerted program to remedy the undesirable conditions;

- The housing must be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services that are at least equivalent to those 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.GH. ENVIRONMENTAL REVIEW [24 CFR 983.56]

The AHA's activities under the PBV program are subject to HUD environmental regulations in 24 CFR parts 50 and 58. For projects or proposals that were selected in accordance with the site selection standards at 24 CFR 983.55 in effect on or after June 6, 2024, no environmental review is required to be undertaken before entering into a HAP contract for existing housing, except to the extent a Federal environmental review is required by law or regulation relating to funding other than PBV housing assistance payments.

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.)) and related applicable Federal laws and authorities in accordance with 24 CFR 58.5 and 58.6. -If the AHA objects in writing to having the responsible entity perform the Federal environmental review, or if the responsible entity declines to perform it, then HUD may perform the review itself (24 CFR 58.11).

When an environmental review is required tThe AHA will not enter into an AHAP contract nor enter into a HAP contract until it has complied with the environmental review requirements. 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 these activities, until one of the following occurs:

1. The responsible entity has determined that the activities to be undertaken are exempt under 24 CFR 58.34(a) or categorically excluded and not subject to compliance with environmental laws under 24 CFR 58.35(b);
2. The responsible entity has completed the environmental review procedures required by 24 CFR part 58, and HUD has approved the AHA's Request for Release of Funds and Certification (form HUD-7015.15). HUD approves the Request for Release of Funds and Certification by issuing a Letter to Proceed or form HUD-7015.16, thereby authorizing the AHA to execute an Agreement or HAP contract, as applicable; or
3. HUD has performed an environmental review under 24 CFR part 50 and has notified the AHA in writing of environmental clearance.

~~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 must document any mitigating measures or other conditions as provided in 24 CFR part 50 or 58, as applicable, and must complete or require the owner to carry out such measures and conditions.~~

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.

16-II.H. AHA DETERMINATION PRIOR TO SELECTION [24 CFR 983.57]

~~-The AHA must calculate the number of authorized voucher units that it is permitted to project-base in accordance with 24 CFR 983.6 and determine the amount of budget authority that it has available for project-basing in accordance with 24 CFR 983.5(b), before it issues a request for proposals in accordance with 24 CFR 983.51(b)(1), makes a selection based on a previous competition in accordance with 24 CFR 983.51(b)(2), amends an existing HAP contract to add units in accordance with 24 CFR 983.207(b), or noncompetitively selects a project in accordance with 24 CFR 983.51(c).~~

~~In addition, prior to selecting a project for PBV assistance, the AHA must perform an analysis of the impact if project-basing 50 percent or more of the AHA's authorized voucher units. The analysis should consider the ability of the AHA to meet the needs of the community across its tenant-based and project-based voucher portfolio, including the impact on, among others: families on the waiting list and eligible PBV families that wish to move under 24 CFR 983.261. The analysis performed by the AHA will be made available as part of the public record.~~

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.

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 or project selection date and will determine whether the project meets the definition of existing housing. If the project is existing housing, the PHA may not execute the HAP contract until all units meet the initial inspection requirements in accordance with 24 CFR 983.103(c). ~~the units substantially (as previously defined in Section 16-II.C.) comply with NSPIRE. To qualify as existing housing, units must substantially comply with NSPIRE on the proposal selection date. The AHA, however, will not execute the HAP contract until the units fully comply with NSPIRE.~~

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(d)]

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.

Periodic Inspections [24 CFR 983.103(e)]

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(f)]

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 and the owner will be notified if the life-threatening deficiency is confirmed within 24 hours. The owner must then make the repairs within 24 hours of AHA's notification. If a reported deficiency is non-life-threatening, an inspection will be performed within 15 days of the report.

If the reported deficiency is non-life-threatening, the AHA will, within 15 days, both inspect the unit and notify the owner if the deficiency is confirmed. The owner must then make the repairs within 30 days of the notification from the AHA or within any AHA-approved extension.

In the event of extraordinary circumstances, such as if a unit is within a presidentially declared disaster area, HUD may approve an exception of the 24-hour or the 15-day inspection requirement until such time as an inspection is feasible.

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(g)]

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 AND 24 CFR 983.152]

An owner may undertake development activity, as defined at 24 CFR 983.3, for the purpose of:

- Placing a newly constructed or rehabilitated project under a HAP contract; or
- For a rehabilitated project that will undergo development activity after HAP contract execution, completing the requirements of the rider in accordance with 24 CFR 983.157.

There are specific requirements that apply to PBV assistance for newly constructed ~~or rehabilitated housing, or 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. DEVELOPMENT REQUIREMENTS [24 CFR 983.153]

Environmental Review Requirements

The development activity must comply with any applicable environmental review requirements at 24 CFR 983.56.

Subsidy Layering Review Requirements

Existing housing is exempt from subsidy layering requirements.

The AHA can only provide PBV assistance in accordance with the HUD subsidy layering regulations (24 CFR 4.13) and other requirements.

A subsidy layering review is required when an owner undertakes development activity and housing assistance payment subsidy under the PBV program is combined with other governmental housing assistance from Federal, State, or local agencies, including assistance such as tax concessions or tax credits. The subsidy layering review is intended to prevent excessive public assistance for the housing 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.

If a subsidy layering review is required, the AHA can only execute an Agreement or HAP contract with an owner after HUD or a housing credit agency approved by HUD has conducted any required subsidy layering review and determined that the PBV assistance is in accordance with HUD subsidy layering requirements.

A further subsidy layering review is not required if HUD's designee has conducted a review in accordance with HUD's PBV subsidy layering review guidelines and that review included a review of PBV assistance.

The owner must disclose to the AHA any change to the information provided for purposes of the subsidy layering review, including the amount of assistance or number of units to be developed, that occurs after the subsidy layering review has been conducted and

before all contract units are placed under the HAP contract, in accordance with HUD requirements. A subsidy layering review may be required to determine if such a change would result in excess public assistance to the project, as required by HUD through notification in the Federal Register.

The HAP contract must 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, unless the owner discloses additional assistance in accordance with HUD requirements. A subsidy layering review is required for newly constructed or rehabilitated housing under a HAP contract that receives additional assistance, as described in 24 CFR 983.11(d).

Labor Standards Requirements

In the case of development involving 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 development of the housing and must 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.

For any project to which labor standards apply, the AHA's written notice to the party that submitted the selected proposal or board resolution approving project-basing of assistance at the specific project, as applicable per 24 CFR 983.51(f), must state that any construction contracts must incorporate a Davis-Bacon contract clause and the current applicable prevailing wage determination.

Equal Employment Opportunity

Development activity is subject to the Federal equal employment opportunity requirements of Executive Orders 11246, 12432, and 12138.

Accessibility Requirements

The following accessibility requirements apply to development activity:

- The design and construction requirements of the Fair Housing Act and implementing regulations at 24 CFR 100.205;
- The accessibility requirements of Section 504 of the Rehabilitation Act of 1973 and regulations at 24 CFR part 8; AND
- Title II of the Americans with Disabilities Act and regulations at 28 CFR part 35;

A description of any required work item resulting from these requirements must be included in the Agreement or HAP contract (if applicable).

Broadband Infrastructure Requirements

Any development activity that constitutes substantial rehabilitation as defined by 24 CFR 5.100 of a building with more than four rental units and where the proposal or project selection date or the start of the development activity while under a HAP contract is after January 19, 2017, must include installation of broadband infrastructure, as this term is

defined in 24 CFR 5.100, except where the owner determines and documents the determination that:

- The location of the new construction or substantial rehabilitation makes installation of broadband infrastructure infeasible;
- The cost of installing broadband infrastructure would result in a fundamental alteration in the nature of its program or activity or in an undue financial burden; or
- The structure of the housing to be substantially rehabilitated makes installation of broadband infrastructure infeasible.

A description of any required work item resulting from these requirements must be included in the Agreement or HAP contract (if applicable).

Eligibility to Participate in Federal Programs and Activities Requirement

An owner or project principal who is on the U.S. General Services Administration list of parties excluded from Federal procurement and non-procurement programs, or who is debarred, suspended subject to a limited denial of participation, or otherwise excluded under 2 CFR part 2424, may not participate in development activity or the rehabilitation of units subject to a HAP contract. Both the Agreement (if applicable) and the HAP contract must include a certification by the owner that the owner and other project principals (including the officers and principal members, shareholders, investors, and other parties having a substantial interest in the project) are not on such list and are not debarred, suspended subject to a limited denial of participation, or otherwise excluded under 2 CFR part 2424.

An owner must disclose any possible conflict of interest that would be a violation of the Agreement (if applicable), the HAP contract, or HUD regulations, in accordance with § 982.161 of this title.

16-IV.CB. ~~AGREEMENT TO ENTER INTO HAP CONTRACT~~ DEVELOPMENT AGREEMENT [24 CFR 983.154]

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 (Agreement or AHAP) with the owner of the property. The Agreement will be in the form required by HUD [24 CFR 983.154].

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 an initial HAP contract with the owner for the contract units [24 CFR 983.156(b)]. The Agreement must cover a single project, except one Agreement may cover multiple projects that each consist of a single-family building.

Timing of the Agreement

The effective date of the Agreement must be on or after the date the Agreement is executed. The Agreement must be executed and effective prior to the commencement of development activity as described below.

Commencement of Development Activity

Development activity must not commence after the date of proposal submission (for housing subject to competitive selection) or the date of the AHA's board resolution approving the project-basing of assistance at the project (for housing excepted from competitive selection) and before the effective date of the Agreement.

In the case of new construction, development activity begins with excavation or site preparation (including clearing of the land).

In the case of rehabilitation, development activity begins with the physical commencement of rehabilitation activity on the housing.

Content of the Agreement [24 CFR 983.154(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 (sizesquare footage) 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 (without charges in addition to rent) and utility services to be paid by the tenant;
- 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:

- For units developed pursuant to 983.152(a)(1) which will not undergo development activity after HAP contract execution per 983.157, submit the HAP contract for execution by the owner and execute the HAP contract;
- For rehabilitated housing projects for which development activity has commenced prior to HAP contract execution, but which will undergo development activity after HAP contract execution under 983.157(b), submit the HAP contract for execution by the owner and execute the HAP contract;
- For development activity conducted after HAP contract execution, amend the HAP contract rider to designate the completed units as available for occupancy (983.157(f)(1)(ii)) or, if the owner has completed all development activity as provided in the rider, amend the HAP contract to terminate the rider (983.157(d));
or
- For units that underwent substantial improvement in order to be added to the HAP contract, amend the HAP contract to add the units to the HAP contract (983.207(d)).

~~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, and the Americans with Disabilities Act;
- The HAP contract term;
- The number of contract units under the increased program cap (as described in 983.6(d)) or excepted from the project cap (as described in 983.54(c)) which will be set aside for occupancy by families who qualify for such a unit; and
- The initial rent to owner for the first 12 months of the HAP contract term; and
- Whether the PHA has elected not to reduce rents below the initial rent to owner in accordance with 24 CFR 983.302(c)(2).

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 pre-HAP contract Housing Quality Standards (HQS) requirements. 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 which will not undergo development activity after HAP contract execution, 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 housing that will undergo development activity after HAP contract execution per 983.157, the HAP contract must be executed and effective promptly after the requirements of 983.157(c) are met (all proposed PBV units are added to the contract at this time, including units that do not comply with HQS or that will undergo development activity).

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. At no time can the total remaining term of the HAP contract, with extensions, exceed 40 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.

Non-extension by Owner [24 CFR 983.206(a)]

If the owner chooses not to extend the PBV contract, the owner must notify the AHA and assisted tenants at least one year before the expiration of the PBV contract, termination of the HAP contract by agreement of AHA and owner as described below, or an owner's refusal to renew the HAP contract. If an owner fails to provide the required notice, the owner must permit the tenants in assisted units to remain in their units for the required notice period with no increase in the tenant portion of their rent, and with no eviction as a result of an owner's inability to collect an increased tenant portion of rent. An owner and AHA may agree to extend the terminating contract for a period of time sufficient to provide tenants with the required notice, under such terms as HUD may require.

Termination or Expiration Without Extension [24 CFR 983.206(b)]

Unless a termination or expiration without extension occurs due to a determination of insufficient funding or other extraordinary circumstances determined by HUD, the AHA shall issue each family occupying a contract unit a tenant-based voucher based on the termination or expiration of the contract no fewer than 60 calendar days prior to the planned termination or expiration of the PBV HAP contract. However, the AHA is not required to issue the family a voucher if the AHA has offered the family an alternative housing option (e.g., an assisted unit in another PBV project), and the family chooses to accept the alternative housing option instead of the voucher. Such a family is not a new admission to the tenant-based program and shall not count toward the AHA's income-targeting requirements at 24 CFR 982.201(b)(2)(i). The voucher issued to the family is the voucher attached to its unit under the expiring or terminating PBV contract.

Consequently, if the family vacates the contract unit following the issuance of the tenant-based voucher and prior to the contract termination or expiration date, the AHA must remove the unit from the PBV HAP contract at the time the family vacates the unit. The PBV HAP contract must provide that, if the units continue to be used for rental housing upon termination or expiration without extension of a PBV HAP contract, each assisted family may elect to use its tenant-based assistance to remain in the same project, subject to the following:

1. The unit must comply with HUD's HQS;
2. The AHA must determine or have determined that the rent for the unit is reasonable;
3. The family must pay its required share of the rent and the amount, if any, by which the unit rent (including the amount allowed for tenant-based utilities) exceeds the applicable payment standard (the limitation at 24 CFR 982.508 regarding maximum family share at initial occupancy shall not apply); and
4. The owner may not refuse to initially lease a unit in the project to a family that elects to use their tenant-based assistance to remain in the same project, except where the owner will use the unit for a purpose other than a residential rental unit. The owner may not later terminate the tenancy of such a family, except for the following grounds:
 - a. The grounds in 24 CFR 982.310, except paragraphs 24 CFR 982.310(d)(1)(iii) and (iv);
 - b. The owner's desire to use the unit for a purpose other than a residential rental unit; and
 - c. The owner's desire to renovate the unit, subject to the following:
 - i. The owner must consider whether a reasonable alternative to terminating the lease exists. If a reasonable alternative exists, the owner must not terminate the lease. The owner must consider the following alternatives:
 1. Completing renovations without the family vacating the unit, if the renovations can be completed in a manner that does not result in life-threatening conditions, does not result in deficiencies under HQS that are not corrected within 30 days, and is mutually agreeable to the owner and the family; and
 2. Temporarily relocating the family to complete the renovations, if the relocation and renovations can be completed within a single calendar month (beginning no sooner than the first day of a month and ending no later than the last day of the same month) and the family can be relocated to a location and in a manner mutually agreeable to the owner and the family;
 - ii. If the owner terminates the lease for renovation, the owner must make every reasonable effort to make available and lease the family another unit within the project that meets the tenant-based voucher program requirements; and
 - iii. If no other unit within the project is available for the family to lease during the renovation period or the family chooses to move from the project during the renovation period, the owner must make every

reasonable effort to make available and lease the family a unit within the project upon completion of renovations.

Termination by AHA [24 CFR 983.2065(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.

If the AHA determines that the owner has breached the HAP contract, the AHA may exercise any of its rights or remedies under the HAP contract, including but not limited to contract termination.

Termination by Owner [24 CFR 983.2065(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 at least 90 calendar days prior to the planned termination. In this case, families living in the contract units must be offered tenant-based assistance.

Termination by Agreement of AHA and Owner [24 CFR 983.206(e)]

The AHA and owner may agree to terminate the HAP contract prior to the end of the term. The owner must notify the AHA and assisted tenants at least one year before the termination of the HAP contract by agreement of AHA and owner. Families living in the contract units must be offered tenant-based assistance and may elect to remain in the project as described in 24 CFR 983.206(b).

Remedies for NSPIRE/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 NSPIRE. If the AHA determines that a contract unit(s) does not comply with NSPIRE, the AHA will abate and terminate PBV HAP contracts for non-compliance with NSPIRE in accordance with the policies used in the tenant-based voucher program. These policies are contained in Section 8 II.C., 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. The proposed substituted unit may be vacant as described in 24 CFR 983.207(c) or occupied, may undergo repairs or renovation prior to amending the PBV HAP contract to substitute the unit –as described in 24 CFR 983.207(d), and –must have existed at the time as described in 24 CFR 983.207(e).

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.

–The proposed added unit may be vacant as described in 24 CFR 983.207(c) or occupied, may undergo repairs or renovation prior to amending the PBV HAP contract to substitute the unit as described in 24 CFR 983.207(d), and must have existed at the time as described in 24 CFR 983.207(e).

16-V.D. HAP CONTRACT YEAR, ANNIVERSARY AND EXPIRATION DATES [24 CFR 983.207(GG) 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. CONDITION OF CONTRACT UNITS [24 CFR 983.208]

Owner maintenance and operation

The owner must maintain and operate the contract units and premises in accordance with the 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.

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.

Enforcement of HQS

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 NSPIRE. If the AHA determines that a contract unit(s) does not comply with NSPIRE, the AHA will abate and terminate PBV HAP contracts for non-compliance with NSPIRE in accordance with the policies used in the tenant-based voucher program. These policies are contained in Section 8-II.G., Enforcing Owner Compliance.

In the case of an HQS deficiency that is caused by fire, natural disaster, or similar extraordinary circumstances, the AHA may permit the owner to undertake substantial improvement in accordance with 24 CFR 983.212. However, so long as the contract unit with deficiencies is occupied, the AHA must withhold or abate housing assistance payments and remove units from or terminate the HAP contract.

In the case of a project that is undergoing development activity after HAP contract execution per 24 CFR 983.157, the remedies at 24 CFR 983.208(d) do not apply to units designated as unavailable for occupancy during the period of development activity in accordance with the rider. However, in the case of any contract unit with deficiencies that is occupied, the AHA must withhold or abate housing assistance payments and remove units from or terminate the HAP contract

16-V.FE. 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.GF. VACANCY PAYMENTS [24 CFR 983.352(B)]

~~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 NSPIREHQs, 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 NSPIREHQs.~~

~~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 can be selected from the AHA's PBV Waiting lists or may be referred by the owner.

AHA Referred Families

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, and the family's right to move. 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, family's right to move, PHA subsidy standards, including when the PHA will consider granting exceptions to the standards as allowed by 24 CFR 982.402(b)(8), and when exceptions are required as a reasonable accommodation for a person with disabilities under Section 504, the Fair Housing Act, or the Americans with Disabilities Act and information on Federal, State, and local equal opportunity laws, the contact information for the Section 504 coordinator, a copy of the housing discrimination complaint form, and information on how to request a reasonable accommodation or modification under Section 504, the Fair Housing Act, and the Americans with Disabilities Act. ~~and applicable fair housing information.~~

In addition, the AHA and family must sign the statement of family responsibility.

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 PBV waiting list.

The owner is responsible for adopting 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 perform the lease obligations.

An owner must promptly notify in writing any rejected applicant of the grounds for any rejection. The owner must provide a copy of such rejection notice to the AHA.

The owner must comply with 24 CFR part 5, subpart L (Protection for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking) and these protections apply to tenant screening.

-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)]

Contract units in a rehabilitated housing project undergoing development activity after HAP contract execution that are not available for occupancy in accordance with 24 CFR 983.157(e)(5) are not subject to this requirement.

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.

The owner may also terminate the tenancy in accordance with the requirements related to lease terminations for development activity on units under a HAP contract as provided in 24 CFR 983.157(g)(6)(iii) and for substantial improvement to units under a HAP contract as provided in 24 CFR 983.212(a)(3)(iii).

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 983.259~~8~~]

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. 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 983.259260]

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 983.2610]

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. When the family or a member of the family is or has been the victim of domestic violence, dating violence, sexual assault, or stalking, as provided in 24 CFR part 5, subpart L, and the move is needed to protect the health or safety of the family or any family member has been the victim of a sexual assault that occurred on the premises during the 90-calendar-day period preceding the family's request to move, the family does not need to give advance written notice or contact the AHA before moving from the unit.

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.

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 an amount determined by the AHA not to exceed 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, or at the time of the automatic adjustment by an operating cost adjustment factor (OCAF).

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 July 1 every year and include the requested amount of rent being proposed (see Section 16-V.D.). A rent increase through an adjustment by an OCAF does not need a rent request by the owner if allowed under the HAP contract since the AHA redetermines the rent automatically under that option. 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.

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

HQS Housing Quality Standards

PHA Public Housing Agency

PMSA 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.

ABATEMENT. Stopping HAP payments to an owner with no potential for retroactive payment.

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 point when the family becomes a participant in the PHA's tenant-based or project-based voucher program. If the family is not already a tenant-based voucher participant, the date of admission for the project-based voucher program is the first day of the initial lease term (the commencement of the assisted tenancy) in the PBV unit. After admission, and so long as the family is continuously assisted with tenant-based or project based voucher assistance from the PHA, a shift from tenant-based or project based assistance to the other form of voucher assistance is not a new 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.

AGREEMENT TO ENTER INTO HAP CONTRACT (AGREEMENT). A written contract between the PHA and the owner in the form prescribed by HUD. The Agreement defines requirements for development activity undertaken for units to be assisted under this section. When development is completed by the owner in accordance with the Agreement, the PHA enters into a HAP contract with the owner. The Agreement is not used for existing housing assisted under this section.

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.

AREA WHERE VOUCHERS ARE DIFFICULT TO USE. An area where a voucher is difficult to use is: (i) A census tract with a poverty rate of 20 percent or less, as determined by HUD; (ii) A ZIP code area where the rental vacancy rate is less than 4 percent, as determined by HUD; or (iii) A ZIP code area where 90 percent of the Small Area FMR is more than 110 percent of the metropolitan area or county FMR.

ASSETS. (See Net Family Assets.)

ASSISTED LIVING FACILITY. A residence facility (including a facility located in a larger multifamily property) that meets all the following criteria: (i) The facility is licensed and regulated as an assisted living facility by the State, municipality, or other political subdivision; (ii) The facility makes available supportive services to assist residents in carrying out activities of daily living; and (iii) The facility provides separate dwelling units for residents and includes common rooms and other facilities appropriate and available to provide supportive services for the residents.

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.

AUTHORIZED VOUCHER UNITS. The number of units for which a PHA is authorized to make assistance payments to owners under its annual contributions contract.

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.

BUILDING. A structure with a roof and walls that contains one or more dwelling units.

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).

COMPARABLE TENANT BASED RENTAL ASSISTANCE. A tenant-based subsidy to enable a family to obtain decent, safe, and sanitary housing in the PHA jurisdiction, which meets the following minimum requirements: (i) The family's monthly payment is not more than 40 percent of the family's adjusted monthly gross income; (ii) The rental assistance contains no limitation as to the length of time the family may receive the assistance; (iii) The family is not required to be employed, to seek employment, or to participate in supportive services in order to receive the rental assistance; and (iv) The family is able to use the rental assistance in one or more other PHAs' jurisdictions.

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.

CONTRACT UNITS. The housing units covered by a HAP contract.

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.

COVERED HOUSING PROVIDER. For the PBV program, "covered housing provider," as such term is used in HUD's regulations in 24 CFR part 5, subpart L (Protection for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking) refers to the PHA or owner (as defined in 24 CFR 982.4), as applicable given the responsibilities of the covered housing provider as set forth in 24 CFR part 5, subpart L. For example, the

PHA is the covered housing provider responsible for providing the notice of occupancy rights under VAWA and certification form described at 24 CFR 5.2005(a). In addition, the owner is the covered housing provider that may choose to bifurcate a lease as described at 24 CFR 5.2009(a), while the PHA is the covered housing provider responsible for complying with emergency transfer plan provisions at 24 CFR 5.2005(e).

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.

DEVELOPMENT ACTIVITY. New construction or rehabilitation work done after the proposal or project selection date in order for a newly constructed or rehabilitated housing project to be covered by a PBV HAP contract, including work done pursuant to a rider to the HAP contract in accordance with § 983.157.

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.

EXCEPTED UNITS. Units in a project not counted toward the project cap because they exclusively serve or are made available to certain families. See § 983.54(c)(2).

EXCLUDED UNITS. Units in a project not counted toward the program cap or project cap because they meet certain criteria. See § 983.59.

EXISTING HOUSING. A project that meets the following criteria:

(i) All the proposed contract units in the project either fully comply or substantially comply with HQS on the proposal or project selection date, as determined per § 983.103(a). (The units must fully comply with HQS at the time required by § 983.103(c)). The units substantially comply with HQS if: (A) The units only require repairs to current components or replacement of equipment and/or materials by items of substantially the same kind to correct deficiencies; and (B) The PHA determines all

deficiencies can reasonably be corrected within a 30-day period, taking into consideration the totality of the deficiencies in the project.

(ii) The PHA determines the project is not reasonably expected to require substantial improvement and the owner certifies it has no plans to undertake substantial improvement from the proposal submission date (for projects subject to competitive selection) or the project selection date (for projects excepted from competitive selection) through the first two years of the HAP contract.

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), as established by HUD for units of varying sizes (by number of bedrooms), that must be paid in the housing market area to rent 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. In the HCV program, the FMR may be established at the ZIP code level (see definition of Small Area Fair Market Rents), metropolitan area level, or nonmetropolitan county level. 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 developed by HUD in accordance with 24 CFR 5.703 for the HCV program, including any variations approved by HUD for the PHA under 24 CFR 5.705(a)(3). 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.

INDEPENDENT ENTITY. (i) The unit of general local government; however, if the PHA itself is the unit of general local government or an agency of such government, then only the next level of general local government (or an agency of such government) or higher may serve as the independent entity; or (ii) A HUD-approved entity that is autonomous and recognized under State law as a separate legal entity from the PHA. The entity must not be connected financially (except regarding compensation for services performed for PHA-owned units) or in any other manner that could result in the PHA improperly influencing the entity.

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.

IN-PLACE FAMILY. A family residing in a proposed contract unit on the proposal or project selection date.

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.

MULTIFAMILY BUILDING. A building with five or more dwelling units (assisted or unassisted).

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.

HOUSING QUALITY STANDARDS (HQS). The HUD minimum quality standards for housing assisted under all HUD-assisted programs including the Housing Choice Voucher program.

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.

NEWLY CONSTRUCTED HOUSING. A project containing housing units that do not exist on the proposal or project selection date and are developed after the date of selection for use under the PBV program.

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.

PARTIALLY ASSISTED PROJECT. A project in which there are fewer contract units than residential units.

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-OWNED UNIT. (i) A dwelling unit in a project that is: (A) Owned by the PHA (including having a controlling interest in the entity that owns the project); (B) Owned by an entity wholly controlled by the PHA; or (C) Owned by a limited liability company or limited partnership in which the PHA (or an entity wholly controlled by the PHA) holds a

controlling interest in the managing member or general partner.(ii) A controlling interest is: (A) Holding more than 50 percent of the stock of any corporation; (B) Having the power to appoint more than 50 percent of the members of the board of directors of a non-stock corporation (such as a nonprofit corporation); (C) Where more than 50 percent of the members of the board of directors of any corporation also serve as directors, officers, or employees of the PHA; (D) Holding more than 50 percent of all managing member interests in an LLC; (E) Holding more than 50 percent of all general partner interests in a partnership; or (F) Equivalent levels of control in other ownership structures.

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 project~~ in which the dwelling contract 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 voucher program under Section 8 of the 1937 Act, including tenant-based or project-based assistance.~~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.

PROJECT. A project can be a single building, multiple contiguous buildings, or multiple buildings on contiguous parcels of land. "Contiguous" in this definition includes "adjacent to," as well as touching along a boundary or a point.

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.

REHABILITATED HOUSING. A project which is developed for use under the PBV program, in which all proposed contract units exist on the proposal or project selection date, but which does not qualify as existing housing.

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 a contractthe unit. Rent to owner covers payment for any housing services, maintenance and utilities that the owner is required to provide and pay for. Rent to owner must not include charges for non-housing services including payment for food, furniture, or supportive services provided in accordance with the lease.

REQUEST FOR TENANCY APPROVAL (RFTA). A form (form HUD-52517) submitted by or on behalf of a family to a PHA once the family has identified a unit that it wishes to rent using tenant-based voucher assistance.

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.

RESPONSIBLE ENTITY (for environmental review). The unit of general local government within which the project is located that exercises land use responsibility or, if HUD determines this infeasible, the county or, if HUD determines that infeasible, the State.

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).

SECTION 8 MANAGEMENT ASSESSMENT PROGRAM (SEMAP). A system used by HUD to measure PHA performance in key Section 8 program areas. See 24 CFR part 985.

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-FAMILY BUILDING. A building with no more than four dwelling units (assisted or unassisted).

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.

SITE. The grounds where the contract units are located or will be located after development.

SMALL AREA FAIR MARKET RENTS (SAFMRS OR SMALL AREA FMRS). Small Area FMRs are FMRs established for U.S. Postal Service ZIP code areas and are calculated in accordance with 24 CFR 888.113(a) and (b).

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 different special housing types. SRO housing, congregate housing, group homes, shared housing, cooperatives (including mutual housing), and manufactured homes (including manufactured home space rental). Subpart M provisions on shared housing, manufactured home space rental, and the homeownership option do not apply to PBV assistance under 24 CFR 983.3.

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.

SUBSTANTIAL IMPROVEMENT. One of the following activities undertaken at a time beginning from the proposal submission date (for projects subject to competitive

selection) or from the project selection date (for projects excepted from competitive selection), or undertaken during the term of the PBV HAP contract:

(i) Remodeling that alters the nature or type of housing units in a project;

(ii) Reconstruction; or

(iii) A substantial improvement in the quality or kind of equipment and materials. The replacement of equipment and/or materials rendered unsatisfactory because of normal wear and tear by items of substantially the same kind does not constitute substantial improvement.

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-PAID UTILITIES. Utilities and services that are not included in the rent to owner and are the responsibility of the assisted family, regardless of whether the payment goes to the utility company or the owner. The utilities and services are those necessary in the locality to provide housing that complies with HQS. The utilities and services may also include those required by HUD through a Federal Register notice after providing opportunity for public comment.

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 or owner-maintained 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.

WITHOLDING. Stopping HAP payments to an owner while holding them for potential retroactive disbursement.

WRONG-SIZED UNIT. A unit occupied by a family that does not conform to the PHA's subsidy standard for family size, by being either too large or too small compared to the standard.

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.



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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: October 16, 2024

Re: Accept the Housing Authority of the City of Alameda (AHA) Annual Report for the Fiscal Year 2023-2024 (July 1, 2023 - June 30, 2024).

BACKGROUND

Annual Report for Fiscal Year 2023-2024.

DISCUSSION

The Annual Report for Fiscal Year 2023-2024 summarizes the agency's activities from July 1, 2023, through June 30, 2024. This report contains the Housing Authority of the City of Alameda's (AHA) message to our stakeholders from AHA's Executive Director and Board Chair, financial and program metrics, agency updates, a map of AHA communities, and future plans for affordable housing development. The Annual Report is designed to provide the public with comprehensive data regarding AHA's efforts to provide quality, affordable and safe housing to low-income residents in the City of Alameda. The Annual Report for Fiscal Year 2023-2024 is included with this memo and can also be found on AHA's website (www.alamedahsg.org) by selecting the "About Us" tab at the top of the AHA website homepage, and then selecting the "Agency Documents" menu item.

FISCAL IMPACT

Not applicable.

CEQA

Not applicable.

RECOMMENDATION

Accept the Housing Authority of the City of Alameda (AHA) Annual Report for the Fiscal Year 2023-2024 (July 1, 2023 - June 30, 2024).

ATTACHMENTS



1. FY 23-24 Annual Report
2. FY 23-24 Photos in Review

Respectfully submitted,

A handwritten signature in cursive script that reads "Joshua Altieri".

Joshua Altieri, Community Relations Manager

FY 2023-2024 ANNUAL REPORT

JULY 1, 2023 - JUNE 30, 2024



Housing Authority
— of the —
City of Alameda

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Fiscal Year 2023-24 Awards

This past fiscal year, the Housing Authority of the City of Alameda (AHA) won some noteworthy recognition, including the Award of Excellence for Rosefield Village from the National Association of Housing and Redevelopment Officials (NAHRO). NAHRO's Award of Excellence recognizes outstanding innovation and achievement in housing and community development across the United States. AHA also won the NAHRO Award of Merit for AHA's partnership with Pulte Homes to purchase 18 new affordable rental homes via an Inclusionary Housing program.

MESSAGE FROM AHA EXECUTIVE DIRECTOR & AHA BOARD CHAIR

Hello AHA Stakeholder,

It is our pleasure to present you with the Annual Report for the 2023-2024 fiscal year (July 1, 2023 - June 30, 2024) that demonstrates the talent, outcomes and mission of the Housing Authority of the City of Alameda (AHA). This past fiscal year, AHA staff and leadership focused on administering financial subsidies to qualified low-income households, streamlining housing program administration, fostering strategic partnerships, planning for future community development, and expanding social service support to AHA residents and program participants.

With the goal of building 600+ new affordable homes by 2030, AHA is focused on leveraging several strategies to increase the amount of affordable housing stock in the City of Alameda. Those strategies include new construction of affordable housing and enrolling private market landlords into AHA's Housing Choice Voucher (HCV) program. AHA's newest and largest housing development, North Housing, serves as a perfect example of how AHA is nimble, committed, and capable enough to execute a long term housing development strategy. The North Housing Master Plan is a multi-year commitment for AHA, along with Island City Development, to create 586 new affordable homes in the City of Alameda. The first phase of North Housing began construction in early 2024 and is slated to complete construction in late 2025. Upon completion of this first phase, 109 affordable homes will be provided to individuals who are unhoused or formerly unhoused, military veterans, and/or seniors (62+).

Beyond utilizing new construction, AHA seeks to grow affordable housing opportunities for low-income households by recruiting and retaining local landlords into AHA's Housing Choice Voucher (HCV) program. Recently, AHA began to offer new landlord financial incentives (via HUD's Moving to Work demonstration program), such as vacancy loss payments and individual lease-up incentives for landlords. During the 2023-24 fiscal year, AHA distributed \$153,000 worth of financial incentives to AHA's Housing Choice Voucher landlords. These incentives can be combined with other incentives to total up to a maximum of one month of rent. As a result of these financial incentives, AHA now partners with 400+ City of Alameda private market landlords to provide affordable housing to low-income tenants.

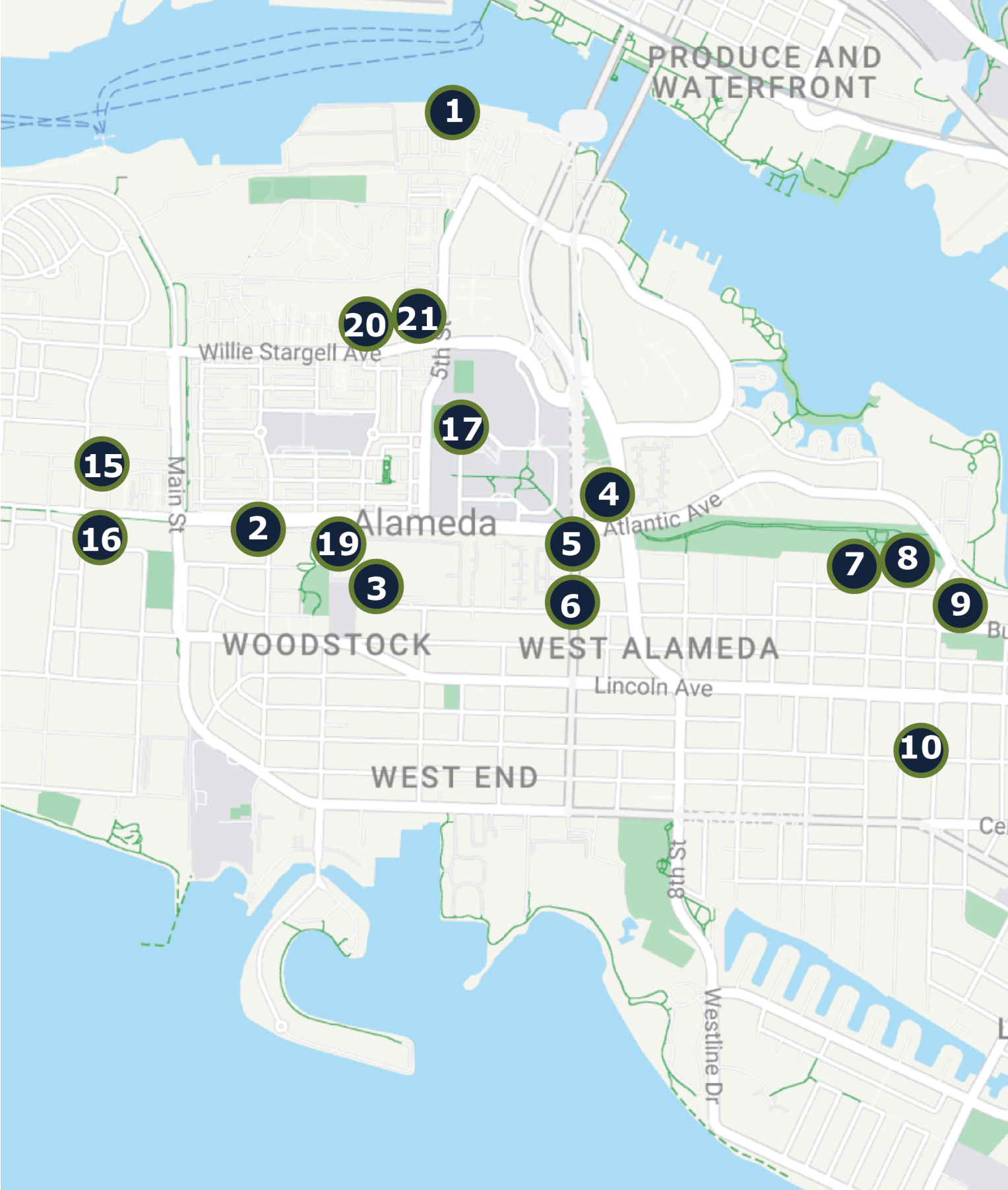
Together with AHA staff, commissioners, partners, community, and clients, AHA strives to provide support for AHA program participants, by providing them with social services and other resources which enable them to achieve their full potential through all stages of their life. AHA has fostered many partnerships with community organizations to provide AHA program participants of all ages with an array of services. Our strong community partnerships have helped tenants to achieve housing stability through an integrated and holistic approach, not simply through a financial subsidy.

With the affordable housing crisis impacting the City of Alameda, as well as the greater Bay Area, the Housing Authority of the City of Alameda remains steadfast in overcoming challenges to achieve housing stability, finding opportunities for housing development and acquisition, and creating strategies to provide more affordable housing option for our city's residents. We look forward to continuing our work with the community and building on our commitment to develop more affordable housing for the City of Alameda.

Thank you for your support,

Vanessa Cooper, AHA Executive Director & Carly Grob, AHA Board Chair

AHA COMMUNITIES



AHA COMMUNITIES

LEGEND

AHA Properties

1. **Bay 37 at Pulte Homes** - 2437 Eagle Ave
18 Affordable Housing Units
2. **Esperanza Apartments** - 1903 3rd Street
112 Affordable Housing Units
3. **China Clipper** - 460 Buena Vista Ave
26 Affordable Housing Units
4. **Independence Plaza** - 703 Atlantic Ave
186 Affordable Housing Units
5. **Eagle Village** - 700 Block of Eagle Ave
42 Affordable Housing Units
6. **Rosefield Village** - 700 Block of Buena Vista Ave
91 Affordable Housing Units
7. **Parrot Village** - 1850 St. Charles Street
50 Affordable Housing Units
8. **Parrot Gardens** - 1845 Bay Street
8 Affordable Housing Units
9. **Littlejohn Commons** - 1301 Buena Vista Ave
31 Affordable Housing Units
10. **Sherman House** - Sherman Street near Central Avenue
9 Affordable Housing Units
11. **Stanford House** - Stanford Street and Clement Street
4 Affordable Housing Units

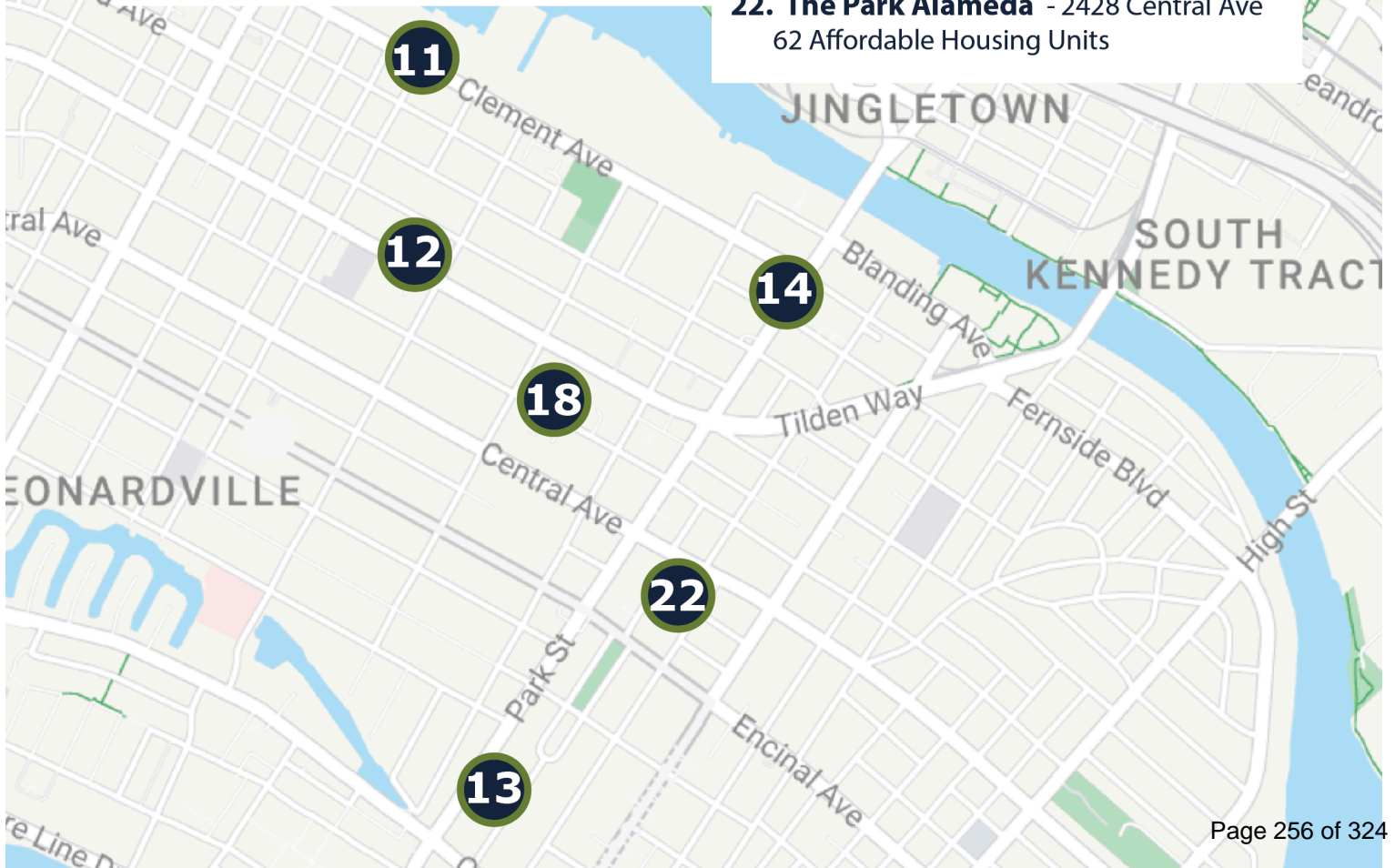
12. **Lincoln Willow** - 2100 Block of Lincoln Ave
5 Affordable Housing Units
13. **Anne B. Diament Plaza** - 920 Park Street
65 Affordable Housing Units
14. **Everett Commons** - 2437 Eagle Avenue
20 Affordable Housing Units

AHA Subsidized Properties

15. **Corsair Flats** - 171 W Atlantic Ave
60 Affordable Housing Units
16. **The Starling** - 170 Coronado Ave
70 Affordable Housing Units

AHA Partnership Properties

17. **Breakers at Baypoint** - 459 Neptune Gardens Ave
52 Affordable Housing Units
18. **Jack Capon Villas** - 2216 Lincoln Ave
19 Affordable Housing Units
19. **Rica Vista** - 1825 Poggi St
186 Affordable Housing Units
20. **Shinsei Gardens** - 401 Stargell Ave
39 Affordable Housing Units
21. **Stargell Commons** - 2700 Bette St
32 Affordable Housing Units
22. **The Park Alameda** - 2428 Central Ave
62 Affordable Housing Units



COMMUNITY PARTNER IMPACT



Housing serves as a stabilizing force in the lives of many Housing Authority residents striving towards self-sufficiency, including vulnerable populations like the previously homeless, seniors (ages 62+) and people with disabilities. All of these diverse households have unique life experiences, and a variety needs. To help stabilize these households and enable them to flourish, AHA provides social services via community partnerships with agencies like the Alameda Food Bank, Alameda Family Services, Alameda Recreation and Parks Department, Alameda Boys & Girls Club, Alameda Rent Program, Center for Elders Independence, Alameda Point Collaborative, Building Futures, the City of Alameda, plus many more.

Beyond AHA's vast roster of community partners, AHA also contracts with LifeSTEPS to provide onsite resident services at all AHA properties, which include employment, medical, financial, and social services. With this resident engagement and service-oriented approach, the real life positive impact of these resources is tangible and the following AHA resident story highlights the life-changing impact that AHA and LifeSTEPS can generate together, one household at a time.

"Holly" was born and raised in Southern California and relocated to the Bay Area in 1990. She currently resides in one of AHA's family properties in Alameda. Her life was marked by prolonged periods of unemployment and homelessness, but despite the hardships, Holly remained resilient. Her solace was found in cooking, a passion that brings her immense joy.

LifeSTEPS Director of Social Services, Trevor, met Holly during his resident outreach efforts, where he learned her struggles were quickly leading her towards potential eviction. Focusing on keeping Holly housed, Trevor worked with Holly and her Property Manager to establish a rent payment plan, enabling her to clear her balance, while ensuring timely current rent payments. Furthermore, Trevor assisted her with completing a LifeSTEPS Emergency Assistance application, securing \$400 in rental assistance, and connected her with a health professional to address her health-related needs. Trevor continued his work with Holly, updating her resume and cover letter, teaching her how to craft a budget and manage her finances. Armed with these new skills and resources, Holly placed her resume online, leading to calls offering permanent employment opportunities, one of which she secured and holds more than a year later. Without Trevor's unwavering support and guidance, Holly might have faced housing insecurity.

Holly expressed her gratitude, saying, "Trevor has helped so much during one of the most challenging periods of my life and has been available as a compassionate listener. Thank you, Trevor, for everything". Holly's story is a testament to the transformative power of support and the resilience of our program participants. With LifeSTEPS, AHA, and Trevor by her side, she has not only achieved stability but also regained her hope and determination to reach self-sufficiency.

BECOME AN AHA LANDLORD



Private market landlords that participate in AHA's Housing Choice Voucher (HCV) program perform a critically important role in providing low-income housing to Alamedans. Via AHA's Moving To Work program, AHA is able to offer private market landlords financial incentives. Listed below are financial incentives that were available to City of Alameda landlords in FY 2023-2024. 41 new landlords joined AHA's Housing Choice Voucher landlord program in the 2023-2024 Fiscal Year.

\$100 for a unit that passes initial HQS inspection on the first inspection (at move-in) and an AHA HCV program participant then leases the unit.

\$1,000 for a unit that was previously leased by a participant in AHA's HCV program and is then leased to a new HCV program participant at AHA.

\$1,500 for a unit that has never been previously leased by a participant in AHA's Housing Choice Voucher program. The tenant on the new lease must be an AHA HCV program participant.

\$2,000 for an ADA accessible unit when it is leased to an AHA HCV program participant.

NOTE: Landlords can receive multiple incentives for a unit, but the total of all payments have to be equal to or less than one month of rent.

To learn more about all the landlord benefits, please scan the QR Code below to view an informational video:

To become an AHA landlord today, please call (510) 747-4322.



AFFORDABLE HOUSING ON THE HORIZON



North Housing

To celebrate the start of construction of the North Housing Master Plan, the Housing Authority of the City of Alameda and its affiliate Island City Development, hosted a start of construction celebration event on April 24th, 2024. The event was attended by the State of California Controller (Malia Cohen), officials from the U.S. Department of Housing and Urban Development, and Tomiquia Moss, the Secretary of the California Business, Consumer Services, and Housing agency.

The event formally announced that 109 new affordable homes are coming to the City of Alameda via two new housing developments (Estuary I and Linnet Corner). These two new developments will provide housing for homeless and formerly homeless individuals, military veterans, and for seniors (ages 62+). Construction of the first two buildings (Estuary I and Linnet Corner) is expected to be completed in late 2025.

Once both properties open in 2025, all leasing and property management services will be provided by FPI Management (www.fpimgt.com). Building Futures (www.bfwc.org), along with the Alameda Point Collaborative (www.apcollaborative.org), will lead comprehensive case management and supportive services for residents at the Estuary I. LifeSTEPS (www.lifestepsusa.org) will provide case management and resident services at Linnet Corner.



AGENCY HIGHLIGHTS



AHA Successful at Housing Homeless Families and Veterans

During this fiscal year, AHA obtained 100% lease-up in its Emergency Housing Voucher (EHV) program. In June 2023, AHA was awarded Stability Vouchers, so AHA was able to apply the best practices learned from the EHV housing placements to placing the families and individuals with Stability Vouchers. Then in early 2024 the Housing Authority of the County of Alameda (HACA), the Oakland Housing Authority (OHA), the Department of Veteran Affairs, the Housing Authority of the City of Alameda, and HUD all worked together to reallocate Veteran Affairs Supportive Housing (VASH) vouchers from HACA and OHA to AHA. This reallocation of VASH vouchers enabled AHA to house 36 additional previously homeless veteran households, with a majority of these veterans being housed in units owned by private market landlords.



Partnership with Alameda Municipal Power (AMP)

AHA staff worked closely with Alameda Municipal Power (www.alamedamp.com) staff to identify AHA housing program participants that live at AHA-owned properties who are eligible to participate in AMP's Energy Assistance Program. The Energy Assistance Program (EAP) delivers low-income AMP customers a 25% discount on their monthly energy costs. In June 2024, 240 AHA households were auto-enrolled into the EAP program resulting in monthly savings for each of those households.

AHA's Summer Internship Program

In March 2024, AHA staff launched a robust recruitment effort to hire 5 interns to participate in AHA's Summer Intern program, and over eighty candidates applied. This is the 5th year that AHA has hired summer interns and the AHA interns currently study or graduated from the University of California, Berkeley or UC Davis. The 2024 summer interns gained valuable experience in the following departments: Administrative Services, Data and Policy, Human Resources, Housing Development, Housing Programs, and Asset Management.



COMMISSIONERS AND LEADERSHIP



AHA Board of Commissioners

Thelma Decoy, Commissioner

Carly Grob, Board Chair

Bachir Hadid, Commissioner

Eric Husby, Commissioner

Michaelea Joseph-Brown, Commissioner

Alex Kaufman, Commissioner

Vadim Sidelnikov, Vice Chair/Commissioner

Kenji Tamaoki, Vice Chair/ Commissioner



Housing Authority
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City of Alameda

AHA Leadership

Vanessa Cooper, Executive Director

Nancy Gerardin, Director of Property Operations

Lynette Jordan, Director of Housing Programs

Greg Kats, Director of Administrative Services

Shanon Lampkins , Asset Management

Sylvia Martinez, Director of Housing Development

Tonya Schuler-Cummins, Director of Data and Policy

Louie So, Chief Financial Officer

Alicia Southern, Director of Human Resources

FINANCIAL DATA & PROGRAM METRICS



Financial Data

The Housing Authority's annual operating budget for Fiscal Year 2023-2024 is \$60,385,365. This budget revenue is inclusive of HUD funding, local grants, tenant rents and investment income, with a budgeted staff of 54 full-time employees. AHA has two affiliated nonprofits, Alameda Affordable Housing Corporation and Island City Development. AHA and its affiliates own a total of 944 affordable rental homes.

Program Metrics



66% of AHA households are seniors or disabled.



\$38,039,205 in housing assistance was paid to provide decent, safe, and sanitary housing for AHA's housing program participants.



The average tenure of an AHA housing program participant is **16 years and 7 months**.



AHA provided **180** language translation service sessions to AHA housing program participants and AHA tenants.



69% of AHA households are headed by a woman as Head of Household.



www.alamedahsg.org had over **98,000** unique website visitors with over **353,000** page views.



\$24,458 is the average income of AHA housing program participants.



An average of **1,625** housing vouchers are under lease per month.



2,701 Housing Quality Standards (HQS) inspections were completed by the Housing Authority.



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City of Alameda

Contact Us

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Alameda, CA, 94501

Fiscal Year 2023 -2024

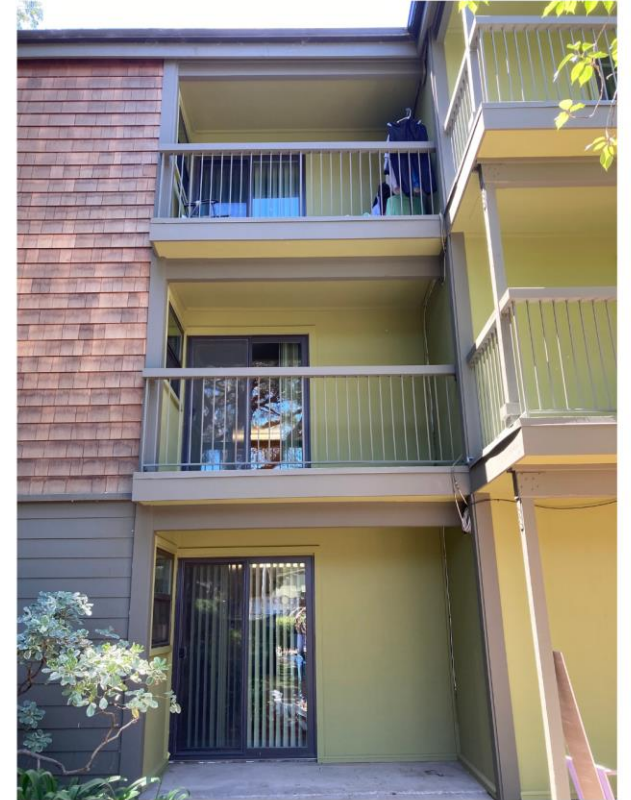
Photos In Review





North Housing Progress

Capital Improvements



Capital Improvements



Recruitment Video



<https://vimeo.com/1001295595?share=copy#t=0>

Summer Intern Program



Community Events



Housing Authority
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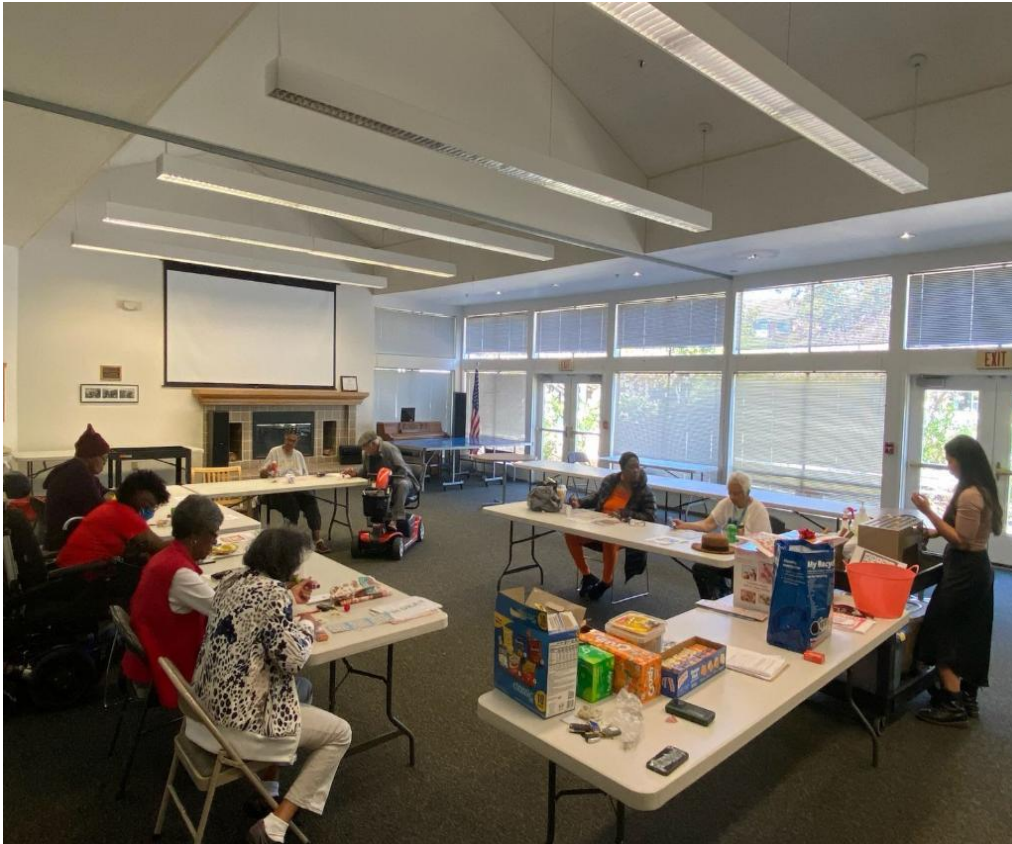


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Community Events



Community Events



Community Events



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Community Gifts



Community Resources



Community Partnerships



Townhall Meetings



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**Thank you and
Any Questions?**





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701 Atlantic Avenue • Alameda, California 94501-2161

To: Honorable Chair and Members of the Board of Commissioners

From: Joseph Nagel, Senior Construction Project Manager

Date: October 16, 2024

Re: Accept the Annual CIP Update and Forecast for Years 2023–2025.

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 properties that are anticipated to be redeveloped in the future. In 2022, AHA and AAHC obtained Physical Needs Assessments on all properties over 5 years old. These assessments delineated capital needs over a 15-year period but also highlighted any health and safety needs and items for short-term attention. AHA and AAHC have completed or begun all health and safety items, and plan to address short-term needs through the annual budgeting process for every property.

In addition, three properties (China Clipper, Independence Plaza and Esperanza) were targeted as having substantial long-term needs and staff is beginning to study how these investments might be funded. There are multiple sizable projects being planned or underway at this time. Staff prioritizes work that is health and safety-related, lender-required, or provide risk mitigation.

This last comprehensive overview of capital needs was presented to the Board in January 2023. This report serves to describe the work accomplished to address those needs over the last eighteen (18) months, as well as to forecast planned activities for the next twenty-four (24) months.

DISCUSSION

In the past 18 months and continuing through the end of this year, the Housing Authority has performed and will continue to perform capital improvements, asset preservation repairs and upgrades to its existing portfolio as well as a single family residence acquired in 2023.

The needs for these improvements were identified as the result of 2022 Capital Needs Assessments, SB 721 Exterior Elevated Element Inspections, 504 Accessibility



Assessments, Staff Portfolio Inspections, as well as reported resident concerns.

Our total investments related to these improvements are in excess of \$5,100,000.

The following projects listed below are a sample of the work we have completed or expect to complete this year:

1) Independence Plaza Exterior Balcony Replacements - This project was the result of an SB 721 Inspection and included the replacement of 54 exterior balconies and 27 additional balcony guardrails. The existing balcony framing of the 78 remaining balcony structures was found to be below current acceptable standards with the existing floor joists at 32" on center spacing. These 78 balconies were retrofitted with additional 2x8 joists, and the structures now have joists spaced at 16' on center, conforming to current best building practices. The total investment in this project was \$1,937,971 including permits, architectural and engineering, construction and administrative costs.

2) Independence Plaza Private Sewer Lateral Testing and Certification-

The need for this project was triggered by the issuance of building permits in excess of \$100,000 for the Independence Plaza balcony replacements. This Testing and Certification is required in the 9 Bay Area counties serviced by EBMUD. The intent is to ensure no sewage contaminates leach out of the systems into the ground and additionally, no groundwater seeps into compromised sewer systems, adding to the wastewater treatment facilities' workload. The contractor identified and completed all required repairs, pressure tested the system and received certification from EBMUD. The certification for this property is valid for 20 years and expires on May 20, 2044. The total cost of this certification was \$257,305, including assessment, repairs, pressure testing, permits and EBMUD inspection and certification fees.

3) Independence Plaza Siding and Trim-

The exterior siding was replaced and framing repaired as needed at various locations on all five(5) buildings. The existing siding is a discontinued product and replaced in sections, corner to corner, with James Hardie cementel siding. The Hardie product is similar in appearance to the original material and will provide a longer-expected useful life. The new siding and trim were painted to match the existing ones. This work is in progress, nearing completion, and we expect the cost to be about \$400,000.

4) Anne B. Diament Exterior Balcony Replacements-

This project was similar to the Independence Plaza balcony replacement project based on SB 721 Inspection reporting. 30 of the 46 existing waterproof deck balconies were replaced, and additional work was performed on the remaining 16 balcony steel handrails to be currently code compliant. The total balcony repair cost was \$919,614. The Private Sewer Lateral on this property was also required to be inspected and certified at a cost of \$16,790.

5) 410 Tucker Ave. Acquisition Renovation-

AHA acquired one unit of a duplex located at 410 Tucker Avenue and performed

extensive renovations to the property. The scope consisted of clearing the overgrown landscaping and disposing of the entire interior of the unit. The unit, when purchased, was in serious disrepair with stained carpets, a damaged roof, drywall, cabinets and countertops. Repairs were made to the roof and gutters, patio steel gate and fence and interior drywall. A complete deep clean was performed. A new garage door and exterior swing doors were installed as well as new paint, shower and tubs refinishing, cabinets and countertops, floor coverings, window coverings, lighting and finished electrical, plumbing fixtures and appliances. The total renovation expenditure was \$73,794.77

6) China Clipper Electrical Upgrades-

As a result of the latest portfolio PNA assessments, the existing electrical subpanels were identified as outdated and consisted of the antiquated "Buss," glass screw in type fuse equipment. These were removed from all residential and common area services and replaced with modern code-compliant standard circuit breakers and load center subpanels. The new equipment will greatly improve safety and reliability for the residents as well as the maintenance staff. The cost of this upgrade was \$140,880 and an additional cost of \$31,525 for EBMUD sewer lateral certification.

7) Eagle Village Exterior Siding and Paint –

The exterior siding was replaced, and framing repaired as needed and all 7 buildings and patio enclosure fences received completely new exterior paint repair. Total investment of \$283,818.29.

8) Parrot Village Exterior Siding and Paint-

Nearly identical to the above Eagle Village work, the Parrot Village exterior siding was replaced and framing repaired as needed in all 5 courtyards, all buildings and patio enclosure fences received completely new exterior paint repair. Total investment of \$172,113.13.

9) Steel Handrail and Guardrail renovations (Multiple Properties)-

During the latest round of Capital Needs Assessments, there were needed handrail and guardrail upgrades identified as safety items on multiple properties. These needs were identified on many of our older properties that were built long before current building codes. These safety items include walkway guardrails with excessive spacing, vertical gaps between steps (no risers), and handrail deficiencies. These repairs are scheduled to be completed by the end of this calendar year with a budget of \$339,250.

In addition, AHA has dozens of other projects that have been completed or are currently in progress throughout the portfolio, to include, new AHA staff office soundproofing, property walkway handrails, wayfinding, "YOU ARE HERE" signage, ADA unit audio fire alarm strobes, elevator door safety light curtain sensors, automatic door opener push buttons/bars, and IP Community Kitchen ADA compliance renovations.

Staff is confident the repairs, renovations, and upgrades completed to date, have all contributed to extending the expected useful life of the buildings and components. This work has also made the properties safer, more comfortable and welcoming for our

visitors, guests, staff, and residents and provided more curb appeal for the neighborhood.

Future Work:

In 2025, we look forward to beginning more portfolio renovations and upgrades. AHA currently anticipates the following projects for which we currently estimate the total budget to be in excess of \$5 million dollars.

1. 701 Atlantic Ave. AHA Office Maintenance Garage to Office Space conversion-

To better assist staff and management work collaboratively and be able to bring all AHA staff under one roof, AHA intends to convert the existing maintenance garage in the 701 Atlantic Ave. office building to additional office space and conference rooms.

2. Lincoln House, Exterior Beam and guardrail replacement and China Clipper exterior private balconies - Damaged Structural Exterior Elevated Elements have been identified at these properties during our 2024 SB 721 Inspections and will require extensive remediation. These do not present a current life and safety issue. However, they fall under a priority II, immediate need.

3. Electrical system upgrades at Parrot Garden - During an investigation of other building elements on this property, AHA staff found existing electrical subpanels that were previously not known about. These are interior wood framed boxes and contain Buss type fuses which are antiquated. AHA expects to replace this equipment with more modern panels and breakers similar to what we did at China Clipper this year.

4. Parrot Garden/Parrot Village Leasing Office ADA accessibility upgrades - The leasing office at Parrot Garden/Parrot Village is not in compliance with current accessibility standards. The current accessibility ramp is not in compliance with the slope, leads to an existing non-compliant sidewalk/curb and provides no access to ADA-accessible parking.

5. Portfolio Seismic Risk Assessments- The AHA portfolio is diverse in structure types, age, site conditions, potential soil liquefaction and proximity to faults. As part of due diligence, we anticipate completing these assessments to identify any structures that may need seismic upgrades.

6. Soundproofing the Offices of the AHA HR Director and Executive Director - Similar to work done in 3 other offices at 701 Atlantic Ave. in FY's 2022 and 2023, we will be retrofitting these 2 directors' offices with sound attenuation components. This will provide additional acoustic privacy for HR and the Executive Director as well as other AHA staff, tenants, and stakeholders.

7. Other portfolio renovation and repair scopes on multiple properties may include:

- Failed IGU's (windows)- Parrot Village, Esperanza and China Clipper.
- Siding repairs- Esperanza.
- Replacing old galvanized domestic plumbing supply lines - Parrot Village, Eagle Village, Esperanza, Sherman House, and Lincoln Willow.
- Foundation and crawl space work - Parrot Garden and Stanford House.
- Concrete walkways, parking lot, and driveway repairs-Parrot Garden, Parrot Village, Eagle Village, Independence Plaza, China Clipper and Esperanza.
- Roofs and gutters - Parrot Village, Esperanza, China Clipper
- Landscaping- Esperanza, Parrot Village, Independence Plaza.
- Site wayfinding "You are Here" signs - Lincoln House, Stanford House
- Energy efficient exterior lighting upgrades - AHA Office, Independence Plaza, Parrot Village, Parrot Garden
- Budgets assume the replacement of interior unit features such as flooring and appliances as needed upon turnover for 10% of the units at each community. The replacement of these items is managed by FPI and the budget assumption for the portfolio in the coming year is \$178,449 for flooring and \$102,109 for appliances. In addition, additional upgrades and replacements to HVAC and water heaters upon failure are anticipated to be \$22,200 and \$36,750 respectively for the portfolio.

To address the scope of work outlined above, AHA anticipates completing the hiring and onboarding of a Construction Project Manager to assist in developing scopes, procuring vendors, and overseeing the completion of these projects. We will also utilize the resources of our partners, at FPI Property Management, to undertake some of the less cumbersome tasks, those items that will not require permits, engineering and/or architectural services, other consultants or involve a large scope of work.

The Senior Construction Project Manager will be leading the development of plans, with input from other staff, for future SB721 Inspections, 504 Inspections, CNA Assessments, developing SOP's for maintenance staff to ensure ADA accessible units remain ADA compliant during turns or repairs, and other SOPs for tracking the physical conditions of the portfolio, addressing the immediate and long term renovation needs and developing the appropriate budgets to successfully accomplish this work. As the Housing Department pivots from new construction to major renovations, the Senior Construction Project Manager will also assist in broad assessments to plan for future tax credit syndications at several properties, if feasible.

This work cannot be accomplished without the patience and cooperation of our residents, FPI Management, all AHA Staff, funders, and other stakeholders, who contribute to our mission and make our job providing quality, affordable and safe housing in the City of Alameda, as effortless as possible.

FISCAL IMPACT

Funding for repairs and maintenance on existing properties owned by either AHA or the

AAHC is from either project reserves or the 2024 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. In 2025, the Housing Development Department will begin consideration of applying tax credit resources to rehabilitation for several of its sites, which would bring a number of private and public funding sources to the table.

CEQA

None

RECOMMENDATION

Accept the Annual CIP Update and Forecast for Years 2023–2025.

ATTACHMENTS

- 1. Annual AHA BOC CIP Update October 2024

Respectfully submitted,



Joseph Nagel, Senior Construction Project Manager

Annual AHA Board of Commissioners CIP Update/Forecast October 2024

Years 2023 through 2025



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The Housing Authority of the City of Alameda (AHA) and its affiliate, the Alameda Affordable Housing Authority (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 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.

In addition, three properties (China Clipper, Independence Plaza and Esperanza) were targeted as having substantial long-term needs, and staff is beginning to study how these investments might be funded. There are multiple sizeable projects being planned or underway at this time. Staff prioritizes work that is health and safety-related, lender-required, or provide risk mitigation.

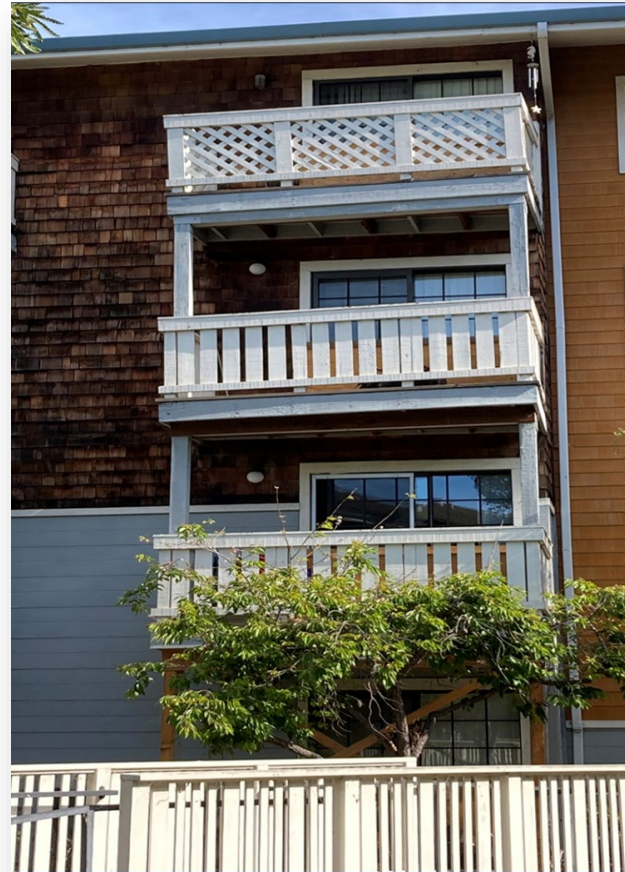
This last comprehensive overview of capital needs was presented to the Board in January 2023. This report serves to describe the work accomplished to address those needs over the last eighteen months, as well as to forecast planned activities for the next twenty-four months.

CIP Work 2023-2024

- In the past 18 months and continuing through the end of this year, the Housing Authority has performed Capital Improvements, Asset Preservation Repairs and Upgrades to its existing portfolio as well as a single-family residence acquired in 2023.
- The needs for these improvements were identified as the result of 2022 Capital Needs Assessments, SB 721 Exterior Elevated Element Inspections, 504 Accessibility Assessments, AHA Staff portfolio site inspections, as well as reported resident concerns.
- Our total Investments related to these improvements is in excess of \$5,100,000.

IP Exterior Balcony Replacements

- Replacement of 54 exterior balconies and 27 additional guardrails.
- The remaining 78 balcony structures were retrofitted with additional framing.
- Total investment \$1,937,971



IP Sewer Later Testing & Certification

- Contractor identified and completed all required repairs and pressure tested the system for EBMUD certification.
- EBMUD certification is valid for 20 years and expires 05/20/2044.
- Total investment \$257,305.



IP Siding and Trim

- 5 buildings are receiving siding, trim and framing repairs as needed and being painted to match the existing siding.
- Siding and trim repair costs: In excess of \$400,000.



IP Siding and Trim



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ABD Exterior Balcony Replacements

- 30 of the 46 existing waterproof private balconies were replaced. The 16 remaining balcony guardrails were retrofitted to meet current building code standards.
- Balcony repair costs: \$919,614
- Private Sewer Lateral costs: \$16,790.



410 Tucker Acquisition Renovation

- AHA acquired the property in 2023.
- Roof and drywall repairs, complete interior, cabinets, finish electrical, floor and window coverings, appliances, front patio fence and gate, and garage repairs completed.
- Total renovation costs: \$73,794.



410 Tucker Acquisition Renovation



China Clipper Electrical Upgrades

- Electrical system was updated with replacement of “Buss” to modern code compliant circuit breakers and load center subpanels.
- Electrical system repair costs: \$140,880
- Private Sewer Lateral costs: \$31,525.



Eagle Village Siding and Paint

- All 7 buildings had siding, trim, and framing replaced as needed.
- All 7 buildings and fences received new complete exterior painting.
- Total investment: \$283,818.29.



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Eagle Village Siding and Paint



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Parrot Village Siding and Paint

- All 5 buildings had siding, trim, and framing replaced as needed.
- All 5 buildings and fences received new exterior paint.
- Total investment: \$172,113.



Parrot Village Siding and Paint



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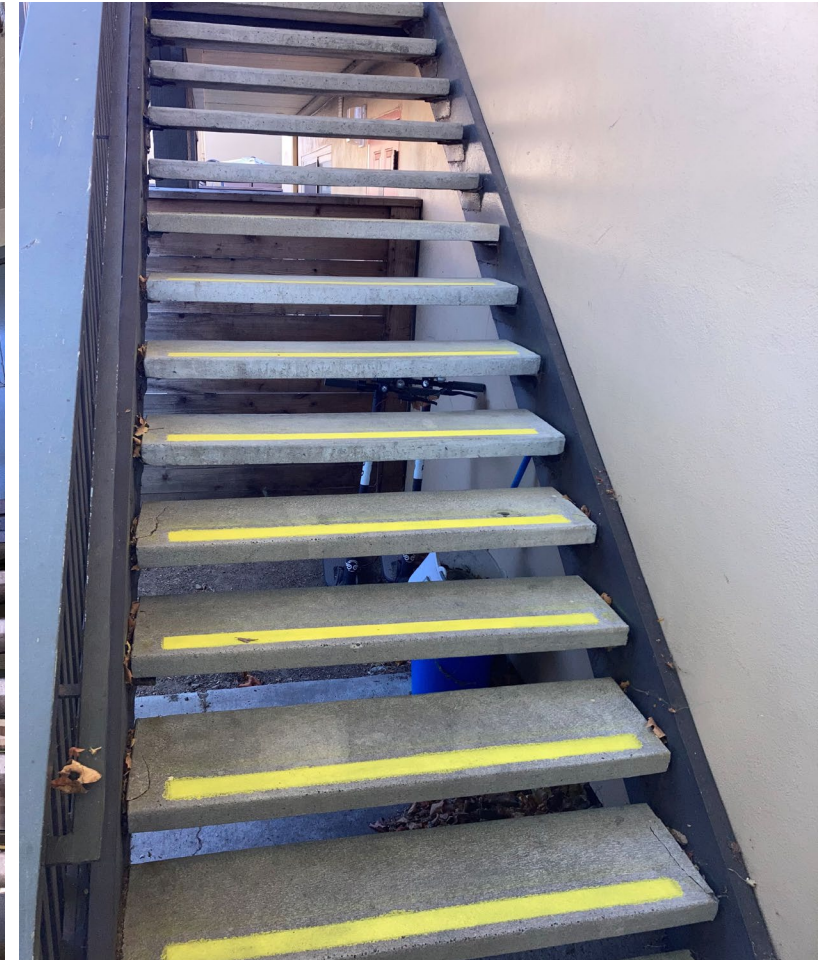
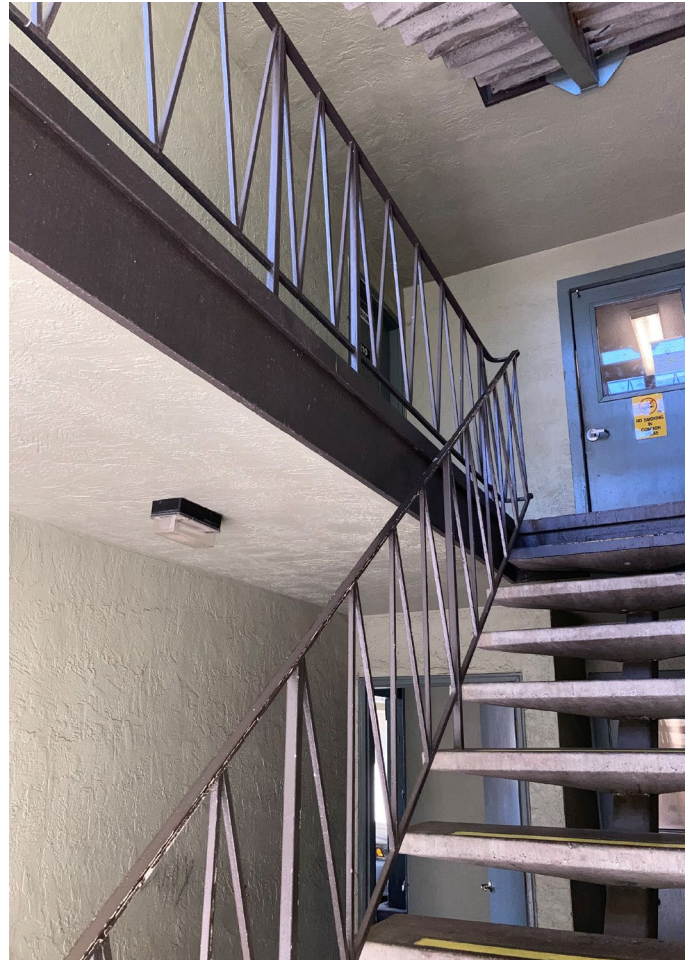
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Steel Handrail & Guardrail Renovations

- Multiple older properties in AHA's portfolio have guardrails with excessive spacing, stairs with no risers, and handrail deficiencies.
- Scheduled to complete by year end 2024.
- Handrail and guardrail repair costs: \$339,250.



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Future Work

- AHA Director Staff office soundproofing
 - Property walkway guardrails
- Wayfinding "YOU ARE HERE" signage
- ADA A/V unit audio fire alarm strobes
- Elevator door safety light curtain sensors
- Automatic exterior door opener push buttons/bars
- IP Community Kitchen ADA compliance renovations

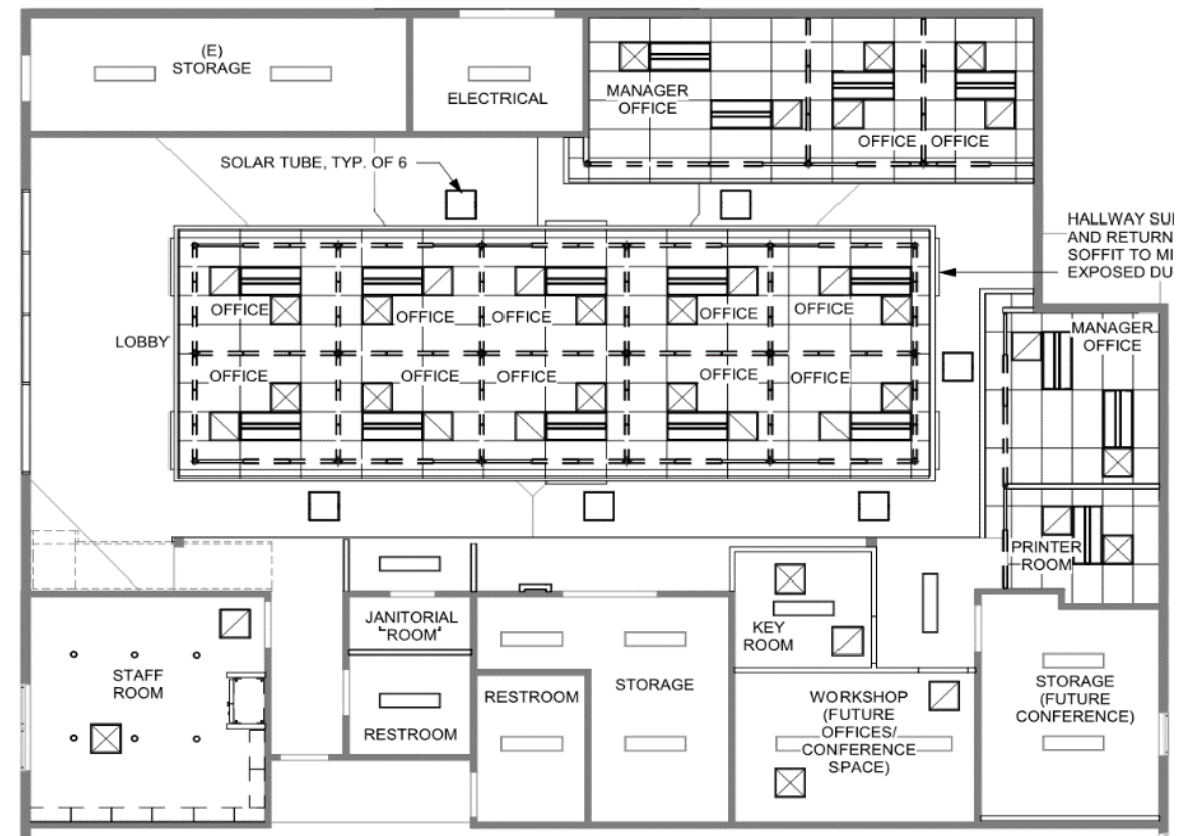
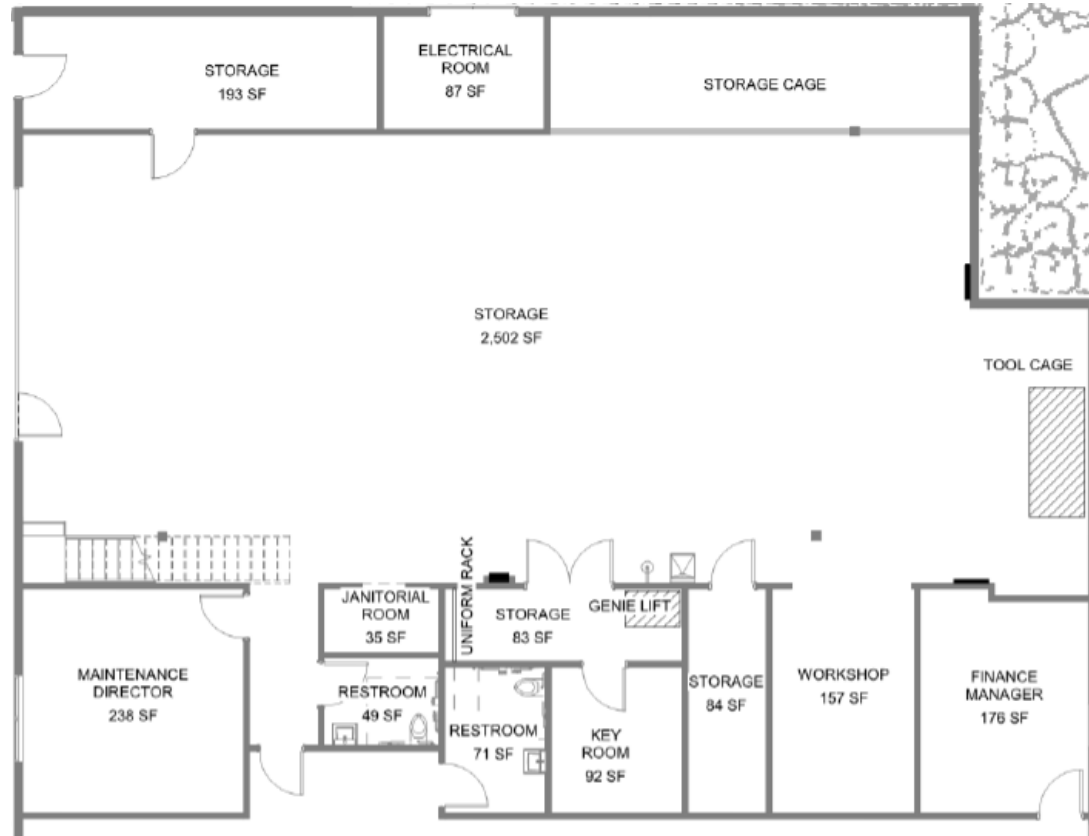


CIP Work 2024 - 2025

- In the next year, the Housing Authority looks forward to beginning more portfolio renovations.
- The budget is estimated to be in excess of \$5,000,000 for all projects.
- Future projects:
 - AHA Office maintenance garage conversion to office space.
 - Lincoln House exterior beam and guardrail replacement.
 - China Clipper exterior private balconies replacements.
 - Electrical system upgrades at Parrot Garden.
 - Soundproofing offices of the HR Director and Executive Director.
 - Parrott Garden and Parrot Village leasing office ADA accessibility upgrades.
 - Portfolio seismic risk assessments.
 - Other renovations and repairs scopes across multiple properties.



701 Atlantic Ave. Maintenance Garage to Office Space Conversion



Lincoln House Beam Replacement

- The exterior entry landing beam was identified during SB721 Inspections as water damaged under the existing siding. AHA is currently procuring engineering services for this scope.
- Scheduled to be completed in 2025.



China Clipper Exterior Private Balcony Replacements

- The exterior private balcony structural framing, guardrails, waterproof coatings are showing signs of water damage and dry rot. We anticipate a partial structure replacement with new waterproofing and flashing components properly installed.
- Scheduled to completed in 2025.



China Clipper Balcony Replacements



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Parrot Garden Electrical Upgrades

- During an examination of the existing electrical systems at Parrot Garden it was discovered there are existing Buss type fuses in non-compliant subpanels. AHA is working on obtaining proposals for this work.
- Scheduled to be upgraded in 2025.



Parrot Village/Parrot Garden Leasing Office

- The leasing office at Parrot Garden/Parrot Village is not in compliance with current accessibility standards. The current accessibility ramp is not in compliance with slope, leads to an existing non-compliant sidewalk/curb and provides no access to ADA accessible parking.
- Scheduled to complete by year end 2025.

Parrot Village/Parrot Garden Leasing Office



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Portfolio Seismic Risk Assessment

The AHA portfolio consists of a collection of properties constructed in years ranging from 1892-2023. Some of these structures are soft-story or built according to older standards and may be susceptible to damage caused by seismic events. We will enlist the services of an engineering firm specializing in seismic assessments to review the portfolio, perform inspections, and make recommendations of needs.



Landscape Renovations



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AHA Hiring Construction Project Manager

To address these scopes of work, AHA anticipates completing the hiring and on-boarding of a Construction Project Manager in the next 45 days to assist in developing scopes, procuring vendors, and overseeing the completion of these projects. We will also utilize the resources of our partners, at FPI Property Management, to undertake some of the less cumbersome tasks, those items that will not require permits, engineering and/or architectural services, other consultants or involve large scopes of work.



Senior Construction Project Manager

The Senior Construction Project Manager will be leading the development of plans, with input from other staff, for future SB721 Inspections, 504 Inspections, CNA Assessments, developing SOP's for maintenance staff to ensure ADA accessible units remain ADA compliant during turns or repairs, and other SOP's for tracking the physical conditions of the portfolio, addressing the immediate and long-term renovation needs and developing the appropriate budgets to successfully accomplish this work. As the Housing Department pivots from new construction to major renovations, the Senior Construction Project Manager will also assist in broad assessments to plan for future tax credit syndications at several properties, if feasible.

Financial Impact

Funding for repairs and maintenance on existing properties owned by either AHA or the AAHC is from either project reserves or the 2024 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. In 2025, the Housing Development Department will begin consideration of applying tax credit resources to rehabilitation for several of its sites, which would bring a number of private and public funding sources to the table.



Thank You

This work cannot be accomplished without the patience and cooperation of our residents, FPI Management, all AHA Staff, funders, and other stakeholders, who contribute to our mission and make our job providing quality, affordable and safe housing in the City of Alameda, as effortless as possible.



Questions?



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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: Alicia Southern, Director of Human Resources

Date: October 16, 2024

Re: Adopt the Resolution to Revise the Housing Authority's Conflict of Interest Code.

BACKGROUND

In 1991, the Board of Commissioners adopted the Housing Authority of the City of Alameda's (AHA) Conflict of Interest Code by Resolution No. 589. This resolution incorporated the Fair Political Practices Commission's (FPPC) standard model to ensure compliance with all required provisions. Over the years, revisions have been necessary to keep the Conflict of Interest Code up to date, including modifications to the list of designated positions and the description of disclosure categories.

The Conflict of Interest Code is scheduled to be brought to the Board of Commissioners on even years for consideration of any proposed revisions.

DISCUSSION

The most recent revision was approved by the Board of Commissioners on September 29, 2022, by Resolution No. 1039. The currently proposed changes to the Conflict of Interest Code are limited to changes to Appendix A to the Conflict of Interest Code, which identifies those staff and consultants that are designated to disclose. The changes proposed at this time reflect changes in staffing and titles of the Housing Authority positions, and elimination of positions no longer on the Schedule of Authorized Positions or Pay Schedule.

Once the Conflict of Interest Code revisions are adopted by this commission, it must be presented to the Code Reviewing Body for approval. The Code Reviewing Body is the Council of the City of Alameda.

FISCAL IMPACT

There is no fiscal impact for the proposed change in policy.

CEQA



Not applicable.

RECOMMENDATION

Adopt the Resolution to revise the Housing Authority's Conflict of Interest Code.

ATTACHMENTS

1. Exhibits 1 & 2 Disclosure_Conflict of Interest Code
2. Resolution Exhibit 2 - Conflict of Interest Code

Respectfully submitted,

A handwritten signature in blue ink, appearing to be 'AS', written over a horizontal line.

Alicia Southern, Director of Human Resources

Appendix A to Conflict of Interest Code: Designated Employees

Updated ~~September-October 21~~⁸⁶, 2024²

Number in category	Title	Disclosure Category
7	Board of Commissioners	1
1	Executive Director	1
0 ⁴	Deputy Executive Director	1
1	Director of Human Resources and Operations	1
1	Director of Finance/Chief Financial Officer	1
1	Director of Portfolio Management ^{Property Operations}	1
1	Director of Housing Programs	1
1	Director of Asset Management	1
1	Director of Housing Development	1
1	Director of Data and Policy	1
1	Director of Administrative on and Services	1
0	Senior Program Director	1
1	Senior Executive Assistant	1
4	Principal Management Analyst	4
1	Controller/Assistant Director of Finance	1
12	Senior Management Analyst	1
1	Assistant Director of Housing Programs	1
1	Community Relations Manager	1
1	Administrative Manager ^{Assistant Director of Administrative Services}	1
0	Assistant Director of Property Management	1
0	Assistant Director of Housing Development	1
1	Human Resources Manager	1
0 ⁴	Risk Control Manager	1
37	Management Analyst	1
3	Board Members of Island City Development	1
7	Board Members of Alameda Affordable Housing Corporation	1
0 ⁴	Construction Project Manager	1
1	Senior Construction Project Manager	1
1	Project Manager	1
2	Senior Project Manager	1
0	Senior Property Manager	1
0	Senior Asset Manager	1

EXHIBIT 2

1	Asset Manager	1
<u>1</u>	<u>Associate Asset Manager</u>	<u>1</u>
<u>4</u>	<u>Property Management Supervisor</u>	<u>4</u>
1	Housing Programs Supervisor	1
<u>1</u>	<u>Housing Development Accounting Officer</u>	<u>1</u>
Varies	Financial and Developer Consultants	2
Varies	Consultants whose decision may impact budget/project decisions	2

Appendix B to Conflict of Interest Code: Disclosure Categories

Updated July 2013

General Provisions

A designated employee required to disclose investments, sources of income and business positions need only disclose investments in business entities and sources of income which do business in the City of Alameda or have done business in the City of Alameda within the past two (2) years. In addition to other activities, a business entity is doing business within the City if it owns real property within the City. A designated employee required to disclose interests in real property need only disclose real property which is located in whole or in part within the City of Alameda.

Designated employees shall disclose their financial interest pursuant to the appropriate disclosure categories as indicated in Appendix A.

Category 1:

1. All interests in real property in the City of Alameda. Such interests include any leasehold, beneficial or ownership interest or option to acquire such interest in real property.
2. Investments and business positions in business entities from sources which engage in or may foreseeably engage in work or services of the type used by the Housing Authority of the City of Alameda or City of Alameda.
3. Income, including gifts, loans and travel payments, from sources which engage in or may foreseeably engage in work or services of the type used by the Housing Authority of the City of Alameda or City of Alameda.

Category 2:

- A. The Executive Director may determine in writing that a particular consultant, although a designated position, is hired to perform a range of duties that is limited in scope and thus is not required to comply fully with the disclosure requirements, but instead must comply with more tailored disclosure requirements specific to that consultant. Such written determination shall include a description of the duties performed and a statement of the extent of disclosure requirements. The Executive Director's determination is a public record and shall be retained for public inspection in the same manner and location as the Conflict of Interest Code.

This Conflict of Interest Code does not require the reporting of gifts from outside this agency's jurisdiction if the source does not have some connection with or bearing upon the functions or duties of the position. (Reg. 18730.1)

HOUSING AUTHORITY OF THE CITY OF ALAMEDA

Resolution No. _____

**AMENDING THE HOUSING AUTHORITY’S
CONFLICT OF INTEREST CODE**

WHEREAS, the Housing Authority on April 2, 1991, adopted a Conflict of Interest Code pursuant to the Political Reform Act, Government Code Section 8100, et seq.; and, **WHEREAS**, on March 21, 2012 this code was amended with Resolution No. 841 and, **WHEREAS**, on June 26, 2013 this code was amended with Resolution No. 876 and, **WHEREAS**, on August 20, 2014 this code was amended with Resolution No. 899 and, **WHEREAS**, on November 19, 2014 this code was amended with Resolution No. 939 and, **WHEREAS**, on September 21, 2016, this code was amended with Resolution No. 941 and, **WHEREAS**, on September 19, 2018, this code was amended with Resolution No. 967 and, **WHEREAS**, on September 16, 2020, this code was amended with Resolution No. 1000 and, **WHEREAS**, on September 29, 2022, this code was amended with Resolution No. 1039 and,

NOW, THEREFORE, BE IT RESOLVED, by the Board of Commissioners of the Housing Authority of the City of Alameda that the Conflict of Interest Code adopted by Resolution 589, as amended by Resolution 841, 876, 899, 939, 941, 967, 1000, and 1039 is further amended to include this revised list of “Designated Positions” in Appendix A of the Conflict of Interest Code:

Title	Disclosure Category
Board of Commissioners	1
Executive Director	1
Deputy Executive Director	1
Director of Human Resources	1
Director of Finance/Chief Financial Officer	1
Director of Property Operations	1
Director of Housing Programs	1
Director of Asset Management	1
Director of Housing Development	1
Director of Administrative Services	1
Director of Data and Policy	1
Senior Executive Assistant	1
Controller/Assistant Director of Finance	1

Senior Management Analyst	1
Assistant Director of Housing Programs	1
Community Relations Manager	1
Assistant Director of Administrative Services	1
Assistant Director of Property Management	1
Assistant Director of Housing Development	1
Human Resources Manager	1
Risk Management Analyst	1
Management Analyst	1
Board Members of Island City Development	1
Board Members of Alameda Affordable Housing Corporation	1
Construction Project Manager	1
Senior Construction Project Manager	1
Project Manager	1
Senior Project Manager	1
Senior Asset Manager	1
Asset Manager	1
Associate Asset Manager	1
Housing Programs Supervisor	1
Housing Development Accounting Officer	1
Financial and Developer Consultants	2
Consultants whose decision may impact budget/project decisions	2

BE IT FURTHER RESOLVED, that Appendix B provides a definition of the “Disclosure Categories” for the above designated Positions.

BE IT FURTHER RESOLVED, that a designated employee required to disclose investments, sources of income and business positions need only disclose investments in business entities and sources of income which do business in the City of Alameda or have done business in the City of Alameda within the past two (2) years. In addition to other activities, a business entity is doing business within the City if it owns real property within the City. A designated employee required to disclose interests in real property need only disclose real property which is located in whole or in part within the City of Alameda.

BE IT FURTHER RESOLVED, that Category 1 requires designated employees to report the following:

1. All interests in real property in the City of Alameda. Such interests include any leasehold, beneficial or ownership interest or option to acquire such interest in real property.
2. Investments and business positions in business entities from sources which engage in or may foreseeably engage in work or services of the type used by the Housing Authority of the City of Alameda or City of Alameda.
3. Income, including gifts, loans and travel payments, from sources which engage in or may foreseeably engage in work or services of the type used by the Housing Authority of the City of Alameda or City of Alameda.

BE IT FURTHER RESOLVED, that Category 2 requires designated employees to report the following:

1. The Executive Director may determine in writing that a particular consultant, although a designated position, is hired to perform a range of duties that is limited in scope and thus is not required to comply fully with the disclosure requirements, but instead must comply with more tailored disclosure requirements specific to that consultant. Such written determination shall include a description of the duties performed and a statement of the extent of disclosure requirements. The Executive Director's determination is a public record and shall be retained for public inspection in the same manner and location as the Conflict of Interest Code.

BE IT FURTHER RESOLVED, that this Conflict of Interest Code does not require the reporting of gifts from outside this agency's jurisdiction if the source does not have some connection with or bearing upon the functions or duties of the position. (Reg. 18730.1).

BE IT FURTHER RESOLVED, to submit the revised Conflict of Interest Code to the Council of the City of Alameda with recommendation to adopt a resolution to approve the Conflict of Interest Code as the code reviewing body.

ATTEST:

Vanessa M. Cooper,
Executive Director and Secretary

Carly Grob, Chair
Board of Commissioner

Adopted: _____