

Memphis Housing Authority



Administrative Plan

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Resolution No. _____

Submitted to:
Memphis Housing Authority
700 Adams Ave
Memphis, TN 38105

Submitted by:
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CHAPTER 1 - Program Authority and Objectives

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

The Memphis Housing Authority (MHA) manages the Housing Choice Voucher (HCV) Program and other housing programs in the geographic area covering Shelby County, TN. Through its assisted housing programs, eligible families are provided the opportunity to obtain decent, safe and sanitary housing.

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

1.1 Applicable Regulations

- [24 CFR Part 5](#): General Program Requirements
- [24 CFR Part 8](#): Nondiscrimination
- [24 CFR Part 35](#): Lead Safe Housing
- [24 CFR Part 903](#): Public Housing Agency Plans
- [24 CFR Part 982](#): Section 8 Tenant Based Assistance
- [24 CFR Part 983](#): Project Based Vouchers
- [24 CFR Part 985](#): Section 8 Management Assessment Program
- [24 CFR Part 100](#): Discriminatory Conduct Under the Fair Housing Act

1.2 MHA Mission

The Memphis Housing Authority's mission is to drive community revitalization through a seamless system.

1.3 Purpose of the Administrative Plan

Link: [24 CFR.982.54](#)

The Administrative Plan (Plan) establishes policies for implementation and administration of the Housing Choice Voucher Program administered by MHA. The Plan covers both admission to and continued participation in the Tenant Based, Project Based and RAD/PBV Housing Choice Voucher programs.

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

1.4 Approval of Plan and Use of Administrative Fee Reserves

Link: [24 CFR 982.155](#)

Only MHA Board of Commissioners is authorized to approve changes to the Administrative Plan and to authorize charges to the administrative fee reserve. Expenditures from the administrative fee reserve will be made in accordance with all applicable Federal requirements. Expenditures from the administrative fee reserve of the HCV program in excess of \$100,000 will be approved by MHA Board.

CHAPTER 2 - General Administrative Provisions and Policies

2.1 Confidentiality and Privacy Policy

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

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

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

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

2.2 Record Retention Policy

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

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

CHAPTER 3 - General Fair Housing Policies

3.1 Nondiscrimination Policy

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

MHA will not discriminate because of race, color, sex (includes, but is not limited to, pregnancy, childbirth, or medical conditions related to pregnancy or childbirth, as well as gender identity and gender expression), religion, marital or familial status, age, disability, medical condition, national origin, ancestry, source of income, and sexual orientation. Familial status includes children under the age of 18 living with parents or legal custodians, pregnant women, and people securing custody of children under the age of 18. MHA provides information regarding Fair Housing and non-discrimination in housing on its website, in outreach materials, posters at its office, in the family briefing session and program packets, and owner meetings. When needed, MHA will also assist with how to fill out and file a housing discrimination complaint.

3.2 Complying with Civil Rights Laws

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

- [Title VI of the Civil Rights Act of 1964](#), which forbids discrimination on the basis of race, color, religion, national origin or sex.
- [Title VIII of the Civil Rights Act of 1968](#) (as amended by the 1974 HCDA and the Fair Housing Amendments Act of 1988), which extends protection against discrimination based on disability and familial status, and spell out forms of prohibited discrimination
- [Executive Order 11063](#) which prohibits discrimination in federally funded housing.
- [Section 504 of the Rehabilitation Action of 1973](#), which describes specific housing rights of persons with disabilities
- [Age Discrimination Act of 1975](#) which prohibits discrimination based on age in programs or activities that receive federal financial assistance
- [Title II of the Americans with Disabilities Act](#), otherwise Section 504 and the Fair Housing Amendments govern (Title II deals with common areas and public space, not living units)
- [Violence Against Women Reauthorization Act 2013](#) (VAWA) which provides housing protections for victims of domestic violence, dating violence, sexual assault, and stalking.
- [Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity](#), also known as the “Equal Access Rule” with clarification in PIH 2014-20.
- Any applicable State laws or local ordinances that may apply, including those pertaining to Fair Housing or any legislation protecting the individual rights of residents, applicants or staff which may be subsequently enacted

MHA’s housing programs are open to all eligible individuals regardless of sexual orientation, gender identity or marital status. MHA will not inquire about the sexual orientation or gender identity of an

applicant or participant for purposes of determining eligibility or otherwise making such housing available. However, MHA may inquire about a person's sex in order to determine the number of bedrooms a household may be eligible for under the occupancy standards or to accurately complete HUD's 50058. MHA will not discriminate because of race, color, marital status, sexual orientation, gender identity, national or ethnic origin or ancestry, sex, religion, age, familial status, source of income, or disability in the leasing, rental, occupancy, use, or other disposition of housing or related facilities.

Applicants or participant families who believe that they have been subject to unlawful discrimination may notify MHA either orally or in writing. Notifications made orally will be documented in writing by MHA staff including: complaint description, applicant/participant name, date, and MHA staff taking complaint. MHA will make every reasonable attempt to determine whether the applicant's or participant's assertions have merit and take any warranted corrective action, keeping appropriate documentation of complaints, investigations, notices and corrective actions. MHA will provide written notice of receipt of the complaint to those alleged to have violated the rule and inform the complainant that such notice was made. MHA will attempt to remedy discrimination complaints made against MHA through the existing informal review, informal hearing, or other reconsideration, and will notify those alleged and the complainant of its findings, corrective actions or why corrective action is not warranted. In addition to internal procedures to remedy allegations of discrimination, MHA may provide a copy of a discrimination complaint form to the complainant and provide them with information on how to complete and submit the form to HUD's Office of Fair Housing and Equal Opportunity (FHEO).

LOCAL FHEO FIELD OFFICE:

Atlanta Regional Office of FHEO
U.S. Department of Housing and Urban Development
Five Points Plaza
40 Marietta Street, 16th Floor
Atlanta, Georgia 30303-2806

(404) 331-5140
(800) 440-8091
TTY (404) 730-2654

3.3 Owner Nondiscrimination Requirements

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

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

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

MHA refers Fair Housing complaints to the local fair housing agency as well as to HUD on behalf of a family that claims that illegal discrimination has prevented the family from leasing a suitable unit.

3.4 Family Outreach and Affirmative Marketing

Link: [24 982.102](#)

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

- Information on general locations and characteristics of neighborhoods including: shopping centers, bus lines, etc.
- A listing of available rental property; the list states: address, amenities, deposit information, etc. as provided by owners.
- A list of properties/owners who accept HCV.
- A description of portability provisions available in the Housing Choice Voucher program.
- A map that identifies the City of Memphis and Shelby County including areas of low poverty and minority concentrations.
- A description of portability provisions available in the Housing Choice Voucher program
- Other information as required.

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

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

3.5 Owner Outreach

Link: [24 CFR.982.54](#)

MHA encourages program participation by owners of units located outside areas of poverty or minority concentration. The purpose of these activities is to provide more choices and better housing opportunities to families. Outreach to property owners is regularly conducted to develop interest in the program and to increase the number of units available in low-poverty areas. MHA provides program information and printed materials to local realtors, agents, apartment associations and any interested landlords. MHA staff will be available to make presentations about the Housing Choice Voucher Program to these groups.

3.6 Language Assistance Plan and Limited English Proficiency Policy

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

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

Based on U.S. Census data and the practices of other organizations within the jurisdiction, MHA has determined that the majority of participants speak English. Although the Census Data revealed that less than 10% of the residents in MHA's jurisdiction speak languages other than English as a first language, MHA has implemented a plan to ensure that the entire local population, including those with LEP, is adequately provided meaning access to its programs and activities, without discrimination. MHA shall provide high quality customer service to persons with Limited English Proficiency as follows:

- Assist applicants and residents with issues related to MHA's housing programs and by providing information about the resources available for LEP families and how to access those resources.
- Vital documents, letters and signs to be posted in public places are in English.

Policies and practices are designed to provide assurances that all persons with disabilities are provided reasonable accommodation so that they may fully access and utilize the housing program and related services. The availability of specific accommodations may be made known by including notices on forms and letters to all families, and all requests may be verified so that these needs can be properly accommodated. All mailings may be made available in an accessible format upon request, as a reasonable accommodation. Organizations that provide assistance for hearing-impaired and sight-impaired persons may be utilized.

3.6.1 LEP Options

A. Language Assistance

1. If an individual asks for language assistance and MHA determines that the individual is an LEP Individual and that language assistance is necessary to provide Meaningful Access, MHA will make reasonable efforts to provide free language assistance. If reasonably possible MHA will provide this language assistance in the LEP Individual's preferred language. MHA has the discretion to determine whether language assistance is needed, and if so, the type of language assistance necessary to provide meaningful access.
2. Language assistance includes interpretation, which means oral or spoken transfer of a message from one language into another language, and/or translation, which means the written transfer of a message from one language into another language. When necessary, MHA shall make oral and written interpretation services available for all LEP Individuals.
3. MHA will re-evaluate these procedures as necessary based upon requests for interpreters and/or translation to determine if any changes are necessary.

B. Translation of Documents

In determining whether it is feasible to translate documents into other languages, MHA will consider the following factors:

1. The number of applicants and participants who do not speak English and speak another language for adequate understanding.
2. The cost per client of translating the documents into another language.
3. In determining whether it is feasible to provide translation of documents written in English into other languages, the following factors will be considered:
 - Number of applicants and participants in the jurisdiction who do not speak English and speak the other language.
 - Estimated cost per client of translation of English written documents into the other language.
 - The availability of organizations to provide translation services to families.
4. The availability of translation and/or interpreter services in MHA's jurisdiction. At a minimum, MHA will prepare the following information in a clearly written format:
 - Marketing and informational material;
 - Application process information;
 - The application;
 - All form letters and notices to the applicant/participant;
 - The PHA's general policy regarding reasonable accommodation;
 - New participant orientation materials;
 - The voucher and any applicable program rules;
 - Information on opening, closing and up-dating the waiting list; and
 - All information related to applicant/participant rights (informal/formal hearings, grievance procedures, etc.).

Documents intended for use by applicants and participants will be simple and clearly written to enable applicants with learning or cognitive disabilities to understand as much as possible. Sign language interpreters may be provided for hearing-impaired applicants and participants if requested as a reasonable accommodation. For applicants and participants unable to read, staff will read and explain orally any documents they would normally provide to an applicant/participant to be read or filled out. Staff will assist in completing forms and other required documents for persons unable to write.

C. LEP Plan Distribution and Training

The LEP Plan will be:

1. Distributed to all staff likely to communicate with LEP Individuals.
2. Explained in training sessions for supervisors and other staff likely to communicate with LEP Individuals.

3.7 Reasonable Accommodation Policy

Link: [24 CFR Part 8](#)

This policy applies to applicants and participants. A reasonable accommodation is a change, modification, alteration or adaptation in a policy, procedure, practice, program or facility that is

necessary for a qualified individual with a disability to have the opportunity to participate in, and benefit from a program or activity.

MHA will ask all applicants and participant families if they require any type of accommodations, in writing, on the intake application, reexamination documents, and notice of adverse action.

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

If a person with a disability requests an accommodation to an existing rule, policy, practice, or service in order to fully access and utilize MHA's housing programs and related services, MHA will verify and evaluate the request. MHA will approve a request for an accommodation if the following three conditions are met:

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

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

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

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

3.7.1 Legal Authority

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

- [Section 504 of the Rehabilitation Act of 1973](#) (Section 504);
- [Titles II and III of the Americans with Disabilities Act of 1990](#) (ADA);
- [The Fair Housing Act of 1968](#), as amended (Fair Housing Act);
- [The Architectural Barriers Act of 1968](#); and
- [24 C.F. R. Parts 8](#)

Reasonable accommodations will not be approved if they are a violation of federal law. MHA does not permit the use of medical marijuana as a reasonable accommodation in any of its

subsidized or assisted housing programs. (HUD General Counsel Opinions on Medical Marijuana, 2/10/2011, 12/29/2014)

3.7.2 Definition of Disability

Person with disabilities is a person who:

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

3.7.3 Examples of Reasonable Accommodations

- Allowing a larger unit size
- Allowing a larger utility allowance
- Allowing a live-in aide, with the owner’s approval
- Allowing a service animal, with the owner’s approval
- Alternative measures instead of program termination, if applicable based on the reason for termination
- Rescheduling appointments and/or hearings
- Attendance at a hearing of any other person approved by MHA
- Permitting an outside agency or family member to assist in an interview or meeting

3.8 Live in Aide Policy

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

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

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

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

The income of a live-in aide is not counted in the calculation of annual income for the family. Relatives may be approved as live-in aides if they meet all of the criteria defining a live-in aide. Because live-in

aides are not family members, a relative who serves as a live-in aide would not be considered a remaining member of a participant family.

A family's request for a live-in aide must be made in writing and is subject to MHA's verification. MHA will verify the request. For continued approval, the family must submit a new, written request, subject to MHA verification at each annual reexamination.

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

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

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

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

3.9 Physical Impairment Policy

Link: [24 CFR Part 8.6](#)

To meet the needs of persons with hearing impairments, TTD/TTY (text telephone display / teletype) communication is available at MHA office.

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

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

3.10 Violence against Women Reauthorization Act Policy (VAWA)

Links: [Violence Against Women Reauthorization Act 2005](#); [24 CFR 5.2005 \(b\), \(d\), \(e\)](#); [24 CFR 5.2003](#); [24 CFR 5.2009](#); [24 CFR 5.2007 \(a\)\(1\)\(v\)](#); [Federal Register / Vol. 81, No. 221](#)

This Policy is applicable to all federally subsidized public housing administered by MHA, including the HCV program. MHA will not discriminate against an applicant or participant on the basis of the rights or privileges provided under the VAWA. This policy is gender-neutral, and its protections are available to persons who are victims of domestic violence, dating violence, sexual assault or stalking.

Neither VAWA nor this policy implementing it will preempt or supersede any provision of Federal, State or local law that provides greater protection under VAWA for victims of domestic violence, dating violence, sexual assault or stalking (VAWA-protected acts or threatened acts of violence).

Per the requirements of the Violence Against Women Reauthorization Act of 2013 (VAWA), and as incorporated into the HAP Contract and Tenancy Addendum, MHA will not consider an incident or incidents of actual or threatened domestic violence, dating violence, stalking or sexual assault as serious or repeated violations of the lease or other “good cause” for termination of the assistance, tenancy, or occupancy rights of a victim of abuse.

Criminal activity directly related to abuse, engaged in by a household member, guest or other person under the tenant’s control, will not be cause for denial of admission, termination of assistance, tenancy or occupancy rights if a member of the tenant’s immediate family is the victim or threatened victim of that abuse.

If an assisted household member engages in criminal acts of physical violence against family members or others, MHA may terminate assistance to the offending household member, or an owner/manager may “bifurcate” a lease, or otherwise remove the household member from the lease, in order to evict, remove, terminate occupancy rights, or terminate assistance for any individual who is a tenant or lawful occupant. For a family with a HUD-VASH voucher, when a veteran’s family member is receiving protection as a victim of domestic violence, dating violence, sexual assault, or stalking, and the veteran is the perpetrator of such violence, MHA will continue to assist the victim with a regular HCV voucher if available, or with the VASH voucher until an HCV voucher becomes available. These actions may be taken without penalizing the victim.

These statements do not limit the authority or ability of a unit owner/manager to evict, or MHA to terminate assistance to any tenant under program guidelines if either party can demonstrate an “actual and imminent threat” to other tenants or persons employed at or providing services to the property.

An assisted family may receive a voucher and move in violation of the lease under MHA’s portability policy if the family has complied with all other obligations of the voucher program and moved out of the assisted dwelling unit in order to protect the health or safety of an individual who is or has been the victim of domestic violence, dating violence, stalking or sexual assault and who reasonably believed he or she was imminently threatened if he or she remained in the assisted dwelling unit.

MHA will request in writing that a family that seeks to move to another unit or prevent eviction, removal, termination of occupancy rights, or termination of assistance under a claim of abuse complete HUD-Form 5382, Certification of Domestic Violence, Dating Violence, Stalking or Sexual Assault. The victim will provide the name of the perpetrator on the form only if the name of the perpetrator is safe to provide and is known to the victim. In lieu of, or in addition to the form, a victim may provide to MHA:

- a document that is signed by the applicant, participant, or tenant and an employee, agent, or volunteer of a victim service provider, an attorney, or a medical professional who assisted the victim relating to domestic violence, dating violence, sexual assault, or stalking. The professional must state, under penalty of perjury, that he or she believes that the abuse meets the requirements under VAWA;
- a Federal, State, tribal, territorial, or local police or court record;
- a record of an administration agency; or

- a statement or other evidence provided by the applicant, participant, or tenant at the discretion of MHA or the landlord.

The victim of the actual or threatened violence or stalking must complete the HUD Certification of Domestic Violence, Dating Violence, Stalking or Sexual Assault or other approved document within 14 business days of receiving the written request for the certification from MHA. If the family member has not provided the requested certification by the 14th business day or any extension of the date provided by MHA, none of the protections afforded to victims of domestic violence, dating violence, stalking or sexual assault (collectively “domestic violence”) will apply. MHA, at its discretion, may extend the 14-day deadline.

All information provided by the victim to an MHA employee relating to an incident of domestic violence, including the fact that an individual is a victim of domestic violence, dating violence, stalking or sexual assault must be retained in confidence and neither entered into any shared database nor provided to any related party, except to the extent that the disclosure is:

- Requested or consented by the individual in writing;
- Required for use in an eviction proceeding or termination of assistance; or,
- Otherwise required by applicable law.

MHA will cooperate with organizations and entities that provide shelter or services to victims of domestic violence, dating violence, sexual assault, or stalking. If MHA staff becomes aware that an assisted person is a victim of domestic violence, dating violence, sexual assault, or stalking, MHA will refer the victim to shelter or other service providers as appropriate. This Policy does not create any legal obligation requiring MHA to maintain a relationship with a particular shelter or service provider to victims or to make a referral in any particular case.

3.10.6 Bifurcating the Lease -VAWA

MHA will allow the owner to bifurcate a family’s lease and terminate the tenancy of a family member if MHA determines that the family member has committed criminal acts of physical violence against other family members or others. This action will not affect the tenancy or program assistance of the remaining, non-culpable family members. In making its decision, MHA will consider all credible evidence, including, but not limited to, a signed certification (form HUD-5382) or other documentation of abuse submitted to MHA by the victim.

In the event that MHA bifurcates a lease under VAWA, any remaining tenants who had not already established eligibility for assistance will be provided no less than 90 calendar days from the date of bifurcation of the lease or until expiration of the lease to establish eligibility for a voucher, or find alternative housing.

MHA may, on a case-by-case basis, choose not to allow bifurcating the lease. If necessary, MHA will also take steps to ensure that the remaining family members have a safe place to live during the termination process. For example, MHA may offer the remaining family members a voucher to move if the owner agrees to a mutual rescission of the lease; or it may refer them to a victim service provider or other agency with shelter facilities.

CHAPTER 4 - Applying to the Program and Waiting List

[Link: 24 CFR 982.201 to 207](#)

4.1 Opening and Closing the Waiting List

Link: [24 CFR 982.206](#)

MHA is responsible for establishing an application and selection process that treats applicants fairly and consistently and provides an effective method for determining eligibility. MHA may choose to open or close the wait list based on: the number of applications on file, the number of anticipated available vouchers, and the estimated waiting period for housing assistance. For targeted outreach efforts, if it has been determined that there is a specific need for applicants for a specific program, or unit size/type the waiting list may be opened only for applicants to that program or unit size/type. Pre-applications for any special program will only be accepted from those applicants that meet the criteria for the specific targeted population.

MHA will announce the reopening of the waiting list prior to the date pre-applications will first be accepted. If the list is only being reopened for a specified time-period or to certain categories of families, this information will be contained in the notice. MHA will advertise through a wide variety of sources including local newspaper of general circulation, minority media, and other suitable means, such as MHA's website. An effort will also be made to notify elected officials, government agencies and other agencies that specifically address the needs of individuals with disabilities.

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

- The dates the list will be open
- The means by which applications will be taken (paper; electronic; other)
- Eligibility guidelines
- Preferences and methodology for the selection of applicants
- Any limitations which may apply
- How to request reasonable accommodation

4.2 Application Process

No one will be denied the right to request or submit an application when the HCV waiting list is open. However, depending upon the composition of the waiting list with regard to family types and preferences and to better serve the needs of the community, MHA may only accept applications from any family claiming preference(s). When the HCV waiting list is open, MHA will offer all applicants the opportunity to apply to on other MHA waiting lists, if open. MHA does not charge any fee for any part of the HCV pre-application or application process.

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

Only those pre-applications received by the due date will be accepted as eligible pre-applications. Electronic submission verification tools, a postmark or other appropriate methods will be used to determine the pre-application is received during the time-period specified by MHA. The date the pre-application is received is the date it is postmarked or submitted electronically.

An applicant is deemed preliminarily ineligible and not placed on MHA waiting list if:

- Currently housed in the same program and listed as the head of household or co-head of household.
- The application is incomplete or missing required information.

4.3 Maintaining the Waiting List

MHA will not merge the housing choice voucher waiting list with the waiting list for any other program MHA operates.

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

- Applicant name
- Number of family members, appropriate bedroom size
- Racial / Ethnicity information for the head of household
- Local preference qualification
- Randomized wait list selection number / Date and time of application.

4.4 Updating the Waiting List

The waiting list will be updated as needed to ensure that all applicant information is current. Failure to respond to MHA notices will result in the applicant being removed from the waiting list without further notice. The family's response must be in writing and may be delivered in person, by mail, by email or other electronic means approved by MHA. Responses should be postmarked or received by MHA not later than the date specified in MHA's letter. If the family fails to respond within time prescribed, the family will be removed from the waiting list without further notice. If the notice is returned by the post office with no forwarding address, the applicant will be removed from the waiting list without further notice.

When a family is removed from the waiting list during the update process for failure to respond, no informal review will be offered. Such failures to act on the part of the applicant prevent MHA from making an eligibility determination; therefore, no informal review is required.

If the family is removed from the waiting list for failure to respond, they will not be entitled to reinstatement unless verification of the following is received within 30 calendar days from the response due date:

- The applicant provides evidence that a change of address was submitted to MHA prior to the notice being issued by MHA;
- During the time of any waiting list update or, at the time of notification for an interview, the applicant could not respond. For example, the applicant was incapacitated due to hospitalization or was unavailable due to active participation on Jury Duty;
- As a result of a data entry error, MHA computer system incorrectly recorded the address of the applicant; and, therefore, the applicant was improperly withdrawn from the waiting list for failure to respond to a MHA notice; or

- The applicant is a person with a disability who requires an alternative form of communication other than one normally used by MHA, and the applicant informed MHA, in advance, of the proper means of communication, as required by regulations.

At the time MHA conducts an opening of the waiting list to establish a new waiting list, no further requests for re-instatement will be accepted or considered from applicants claiming to have been on any prior waiting list. When MHA decides to update the Housing Choice Voucher waiting list, it will notify the applicants on the waiting list requesting updated information. The intent of the notification is also to determine whether the applicant is still interested in the Housing Choice Voucher Program.

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

4.5 Change in Circumstances

Preference Status

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

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

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

Change to the Family Composition

Changes to the family composition after an application has been submitted include addition of family members born to, adopted or otherwise granted custody to the family by operation of the law, which may include foster children, live in aides and spouses, provided the additional family member(s) meet all applicable waiting list requirements and remain eligible for the waiting list.

MHA will require documentation that the head of household has authorization to include a minor as part of the household. Court approved custody or guardianship is not the only mechanism for establishing that a head of household has authorization to include a minor in the family composition.

Changes to the family composition may also be allowed for families in which one or more children less than eighteen years of age live with the designee of the parent or legal custodian, with the parent or custodians' written consent. Documentation can include but is not limited to court documents, pre-need guardian, school records, other state and federal public assistance documentation, or durable powers of attorney. All other additions to the family will be considered only on a case-by-case basis and must be documented at the time such changes occur. These additions may include immediate family members (sons, daughters, siblings, parents, grandparents, grandchildren) and may be made for humanitarian or extraordinary reasons.

4.6 Local Preferences

Link: [24 CFR 982.207](#)

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

MHA Public Housing Resident Preference

MHA will give preference in admission to MHA public housing residents who are required to relocate due to one of the following conditions:

- As a resident of public housing, the family is living in a unit that has been identified as hazardous to the family because the family has one or more children under the age of six with an Environmental Intervention Blood Lead Level, as defined by 24 CFR Part 35; or, there is a presence of other serious environmental hazards that affect the family's health or safety. The preference may be given if there are no lead-free units available in any other public housing development. An application preference does not constitute issuance of a voucher. Any voucher issuance is dependent on funding availability.
- Families (including single persons) who are currently residing in public housing units and who will be displaced by demolition, disposition, rehabilitation, or vacancy consolidation.

Eligibility for this preference will be verified through MHA's public housing division. Applicants claiming this preference, but determined to be ineligible to receive it, will be returned to the waiting list according to their sequential number.

Homeless/Special Needs Set-Aside Program

In response to local needs, MHA may set-aside up to twenty-five Housing Choice Vouchers annually when funding permits, to be used by homeless families who are referred by an approved local service provider. Eligible families may only be referred to MHA by an approved service provider that has been awarded funding by the City of Memphis Department of Housing and Community Development (HCD) Department. To qualify, families must be homeless, as certified by the referring service agency, and commit to receiving case management and supportive services. Families admitted into this program must meet all regular admissions and eligibility criteria.

MHA Homeless Referral Preference

MHA may give preference in admission to families who are certified as homeless and referred to MHA by a designated local service provider. To qualify, the family must be homeless, as certified by the referring service agency and commit to receiving case management and supportive services.

Denial of Preference

If an applicant makes a false statement in order to qualify for a Local preference, MHA will deny the preference. If MHA denies a preference, MHA will notify the applicant in writing of the reasons why the preference was denied and offer the applicant an opportunity for an informal meeting review with the Program Director or his/her designee. If the preference denial is upheld as a result of the meeting, or the applicant does not request a meeting, the applicant will not be placed on the waiting list. Applicants may exercise other rights if they believe they have been discriminated against.

4.7 Waiting List Placement

Only applicants who submitted complete pre-applications prior to the deadline will be placed on the list for selection in the random selection process. Applicants who did not submit complete pre-applications or submitted the pre-application after the deadline will not be placed on the list for selection for the random selection process. Applicants selected in the computerized random selection process will receive notification that they have been placed on the waiting list. MHA may enhance addresses provided by applicants and/or in its system of record to standardize and/or make minor corrections to the address so that it is compliant with USPS regulations for mail delivery.

Once the list of all applicants has been created, families will be selected for the waiting list based upon a computerized random selection process. The waiting list will consist of the pre-determined number of families to be selected, in numeric order based upon the random selection sequence of their pre-applications. Families will be selected from the waiting list in numeric order, based on the family's assigned sequential number with consideration provided for eligible preference/s. When a family is selected from the waiting list, the family will be required to submit a full application and documentation to determine eligibility prior to housing assistance becoming available.

4.8 Targeted Assistance

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

MHA will admit a family that is not on the waiting list, or without considering the family's waiting list position or preferences in certain circumstances. This may occur when HUD has awarded funding to MHA for a targeted group of households living in specified units or when the City/County or other government entity provides targeted funding. Targeted funding programs MHA may administer include Mainstream, Veterans Affairs Supportive Housing (VASH), Family Unification Program (FUP) and others, such as:

- Families displaced because of demolition or disposition of a public or Indian housing development;
- Families residing in a multifamily rental housing development when HUD sells, forecloses or demolishes the development;
- Housing covered by the Low Income Preservation and Resident Homeownership Act of 1990;
- Non-purchasing families residing in a development subject to a homeownership program;
- Families displaced because of a mortgage prepayment or voluntary termination of a mortgage insurance contract;
- Families residing in a development covered by a project-based Housing Choice Voucher HAP contract at or near the end of the HAP contract term;
- Non-purchasing families residing in a HOPE 1 or HOPE 2 development;
- Families in a witness protection program.

MHA is committed to follow all applicable program rules and regulations as established by HUD and other applicable federal statutes in the administration and implementation of these programs.

Mainstream

The Mainstream Program provides Housing Choice Voucher (HCV) rental assistance for households that include one or more nonelderly persons with disabilities. The Mainstream program is operated the same as the Housing Choice Voucher program, except Mainstream vouchers shall be targeted to nonelderly persons with disabilities who are transitioning out of institutions or other segregated settings at serious risk of institutionalization, homeless, or at risk of becoming homeless.

For Mainstream, MHA may give preference in admission to nonelderly persons who are referred to MHA by a designated service provider and certified as a nonelderly household with one or more disabled family members who is transitioning out of an institution or other segregated setting, at serious risk of institutionalization, homeless, or at risk of becoming homeless.

Family Unification Program (FUP)

The Family Unification Program provides Housing Choice Voucher (HCV) rental assistance to provide housing to (1) families for whom the lack of adequate housing is a primary factor in either the imminent placement of the family's child or children in out-of-home care or the delay in the discharge of the child or children to the family from out-of-home care and (2) youth at least 18 years old and not more than 24 years old who left foster care at age 16 or older or will leave foster care within 90 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act; and are homeless; or are at risk of homelessness. The FUP program is operated the same as the Housing Choice Voucher program, except FUP vouchers shall be used to keep child welfare involved families safely together, prevent and reduce homelessness and provide safe, stable housing for families and youth.

MHA may give preference in admission to FUP eligible youth and families who are referred to MHA by designated Public Child Welfare agencies.

Foster Youth to Independence (FYI)

The Foster Youth to Independence Program provides Housing Choice Voucher (HCV) rental assistance to youth at least 16 or older, and not more than 24 years of age, and who has left foster care, or will leave foster care within 90 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act, and is homeless or is at risk of becoming homeless. The FYI program is operated the same as the Housing Choice Voucher program, except FYI vouchers shall be used to prevent and reduce homelessness and provide safe, stable housing for youth.

MHA may give preference in admission to FYI eligible youth who are referred to MHA by designated Public Child Welfare agencies.

Veteran Affairs Supportive Housing (VASH)

Link: [FR-2012-03-23](#)

The Veterans Affairs Supportive Housing (VASH) program combines Housing Choice Voucher (HCV) rental assistance for homeless Veterans with case management and clinical services provided by the Department of Veterans Affairs (VA). VA provides these services for participating veterans at the VA medical center (VAMC).

Program Guidelines

Veterans who are receiving case management from the VA are referred to MHA by the VAMC.

The VASH program is operated the same as the Housing Choice Voucher program except that:

1. The criminal background screening requirements for VASH per HUD guidance will be applied.
2. To remain eligible, the veteran must be receiving case management from the VA or have been determined by the VA to no longer need case management services.
3. VASH vouchers may only port to another jurisdiction where they will still receive case management.
4. Upon completion of case management, the veteran may transfer to a Housing Choice Voucher, if available, without being on the waiting list.

4.9 Continuously Assisted Families

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

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

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

4.10 Relocation of Witnesses and Victims of Crime

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

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

4.11 Income Targeting Policy

Link: [24 CFR 982.201](#)

MHA will monitor progress in meeting the Extremely Low Income (ELI) requirement throughout the fiscal year. Extremely-Low Income families are now defined as families whose incomes do not exceed the higher of: Federal Poverty Level or 30 percent of Area Median Income. ELI families will be selected ahead of other eligible families on an as-needed basis to ensure that the income targeting requirement is met. Under limited circumstances, HUD rules allow admission of low-income families.

If an applicant on the waiting list is skipped over, they will retain their original sequential number placement and be the first applicant offered an opportunity for assistance after the extremely low-income targeting requirement has been met

4.12 Fungibility

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

MHA will exercise fungibility between the Housing Choice Voucher and public housing programs as allowed by HUD to meet income targeting requirements.

4.13 Selection from the Waiting List Notification

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

If a notification letter is returned to MHA with no forwarding address, or outside of the specified time, the family will be removed from the waiting list without further notice. Such failure to act on the part of the applicant prevents MHA from making an eligibility determination; therefore, no informal review will be offered.

Chapter 5 - Initial and Continuing Eligibility

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

5.1 Qualifications for Admission

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

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

Income Eligibility

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

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

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

Social Security Number Disclosure

Link: [24 CFR 5.216](#), [5.218](#); [Notice PIH 2018-24](#)

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

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

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

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

Citizenship Requirements

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

MHA will verify the citizenship/immigration status of applicants at the time other eligibility factors are determined. At least one family member must be a citizen, national, or noncitizen with eligible immigration status in order for the family to qualify for any level of assistance. Each family member must declare whether the individual is a citizen, national or an eligible noncitizen. Family members who declare citizenship or national status will not be required to provide additional documentation supporting the individual's declaration of citizenship and national status unless MHA receives information indicating that an individual's declaration may not be accurate, such as a birth certificate.

All eligible noncitizens who are 62 years of age or older will be required to sign a declaration under penalty of perjury. They will also be required to show proof of age. Prior to being admitted, all eligible noncitizens must sign a declaration of their status and a verification consent form and provide their original USCIS documentation. Family members who do not claim to be citizens, nationals or eligible noncitizens, or whose status cannot be confirmed, must be listed on a statement of non-eligible members and the list must be signed by the head of household.

5.2 Family Definition

Link: [24 CFR 5.403](#)

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

- A single person, who may be an elderly person, displaced person, or any other single person
- A group of persons residing together, and such group includes, but is not limited to:
 - A family with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family); unborn children and children in the process of being adopted are considered family members for purposes of determining bedroom size, but are not considered family members for determining income limit.
 - Child (minor) relationship is determined only by: birth, adoption, a court order establishing custody, or a legal order from the social service agency, (i.e. Child Protective Services, DES, etc.).
 - An elderly family;
 - A disabled family;
 - A displaced family; and
 - The remaining member of a participant family.

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

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

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

A family does not include:

- A housekeeper or live-in aide
- Foster children and/or foster adults

Each family must identify the individuals to be included in the family at the time of application, and must notify MHA if the family's composition changes within 14 calendar days.

5.2.1 Head of Household

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

5.2.2 Joint Custody

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

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

5.2.3 Family Break Up

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

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

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

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

- The interest of any minor children, including custody arrangements

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

5.2.4 Remaining Family Member

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

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

- The household reports the departure (or death) of the head of household in writing within 30 calendar days of the occurrence.
- A replacement head of household is identified and reported to MHA in writing within 30 calendar days of the occurrence.
- An adult who becomes the guardian or other caretaker of remaining household member(s) who are minors, may apply to become head of household and must meet MHA's eligibility criteria.
- The head of household agrees to a written repayment agreement for any rent or charges incurred by the former head of household.
- Those under 18 seeking to become the head of household must provide proof of emancipation.
- An adult who becomes the guardian or other caretaker of remaining household member(s) who are minors, may apply to become head of household and must meet MHA's eligibility criteria.

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

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

5.3 Student Head of Household

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

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

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

5.4 Guests/Visitors

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

A guest can remain in the assisted unit no longer than 14 consecutive days or a total of 30 cumulative calendar days during any 12-month period or MHA will consider the person(s) unauthorized persons in the unit. A family may request an exception to this policy for valid reasons (e.g. care of a relative recovering from a medical procedure is expected to last 40 consecutive days). An exception will not be made unless the family can identify and provide documentation of the residence to which the guest will return.

The family must notify MHA in writing of the children(s) names and timeframes the child(ren) will be in the household if the participant has children who are subject to a joint custody arrangement or for whom a family has visitation privileges, that are not included as a family member because they live outside of the unit more than 50 percent of the time.

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

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

5.5 Eligibility Process

Families selected from the waiting list are required to complete MHA's eligibility determination process which may include one or more interviews/appointments/briefings. An oral briefing is required for all new applicants. The family will be sent notice to their last known address indicating the date, time, place, who must attend and what documents must be presented to complete the process. All request and required information must be complete in order for eligibility to be determined.

MHA will advise what family members are required to attend the interview and sign the application and other required forms. Exceptions may be made for students attending school out of state and for members for whom attendance would be a hardship.

The family must provide the information necessary to establish the family's eligibility, including criminal background record, and to determine the appropriate amount of rent the family will pay. The family must also complete required forms, provide required signatures, and submit required documentation. If

the documents are not returned complete within the time specified, MHA will determine that the applicant is no longer interested in housing assistance and will be removed from the waiting list. Extensions to the timeframe may be allowed based on documented and verified extenuating circumstances (illness, hospitalization, etc.) and reasonable accommodations.

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

5.5.1 Rescheduling Appointments

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

5.5.2 Eligibility Notification

MHA will notify a family in writing of their eligibility. If MHA determines that the family is ineligible, MHA will send written notification of the ineligibility determination. The notice will specify the reasons for ineligibility, and will inform the family of its right to request an informal hearing.

5.6 Criminal Background Policy

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

MHA may conduct a criminal background check on all adult household members, 18 years of age or older, at new admission, at adult additions to the household, during recertification for continued participation or as a component of an investigation regarding violations of participant responsibilities. MHA may also provide information to Law Enforcement officials; obtain law enforcement reports and other records regarding drug related or other criminal activity which may be in violation of HCV participant responsibilities

MHA will prohibit admission to any applicant household member (1) who has ever been convicted of drug-related criminal activity for the manufacture or production of methamphetamine on the premises of federally assisted housing or (2) who is subject to a lifetime registration requirement under a State sex-offender registration program.

MHA will also deny admission and may terminate assistance under the following circumstances:

1. Any household member has been convicted of drug-related or violent criminal activity, within the past five (5) years.
2. Any household member has been convicted of non-violent criminal activities, within the past five (5) years that may threaten the health, safety or right to peaceful enjoyment of the premises by other residents. A household member has a pattern of arrests for engaging in

criminal activity within the past five (5) years. MHA has reasonable cause to believe that the household member's pattern of criminal activity may threaten the health or safety of the owner, property management staff or MHA employees or their contractors and agents. Arrest records will not be the sole reason for denial or termination of assistance. MHA may make a decision to terminate assistance based on the conduct underlying an arrest, if the conduct indicates that the individual is not suitable for tenancy.

3. MHA has reasonable cause to believe that a household member's use of illegal drugs or alcohol abuse may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents or persons.
4. Households who fail to meet HUD's social security number disclosure and verification requirements.
5. A household member who has been identified as ineligible due to outstanding debt or termination of assistance as provided in HUD's EIV verification system. In this case, HUD regulations regarding contesting EIV data will apply. Outstanding debts owed to MHA or other PHAs must be paid in full before admittance to the HCV program.

In the event that an applicant has been admitted into the program and MHA discovers after his or her admission that one or more of the offenses were committed by the applicant or other household member prior to admission into the program, MHA shall make a determination as to whether to recommend termination from the program. If the offense occurred before the applicant family completed a family declaration or disclosure and the family did not disclose the offense, the authority will deny assistance absent other compelling information.

If the application is denied due to criminal history, MHA may consider verifiable mitigating circumstances. Mitigating circumstances are facts relating to the applicants criminal history, that, when verified indicate:

- a. The reason for the unsuitable criminal history or behavior;
- b. That the reason is no longer in effect or is under control;
- c. Assertion that mitigating circumstances are directly related to a disability and a request for a reasonable accommodation is justified.

MHA, in its decision to deny assistance, may consider the seriousness of the case, and the effect of denial of assistance on other family members who were not involved in the action. MHA may admit such a family to the program, and may impose as a condition of assistance, the requirement that family members who participated in or were culpable for the action will not reside in the assisted unit.

MHA will deny assistance if an applicant has committed an offense, as detailed above, with a disposition of the charge as guilty, guilty/convicted, no longer contender, convicted, fined, adjudicated or adjudication withheld. If the offense is dropped or the charge disposed of as not guilty, acquitted, dismissed, the family shall not be denied assistance. MHA will use the date that the applicant completed any related sentence to evaluate eligibility. The applicant must have completed serving any related sentence, including applicable parole or probation period, five years prior to admission.

In determining whether to deny or terminate assistance, MHA may take such action if the preponderance of evidence indicates that a family member has engaged in such activity, regardless of whether the family member has been arrested or convicted.

Extenuating circumstances, such as current or past participation in a rehab program, will be considered before final withdrawal of the applicant or termination of assistance. If MHA uses a criminal record report as the basis to deny or terminate assistance, MHA will provide the applicant/tenant with a copy of the criminal record, if requested, and give the family an opportunity to dispute the record.

Consistent with HUD's regulations concerning the limitations on disclosure of records, MHA will ensure that any criminal records received by MHA is:

- a. Maintained confidentially;
- b. Not misused or improperly disseminated; and
- c. Destroyed once the purpose for which the record was requested has been accomplished, including expiration of the period for filing a challenge to the PHA action.

MHA provides limited screening of applicants to include HUD's EIV programs, a criminal background check and records relevant to previous assistance by MHA. MHA does not screen for suitability for tenancy and or family behavior. Owners are responsible for screening and selection of the family to occupy the owners unit.

5.6.1 Drug Abuse Treatment Information

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

MHA may obtain information from drug abuse treatment facilities to determine whether any applicant family's household members are currently engaging in illegal drug activity only when MHA has determined that the family will be denied admission based on a family member's drug-related criminal activity, and the family claims that the culpable family member has successfully completed a supervised drug or alcohol rehabilitation program. MHA will require the proposed family member sign a consent form for the drug abuse treatment facility to release information.

5.7 Duplicative Assistance

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

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

- Public or Indian housing assistance
- Other Section 8 assistance (including other participant-based assistance)
- Assistance under former Section 23 of the United States Housing Act of 1937 (before amendment by the Housing and Community Development Act of 1974)
- Section 101 rent supplements
- Section 236 rental assistance payments
- Participant-based assistance under the HOME Program
- Rental assistance payments under Section 521 of the Housing Act of 1949 (a program of the Rural Development Administration)
- Any local or State rent subsidy
- Section 202 supportive housing for the elderly

- Section 811 supportive housing for persons with disabilities; (11) Section 202 projects for non-elderly persons with disabilities (Section 162 assistance)
- Any other duplicative federal, State, or local housing subsidy, as determined by HUD. For this purpose, 'housing subsidy' does not include the housing component of a welfare payment, a social security payment received by the family, or a rent reduction because of a tax credit.

5.8 Absences from the Unit

Link: [24 CFR 982.312](#)

5.8.1 Absent Family Member

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

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

Generally, an individual who is or is expected to be absent from the assisted unit for 3 consecutive months or 90 days or more in a 12-month period of time 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 90 consecutive days is considered permanently absent and no longer a family member.

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

5.8.2 Absence of Entire Family

Notice is required when all family members will be absent from the unit for an extended period of time (greater than 30 calendar days). Families are required to give MHA 30 days' notice before moving out of a unit. Absence means that no family member is residing the unit. In order to determine if the family is absent from the unit, MHA may:

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

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

If a family is absent from the unit for more than 180 consecutive days, MHA will terminate assistance.

5.8.3 Absent Student

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

5.8.4 Absences Due to Placement in Foster Care

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

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

5.8.5 Caretaker for a Child

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

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

5.8.6 Absent Head or Spouse Due to Employment

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

5.8.7 Individuals Absent (Confined) for Medical Reasons

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



QUADEL
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CHAPTER 6 - Tenant Rent and Housing Assistance Payment Calculation

6.1 Definition of Income

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

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

Annual income is the total income from all sources, including net income derived from assets received by the household head and spouse (even if temporarily absent) and by each additional household member including all net income from assets for the 12 month period following the effective date of initial determination or reexamination of income, exclusive of income that is temporary, non-recurring or sporadic as defined below, or is specifically excluded from income by other federal statute.

6.1.1 Alimony and Child Support

MHA will count court-awarded amounts for alimony and child support unless MHA verifies that:

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

If the amount of child support or alimony received is less than the amount awarded by the court, MHA will use the amount that is received by the family. MHA will request verification that the family is receiving an amount less than the award following its verifications procedures.

MHA will not include child support income if no payments have been received within the most recent ninety (90) days. It is the family's responsibility to supply documentation of income that is not being received. Income will be projected by averaging the amount of support received one-year preceding admission or reexamination, if available.

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.

6.1.2 Sporadic income

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

6.1.3 Regular Contributions and Gifts

Examples of regular contributions include:

- Regular payment of a family's bills (e.g., utilities, telephone, rent, credit cards, and car payments)

- Cash or other liquid assets provided to any family member on a regular basis
- “In-kind” contributions such as groceries and clothing provided to a family on a regular basis
- Any contribution of gift received every 3 months or more frequently will be considered a “regular” contribution or gift, unless the amount is less than \$100 per year

Non-monetary contributions will be valued at the cost of purchasing the items, as determined by MHA. For contributions that may vary from month to month (e.g., utility payments), MHA will include an average amount based upon past history. Regular financial support from parents or guardians to students for food, clothing personal items, and entertainment is not considered student financial assistance and is included in annual income.

6.1.4 Incremental Earnings

MHA defines incremental earnings and benefits as the difference between:

- The total amount of welfare assistance and earnings of a family member prior to enrollment in a training program and
- The total amount of welfare assistance and earnings of the family member after enrollment in the program.

6.2 Earned Income Disallowance (EID) Policy

Link: [24 CFR 5.617](#)

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

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

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

6.2.1 Disallowance of Earned Income

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

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

in the income of the family member as a result of employment over the baseline income of that family member.

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

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

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

6.3 Business Income

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

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

6.3.1 Business Expansion

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

6.3.2 Capital Indebtedness

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

6.3.3 Acceptable Investments

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

6.3.4 Co-Owned Businesses

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

6.4 Assets

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

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

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

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

6.4.1 Jointly Owned Assets

If an asset is owned by more than one person and any family member has unrestricted access to the asset, MHA 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, MHA will prorate the asset according to the percentage of ownership. If no percentage is specified or provided for by state or local law, MHA will prorate the asset evenly among all owners.

6.4.2 Disposed Assets

MHA 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 two years exceeds the gross amount received for the assets by more than \$5,000.00. Reasonable costs that would be incurred when disposing of an asset include, but are not limited to, penalties for premature withdrawal, broker and legal fees, and settlement costs incurred in real estate transactions.

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

Assets placed by the family in non-revocable trusts are considered assets disposed of for less than fair market value except when the assets placed in trust were received through settlements or judgments.

All assets disposed of as part of a separation or divorce settlement will be considered assets for which important consideration not measurable in monetary terms has been received. In order to qualify for this exemption, a family member must be subject to a formal separation or divorce settlement agreement established through arbitration, mediation, or court order.

Families must sign a declaration form 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.

6.4.3 Checking and Savings Accounts

In determining the value of a checking and savings account, MHA will use the current balance. In determining the anticipated income from an interest-bearing checking or savings account, MHA will multiply the value of the account by the current rate of interest paid on the account.

6.4.4 Investments

In determining the market value of an investment account, MHA 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), MHA will calculate asset income based on the earnings for the most recent reporting period.

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

6.4.5 Real Property, Personal Property, Other Capital Investments

In determining the value of personal property held as an investment, MHA will use the family's estimate of the value.

For Real Property, MHA will use the payoff amount for the mortgage to calculate equity. If the payoff amount is not available, MHA will use the loan balance.

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

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

6.5 Lump Sum Payments

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 payments 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).

6.6 Excluded Income

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

MHA will follow HUD guidelines when determining types and sources of income to be excluded from assistance calculations.

6.6.1 Excluded Periodic Payment

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

6.6.2 Income from Training Programs

Income from certain training programs may be excluded. MHA defines a 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 of 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:

- Classroom training in a specific occupational skill
- On-the-job training with wages subsidized by the program
- Basic education

6.7 Deductions from Income

Link: [24 CFR 5.611](#)

Anticipating Expenses

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

If a family has an accumulated debt for medical or disability assistance expenses, MHA 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. MHA may require the family to provide documentation of payments made in the preceding year.

6.7.1 Medical and Dental Expenses

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

6.7.2 Disability Assistance Expenses

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

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

If the care attendant also provides other services to the family, MHA will prorate the cost and allow only that portion of the expenses attributable to attendant care that enables a family member to work.

Unless otherwise specified by the care provider, the calculation will be based upon the number of hours spent in each activity and/or the number of persons under care.

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

6.7.3 Both Medical and Disability Expenses

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

The family must identify the family members enabled to work as a result of the disability assistance expenses. In evaluating the family's request, MHA 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 MHA determines that the disability assistance expenses enable more than one family member to work, the disability assistance expenses will be capped by the sum of the family members' incomes.

Expenses incurred for maintaining or repairing an auxiliary apparatus are eligible. In the case of an apparatus that is specially adapted to accommodate a person with disabilities (e.g., a vehicle or computer), the cost to maintain the special adaptations (but not maintenance of the apparatus itself) is

an eligible expense. The cost of service animals trained to give assistance to persons with disabilities, including the cost of acquiring the animal, veterinary care, food, grooming, and other continuing costs of care, will be included.

6.7.4 Child Care

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

6.7.4.1 Allowable Child Care Activities and Expenses

For school-age children under 13 years of age, costs attributable to public or private school activities during standard school hours are not considered allowable child care expenses. Expenses incurred for supervised activities after school or during school holidays (e.g., summer day camp, after-school sports league) are allowable forms of child care.

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

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

Child care expenses will be considered for the time required for the eligible activity plus reasonable transportation time. For child care that enables a family member to go to school, the time allowed may include not more than one study hour for each hour spent in class.

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

6.7.4.2 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 MHA.

6.7.4.3 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.

6.7.4.4 Being Gainfully Employed

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

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

6.8 Anticipating Income

When MHA cannot readily anticipate income based upon current circumstances (e.g., in the case of seasonal employment, unstable working hours, or suspected fraud), MHA 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.

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

6.9 Future Changes

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

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

6.10 Total Tenant Rent and HAP

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

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

Total Tenant Payment is the higher of:

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

Tenant Rent

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

Rent to Owner

Rent to owner is the greater of:

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

6.10.1 Payment Standards

Link: [24 CFR 982.505](#)

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

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

6.10.1.1 Establishment of Payment Standards

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

The payment standard is set by MHA between 90% and 110% of the HUD published Fair Market Rent (which may include HUD Small Area FMR). MHA will review the payment standard at least annually to determine whether an adjustment should be made. As a reasonable accommodation, MHA may establish an exception payment standard of not more than 120% of the published FMR.

6.10.1.2 Utility Allowances and Utility Reimbursements

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

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

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

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

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

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

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

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

6.10.1.3 Welfare Rent

Welfare Rent does not apply.

6.11 Minimum Rent and Hardship Exemptions

Link: [24 CFR 5.630](#)

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

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

assistance. The proof would be provided by the agency responsible for granting assistance or terminating assistance.

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

To make a claim under these provisions the applicant or participant must submit a request, in writing, to MHA office. The applicant/participant must provide documentation to support the request for a hardship exemption. MHA will review the request and make a determination whether the family is eligible for the hardship.

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

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

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

CHAPTER 7 - Request for Tenancy Approval and Leasing

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

7.1 Information to Owners

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

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

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

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

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

7.2 Allowable Housing Types

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

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

- Single family detached homes
- Duplexes
- Multi-plexus
- Garden apartments
- Condominiums, townhouses
- High-rises
- Manufactured homes where the tenant leases the mobile home and the pad
- Manufactured homes where the tenant owns the mobile home and leases the pad
- Other multi-family rental housing structures

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

- Hotels
- Motels

- Nursing homes
- College or school dormitories
- Other types disallowed by HUD regulations
- Unit occupied by its owner or a person with any interest in the dwelling unit
- Unless its lease was effective prior to June 17, 1998, a family may not lease a property owned by a **prohibited** relative.

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

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

7.3 Request for Tenancy Approval (RFTA)

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

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

- Complete RFTA, signed by both the family and the owner, including:
 - Dwelling lease
 - Proof of ownership of the unit to be leased (e.g. deed of trust, most recent year tax statement, warranty deed and management agreement, if applicable);
 - The Owner's EIN or social security number;
 - A W-9 form completed by the owner.
 - If the property is in a corporation, the names of all parties
 - Current street mailing address, Post Office Box addresses will not be accepted
 - Business and home telephone number
 - For units constructed prior to 1978, owners must either 1) certify that the unit, common areas, and exterior have been found to be free of lead-based paint by a certified inspector; or 2) attach a lead-based paint disclosure statement.

The RFTA and all associated documents must be complete and submitted to MHA in the form prescribed e.g. in-person, by mail or electronic submission. The family may submit only one RFTA at a time. MHA may not accept an incomplete RFTA which could include missing required information noted above and/or family/owner signatures. Failure to submit the complete RFTA will result in cancellation of the RFTA.

7.3.1 Tenancy Addendum

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

The owner must use the HUD Tenancy Addendum or all provisions in the HUD-required Tenancy Addendum must be added to the owner's lease. If there is a conflict between the owner's lease and the

Tenancy Addendum, the terms of the Tenancy Addendum will prevail over any other provisions of the lease.

7.3.2 Dwelling Lease

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

When the RFTA and proposed lease are submitted, MHA will review the terms of the RFTA for consistency with the terms of the proposed lease. The proposed lease must comply with HUD requirements, as well as State and local law. MHA may deny the unit if the proposed lease is not in compliance.

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

7.3.2.1 New Lease Required

A new lease will be required:

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

7.4 Voucher Term

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

The initial voucher term is 60 calendar days. The family must submit a Request for Tenancy Approval that is complete and a proposed lease within the 60-day period, unless MHA grants an extension. An additional 30 days will be added to the initial voucher term for a family exercising portability.

7.4.1 Voucher Extensions

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

Requests for extensions must be submitted to MHA in writing prior to the expiration of the voucher term. Extensions are permissible at the discretion of MHA up to a maximum of an additional sixty days.

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

MHA is not obligated to grant an extension, but may consider any of the following circumstances in its decision:

- It is necessary as a reasonable accommodation for a person with disabilities.
- A serious medical condition which the family could not have anticipated. Documentation from a medical professional is required.
- MHA discretion for extenuating circumstances (e.g. when market conditions or administrative actions support a need for extension, owner fails to accept reasonable rent, occurrence of a natural disaster, etc.)
- HCV voucher holders are encouraged to select units which will meet HQS. Extensions shall not be granted beyond 30 days for purposes of complying with HQS. If a RFTA is received before the expiration date of the voucher, an inspection will be scheduled. In cases where the unit does not meet HQS, no further extension will be granted.

If the family has not found a unit within the maximum term allotted, with any extensions, the Voucher will expire and the family will be removed from the waiting list or terminated from the HCV program. Hearings or informal reviews are not required and shall not be given for denial of extensions. Families seeking another opportunity for assistance must reapply to the program upon the reopening of the waiting list.

7.4.2 Voucher Suspension

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

Additional extensions beyond the suspension time can only be given by the Director or his/her designee, and will only be considered under the following conditions:

- If the delay is due to MHA administrative reasons and not due to the applicant's delay;
- The applicant has shown due diligence in locating an appropriate unit during the voucher term; and
- Denial of the suspension of term would constitute an undue hardship on the family.

7.5 Subsidy Standards

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

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

7.5.1 Subsidy Standards Chart

Link: [24 CFR 982.402](#)

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

Voucher Unit Size	Persons in Household Minimum Number	Persons in Household Maximum Number
0-BR (bedroom)	1	2
1-BR	1	3
2-BR	2	5
3-BR	3	7
4-BR	4	9
5-BR	5	11
6-BR	6	13
7-BR	7	15

MHA generally assigns one bedroom to two people and will also consider the following conditions when determining the unit size designated for the family's voucher:

MHA generally assigns one bedroom to two people and does not determine who shares a bedroom or sleeping room. MHA will also consider the following conditions when determining the unit size designated for the family's voucher:

- Adults of the opposite sex (other than spouses or cohabitants), and unrelated adults may occupy separate bedrooms.
- Two minor children of the same sex, regardless of age difference, will be assigned one bedroom. Children under the age of three may not be awarded their own bedroom except in cases involving a reasonable accommodation
- Minor children of the opposite sex may be assigned separate bedrooms.
- Unborn children will be included in the size of the household.
- A minor 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.
- MHA approves live-in aides to reside in the unit and be provided a separate bedroom as a reasonable accommodation for a family consisting of one or more elderly or disabled persons. However, MHA may deny or withdraw such approval at any time if the live-in aide: (1) commits fraud, bribery or any other corrupt or criminal act in connection with any federal housing program; (2) fails to pass a criminal background check for drug-related or violent criminal activity, or; (3) owes rent or other amounts to MHA or another PHA in connection with the Housing Choice Voucher Program or public housing assistance under the 1937 Act. Only one bedroom will be awarded for the live-in aide and any family members of the live-in aide, as long as Housing Quality Standards (HQS) are not violated and there are no more than two people per living/sleeping space. If additional family members result in a violation of HQS or do not meet the eligibility requirements, the specific live-in aide may not be approved.

- Space will be provided for a family member who is away at school but who lives with the family during school recess.

MHA may assign a larger unit than permitted, using the above standards, if an individual with a disability and/or a medical need requests a reasonable accommodation and provides documentation of need from an authorized healthcare provider. MHA may request or require additional verification from the healthcare provider that the disabled individual meets the definition for persons with disabilities and to document the needs for a reasonable accommodation, as covered under the United States Housing Act of 1937 at 24 CFR 403.

7.5.2 Exceptions to Subsidy Standards

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

7.5.3 Unit Size Selected by Family

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

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

7.5.4 Under-Housed and Over-Housed Families

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

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

7.6 Security Deposit

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

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

7.7 Separate Agreements

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

MHA permits owners and families to execute separate, non-lease agreements for services, appliances (other than range and refrigerator) and other items that are not included in the lease. Any items, appliances, or other services that are not customarily provided to unassisted families as part of the dwelling lease with those families, are not permanently installed in the dwelling unit and where the family has the sole option of not utilizing the item, appliance or service, may be included in a separate non-lease agreement between the owner and the family. Separate non-lease agreements that involve additional items, appliances or other services may be considered amenities offered by the owner and may be taken into consideration when determining the reasonableness of the rent for the property.

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

7.8 Initial Rent Burden

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

7.9 Disapproval of RFTA

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

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

7.10 Owner Disapproval

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

MHA may disapprove the owner/agent for any of the following reasons:

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

by the participant, any member of the household, a guest or another person under the control of any member of the household that: (i) Threatens the right to peaceful enjoyment of the premises by other participants; (ii) Threatens the health or safety of other participants, of employees of MHA, or of owner/agent employees or other persons engaged in management of the housing; (iii) Threatens the health or safety of, or the right to peaceful enjoyment of their residences, by persons residing in the immediate vicinity of the premises; or (iv) Is drug-related criminal activity or violent criminal activity;

- The owner/agent has a history or practice of renting units that fail to meet state or local housing codes; or
- The owner/agent has not paid state or local real estate taxes, fines, or assessment.
- The owner/agent acts or behaves in a manner deemed unreasonable, unprofessional, disruptive or abusive to MHA staff or other persons engaged in the management of housing. MHA reserves the right to disallow continued participation in the HCV program by a property owner/agent, or other owner/agent representative when it is determined the owner/agent, manager or owner/agent representative engages in abusive behavior. Such behavior may be defined, but is not limited to:
 - Abusive Conduct – Acts and/or omissions that a reasonable person would find hostile, based on the severity, nature and frequency of the conduct. This includes, but, is not limited to repeated infliction of emotional abuse, such as use of derogatory remarks, insults or comments. Any verbal or physical conduct which threatens, intimidates or humiliates the recipient.
 - Verbal Abuse – including vulgar, profane or demeaning language or tone (whether oral or written)
 - Intimidating behavior – threats or other conduct that creates a hostile or confrontational environment, that impairs operations, alarms or inhibits staff in performing their job functions. Conduct or statements that are disparaging, derogatory, disrespectful, abusive or rude.
 - Threat – Any oral or written expression or gesture that would be interpreted by a reasonable person as conveying an intent to cause physical harm to the recipient.
 - Sexual Harassment – Unwelcome advances, requests for sexual favors and any other verbal, visual or physical conduct of a sexual or explicit nature.
 - Assault – to attack someone physically or verbally, causing or intending to cause bodily or emotional injury, pain or distress.
- When HUD has informed MHA that disapproval is required because:
 - Owner/agent has been disbarred, suspended, or subject to a limited denial of participation
 - Federal government has instituted an administrative or judicial action against the owner/agent for violating the Fair Housing Act or other federal equal opportunity requirements and such action is pending;
 - Court or administrative agency has determined that the owner/agent violated the Fair Housing Act or other federal equal opportunity requirements.

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

If an owner commits fraud, is guilty of frequent or serious contract violations or engages in abusive behavior, MHA may debar or suspend the owner/agent from future participation in the program. MHA may terminate some or all contracts with the owner/agent.

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

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

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

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

In considering whether to request a conflict of interest waiver from HUD, MHA will consider certain factors such as consistency of the waiver with state and local laws, the existence of alternative housing available to families, the individual circumstances of a particular family, the specific duties of individuals whose positions present a possible conflict of interest, the nature of any financial investment in the property and plans for disclosure/divestiture, and the possible appearance of impropriety. Where MHA has requested a conflict of interest waiver, MHA may not execute the HAP contract until HUD has made a decision on the waiver request.



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CHAPTER 8 - Housing Quality Standards and Inspections and Rent Reasonableness

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

MHA generally performs four types of inspections:

- Initial Inspections
- Biennial Inspections
- Special/Complaint Inspections
- Quality Control Inspections

MHA adheres to Housing Quality Standards (HQS) standards as established in 24 CFR 982.401 to perform all required inspections. Interpretative guidance for HQS acceptability criteria is taken from Form HUD 52580-A dated 9/00, the HUD Housing Inspection Manual and MHA Inspection Policy and Procedures. MHA may also accept an alternate inspection from MHA-approved entities (e.g. city code) if MHA can reasonably determine from the result of that inspection that the unit would meet Housing Quality Standards.

MHA may rely on an alternative inspection (an inspection conducted for another housing program) provided MHA obtains the results of the alternative inspection and if HCV units are included in the population of that housing program's unit population. Alternative housing program inspections include:

- HOME Investment Partnerships
- Low-Income Housing Tax Credits housing
- Inspections performed by HUD

Units in mixed-finance properties assisted with project-based vouchers will be inspected at least triennially. MHA will maintain reports for inspections conducted using an alternative inspection method for at least three years from the date of the latest inspection.

8.1 Inspection Charges

Link: [PIH Notice 2016-05](#); [24 CFR §982.405](#)

MHA has established a reasonable fee of \$100.00 to owners for a re-inspection if an owner notifies MHA that a repair has been made or the timeframe to make the repair has passed, and a re-inspection reveals any deficiency cited in the previous inspection that the owner is responsible for repairing. The owner may not pass this fee on to the participant. The owner must pay MHA the fee prior to scheduling the re-inspection. Re-inspections will be rescheduled within 30 days of the request and payment of the fee.

8.2 Initial Inspections

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

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

MHA will schedule and conduct the initial inspection after receiving a completed RFTA from the family and the unit is ready for inspection.

If the unit fails the initial HQS inspection, the owner will be notified of the deficiencies. If the unit fails the re-inspection, the family must select another unit. MHA may agree to conduct a second re-inspection when requested by both family and owner and there is good cause to grant the request.

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

8.2.1 Approval of Tenancy with a failed HQS Initial Inspection

MHA may, at its sole discretion, approve the Request for Tenancy (RFTA) and commence housing assistance payments if the unit fails the initial inspection but only has non-life-threatening HQS deficiencies. If a MHA makes payments under this exception, MHA will withhold any assistance payments if the non-life-threatening deficiencies are not remedied within no more than 30 days of MHA notifying the owner of the unit, in writing, of the unit's failure to comply with HQS.

MHA will not allow this provision to be exercised if there is the presence of deteriorated paint in units built before 1978 to be occupied by a family with a child under the age of 6.

For the purposes of this provision, "life-threatening conditions" are defined as conditions that would fail to meet the housing quality standards under 24 CFR 982.401 and do not meet the definition of life-threatening as the following:

- (1) Gas (natural or liquid petroleum) leak or fumes. A life-threatening condition under this standard is one of the following: (a) A fuel storage vessel, fluid line, valve, or connection that supplies fuel to a HVAC unit is leaking; or (b) a strong gas odor detected with potential for explosion or fire, or that results in health risk if inhaled.
- (2) Electrical hazards that could result in shock or fire. A life-threatening condition under this standard is one of the following: (a) A light fixture is readily accessible, is not securely mounted to the ceiling or wall, and electrical connections or wires are exposed; (b) a light fixture is

hanging by its wires; (c) a light fixture has a missing or broken bulb, and the open socket is readily accessible to the tenant during the day to day use of the unit; (d) a receptacle (outlet) or switch is missing or broken and electrical connections or wires are exposed; (e) a receptacle (outlet) or switch has a missing or damaged cover plate and electrical connections or wires are exposed; (f) an open circuit breaker position is not appropriately blanked off in a panel board, main panel board, or other electrical box that contains circuit breakers or fuses; (g) a cover is missing from any electrical device box, panel box, switch gear box, control panel, etc., and there are exposed electrical connections; (h) any nicks, abrasions, or fraying of the insulation that expose conducting wire; (i) exposed bare wires or electrical connections; (j) any condition that results in openings in electrical panels or electrical control device enclosures; (k) water leaking or ponding near any electrical device; or (l) any condition that poses a serious risk of electrocution or fire and poses an immediate life-threatening condition.

(3) Inoperable or missing smoke detector. A life-threatening condition under this standard is one of the following: (a) the smoke detector is missing; or (b) the smoke detector does not function as it should.

(4) Interior air quality. A life-threatening condition under this standard is one of the following: (a) the carbon monoxide detector is missing; or (b) the carbon monoxide detector does not function as it should.

(5) Gas/oil fired water heater or heating, ventilation, or cooling system with missing, damaged, improper, or misaligned chimney or venting. A life-threatening condition under this standard is one of the following: (a) The chimney or venting system on a fuel fired water heater is misaligned, negatively pitched, or damaged, which may cause improper or dangerous venting of gases; (b) a gas dryer vent is missing, damaged, or is visually determined to be inoperable, or the dryer exhaust is not vented to the outside; (c) a fuel fired space heater is not properly vented or lacks available combustion air; (d) a non-vented space heater is present; (e) safety devices on a fuel fired space heater are missing or damaged; or (f) the chimney or venting system on a fuel fired heating, ventilation, or cooling system is misaligned, negatively pitched, or damaged which may cause improper or dangerous venting of gases.

(6) Lack of alternative means of exit in case of fire or blocked egress. A life-threatening condition under this standard is one of the following: (a) Any of the components that affect the function of the fire escape are missing or damaged; (b) stored items or other barriers restrict or prevent the use of the fire escape in the event of an emergency; or (c) the building's emergency exit is blocked or impeded, thus limiting the ability of occupants to exit in a fire or other emergency.

(7) Other interior hazards. A life-threatening condition under this standard is a fire extinguisher (where required) that is missing, damaged, discharged, overcharged, or expired.

(8) Deteriorated paint, as defined by 24 CFR 35.110, in a unit built before 1978 that is to be occupied by a family with a child under 6 years of age. This is a life-threatening condition only

for the purpose of a condition that would prevent a family from moving into the unit. All lead hazard reduction requirements in 24 CFR part 35, including the timeline for lead hazard reduction procedures, still apply.

(9) Any other condition subsequently identified by HUD as life threatening.

If MHA makes payments under that exception, assistance payments will be withheld if the non-life-threatening deficiencies are not remedied within 30 days of MHA notifying the owner of the unit, in writing, of the unit's failure to comply with HQS.

MHA may also permit the occupancy of a unit prior to HQS if the unit has passed an alternative inspection as provided for above: (list inspections stated in section 8) within the past 24 months. Once the unit passes the HQS, assistance payments may be made retroactively, dating back to the beginning of the assisted lease term, which is the effective date of the HAP contract.

If MHA permits occupancy of a unit prior to passing HQS, MHA will provide the family a list of the deficiencies and offer the family the opportunity to decline to enter into the assisted lease to continue searching for other units within the time period remaining on their voucher. This notice will also inform the family that if the owner fails to correct the non-life-threatening deficiencies within the required timeframe, MHA will terminate the HAP contract, which in turn terminates the assisted lease, and the family will have to move to another unit in order to receive voucher assistance.

8.3 Biennial HQS Inspections

Link: [24 CFR 982.405\(a\); Notice PIH 2020-31](#)

Each unit under HAP contract must be inspected biennially within 24 months or 730 days of the last full inspection. MHA may elect to conduct Remote Virtual Inspections on units for Biennial inspections to ensure compliance with HQS. MHA, at its discretion, may require annual inspections of any owner or unit at any time.

MHA will schedule the annual/biennial inspection and notify the owner and tenant of the scheduled inspection date. An adult family member must be present at the inspection. If an adult family member cannot be present on the scheduled date, the family must contact MHA to reschedule the inspection. Inspections may be rescheduled once.

If the family misses the first scheduled appointment without notifying MHA before the inspection, MHA will automatically schedule a second inspection. If the family misses two scheduled inspections without MHA approval, MHA will consider the family to have violated its obligation to make the unit available for inspection.

8.4 Special Inspections

MHA will conduct a special inspection if the owner, family, or another source reports HQS violations in the unit. **MHA may elect to conduct Remote Virtual Inspections) on units for Special Inspections to ensure compliance with HQS.**

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

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

8.5 Quality Control Inspections

Link: [24 CFR 982.405\(b\); Notice PIH 2020-31](#)

MHA will conduct quality control inspections of a sample of units to ensure that each inspector is conducting accurate and complete inspections and that there is consistency in the application of the HQS. **MHA may elect to conduct Remote Virtual Inspections on units for Quality Control Inspections to ensure compliance with HQS.**

An adult family member must be present for the inspection.

8.6 Scheduling Inspections and Family Attendance

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

The family must allow MHA to inspect the unit at reasonable times with reasonable notice. The family and owner will be given reasonable notice of all inspections. Except in the case of a life-threatening emergency, reasonable notice is considered to be not less than 48 hours. Inspections will generally be scheduled between 8:00 a.m. and 4:30 p.m., Monday through Friday. In the case of a life-threatening emergency, MHA will give as much notice as possible, depending on the nature of the emergency.

8.6.1 Missed and Rescheduled Inspections

An owner is not allowed to cancel an annual, special or quality control inspection. The family may only request to cancel and reschedule the annual inspection for good cause: e.g. unavoidable conflict, which seriously affects the health, safety or welfare of the family. MHA may require the family to provide documentation in support of the request. The family may only cancel and reschedule the annual inspection and/or any subsequent re-inspections once. If the family is unable to be present, they must reschedule the appointment so that the inspection can be completed within 5 days.

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

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

8.7 Emergency Inspections

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

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

- Any condition that jeopardizes the security of the unit
- Major plumbing leaks or flooding, waterlogged ceiling or floor in imminent danger of falling
- Natural or LP gas or fuel oil leaks
- Any electrical problem or condition that could result in shock or fire
- Absence of a working heating system when outside temperature is below 60 degrees Fahrenheit.
- Utilities not in service, including no running hot water
- Conditions that present the imminent possibility of injury
- Obstacles that prevent safe entrance or exit from the unit
- Absence of a functioning toilet in the unit
- Inoperable **or missing** smoke detectors
- **Inoperable carbon monoxide detector**
- Uninhabitable units due to fire, tornado, destroyed or vandalized property that prevents a tenant from using the bathroom or kitchen or from entering the dwelling unit.
- Unstable structural problems that may fall, including large tree branches, to the extent they are apparent.

When life-threatening conditions are identified, MHA will immediately notify the owner and/or family by mail, telephone, or other electronic means. The notice will specify who is responsible for correcting the violation. The corrective actions must be taken within 24 hours of MHA's notice.

When failures that are not life-threatening are identified, MHA will provide the owner and/or family written notification of the inspection results. The written notice will state that the re-inspection will occur within 30 days, without a MHA approved extension.

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

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

- MHA will attempt to inspect abated units within 10 business days of the owner's notification that the work has been completed.
- Payment will resume effective on the day the unit passes inspection.
- The maximum length of time that HAP may be abated is 180 days.
 - However, if the owner completes corrections and notifies MHA before the termination date of the HAP contract, MHA may rescind the termination notice if (1) the family still resides in the unit and wishes to remain in the unit and (2) the unit passes inspection.

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

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

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

8.8 HQS Certifications

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

At MHA's sole discretion, MHA will either complete a re-inspection or allow the owner and participant to submit an Owner Self Certification of Repair form.

If the owner is eligible to submit an Owner Self-Certification of Repair form, the Certification must be submitted to MHA within five (5) business days of the scheduled Final Inspection date and must also contain the owner and participant's signature. MHA may require documentation of the completed work be attached to the Certification, i.e. receipts, pictures, etc. Units where verification of repair by self-certification may be subject to additional quality control inspections.

It is the owner's responsibility to obtain the participant's signature on the Certification certifying that the repairs were completed prior to the deadline date and to submit the form to MHA within five (5) business days of the Final Inspection date, unless an extension is granted.

MHA may utilize an Owner Self-Certification of Repair notice when the repairs required are minor. The unit is not eligible for a Certification and will be re-inspected in the following circumstances:

- Initial inspection
- The unit has more than five failed items
- The fail is an emergency, 24-hour repair item
- The failed item(s) are of a serious or suspicious nature
- The unit has deteriorated paint items

8.9 Extensions

Link: [24 CFR 982.404](#)

MHA will not grant extensions for life-threatening conditions. For conditions that are not life-threatening, MHA may grant an exception for correcting the failed item(s), if MHA determines that an extension is appropriate. Extensions will be granted in cases where MHA has determined that the owner has made a good faith effort to correct the deficiencies and is unable to for reasons beyond the owner's control. Reasons may include, but are not limited to:

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

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

8.10 Family Responsibilities

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

The family is responsible for correcting inspection failures caused by:

- Family-paid utilities not in service
- Failure to provide or maintain family-supplied appliances
- Smoke detector(s) is missing
- Blocked window/doors (prevents egress from unit)

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

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

8.11 Owner Responsibilities

Link: [CFR 985.3\(f\)](#)

The owner is responsible for all HQS violations not listed as a family responsibility above. MHA generally conducts no more than two inspections per unit during the annual inspection process. On occasion, MHA may grant an owner's request for a third inspection. MHA will charge the owner a non-refundable fee of \$100 for conducting a third inspection. The \$100 fee must be paid to MHA prior to scheduling of the third inspection, which will be scheduled within 30 days of the request and payment. MHA requires that the Owner or an authorized representative of the Owner to participate in such re-inspections.

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

8.11.1 Lead Safe Homes Rule

Link: [HUD PIH Notice 2017-13](#)

For Housing Choice Voucher (HCV) units, when a child under 6 is identified with an elevated blood lead level (EBLL), the Owner is responsible for:

- Initial notification of a confirmed case to HUD: In the event that the owner becomes aware of the above, the Owner must notify MHA, who will collaborate with notification to the HUD field office and the HUD Office of Lead Hazard Control and Healthy Homes of the case – that is, the child's address – within 5 business days.
- Initial notification of the public health department, when necessary: When the Owner is notified of the case by any medical health care professional other than the public health department, the owner will notify MHA, who will notify the public health department of the name and address of the child within 5 business days.
- Verification of the case, when necessary: When the Owner receives information from a person who is not a medical health care provider that a case may have occurred, the owner should immediately convey the information to MHA so MHA may notify the public health department, if MHA has indicated, or indicates at this time, that it wishes to collaborate with the owner on implementation of the rule, as described in PIH Notice 2017-13 and as follows.
 - Control of lead-based paint hazards: Completing the reduction of lead-based paint hazards in the index unit and common areas servicing that unit that were identified by the environmental investigation conducted by the PHA within 30 calendar days, using a certified lead-based paint abatement firm or certified lead renovation firm. Work will include occupant protection, and clearance of the unit and common areas servicing that unit by an independent certified risk assessor or a trained dust sampling technician working under the risk assessor in accordance with section 35.1340.
 - Notification to other residents: As already required by the LSHR, in a multiunit property, the owner must notify all residents of lead evaluation and hazard control activities.
 - Ongoing maintenance: Maintaining covered housing without deteriorated paint if there is child under 6 in the family in accordance with sections 35.1220 and 35.1355(a).

8.12 Rent Reasonableness

Link: [24 CFR 982.507](#); [982.305\(a\)](#); [982.505 9\(c\)\(3\)](#); [Notice PIH 2020-19](#)

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

- At initial lease up
- When an owner requests a rent increase
- If the FMR is decreased by 10%
- When directed by HUD

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

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

8.12.1 Decreases in the Fair Market Rent

Link: [PIH Notice 2018-01](#):

In the event that HUD FMRs' decrease, MHA will allow families that are currently under a HAP contract to continue to use the payment standard in effect for the current lease. However, in the event that the family moves to a new unit or in the event that the owner requests a rent increase, the new or current payment standard will be applied to the voucher.

Families under a HAP contract at the time of the decrease in the payment standard, the new decreased payment standard would be applied to those families' subsidy calculations at their second regular reexamination following the decrease in the payment standard amount.

8.12.2 Methodology

MHA contracts with a third-party provider to collect and maintain data on market rents in MHA's jurisdiction for unit rent reasonableness. The data is maintained by bedroom size and market areas. Market areas may be defined by zip codes, census tract, neighborhood, and identifiable natural or man-made boundaries. The data is updated on an ongoing basis.

The rent for a unit proposed for HCV assistance will be compared to the rent charged for comparable unassisted units in the same market area. Because units may be similar, but not exactly like the unit proposed for HCV assistance, MHA utilizes a simplified rent reasonableness system that compares similar units and includes and considers the HUD factors. Information is gathered on unassisted rental units in MHA market area, and each unit is rated using MHA's rent reasonableness system. Using an automated method, the average rents are identified for units of like size and type within the same market area. Attempts will be made to localize the unit within a small jurisdiction (e.g. under a two-mile

radius). The average will be adjusted up or down based on the estimated dollar value of the comparable items in comparison with the total database.

- When a comparable project offers rent concessions (e.g., first month rent-free, or reduced rent), the rent concession for unassisted units on the property must also be offered to HCV/PBV participants in the project. MHA will use the actual amount of the rent for such unassisted units (that is, the rent with the concession) in determining the reasonable rent amount. For example, if a comparable project reports rents of \$500/month but new participants receive the first month's rent free, the actual rent for the unit would be calculated as follows: $\$500 \times 11 \text{ months} = 5500 / 12 \text{ months} = \text{actual monthly rent of } \488 .

MHA will notify the owner of the unit's rent reasonableness amount. The owner may submit information about other comparable units in the market area. MHA will confirm the accuracy of the information provided and consider this additional information when making final rent reasonableness determinations.

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

CHAPTER 9 - Housing Assistance Payment Contract

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

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

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

9.1 HAP Payments

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

Once the HAP Contract is executed, MHA will process housing assistance payments to the owner. The HAP contract is not effective until the unit has passed HQS. MHA is not responsible for any part of the rent prior to the date the unit passes inspection and the HAP contract is fully executed.

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

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

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

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

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

Owner payments will be placed on hold if:

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

9.2 Owner Rent Increases

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

After the initial term of the lease, the owner may request a rent increase according to the terms in the lease and HAP contract. All rent increases must be submitted in writing to MHA by the owner, along with a copy of the rent increase notice to the participant. The owner must provide 60 days advance notice to the participant and the rent increase must be requested in MHA's approved format.

If the rent increase request is received as noted above, MHA will review the rent increase request and determine that the requested amount meets rent reasonableness requirements and that the family agrees to the increase. If approved, the rent adjustment will be effective the first day of month on or after the contract anniversary date or 60 days following receipt of the owner request on the first of that month, whichever is later. The family will be issued a voucher to move and the HAP contract will be terminated if:

- The rent is not reasonable and the owner is unwilling to negotiate an approvable rent amount; or
- The family elects to move because of the rent increase and provides proper notification to the owner in accordance with the lease terms and to MHA at least 30 days in advance.

MHA may, due to HUD funding constraints, limit, suspend and/or request voluntary deferment of rent increases.

9.3 Unit Ownership Changes

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

- Proof of ownership, i.e. copy of escrow statement, deed of trust, or other document showing the transfer of title.
- Completed W9 with Social Security or Taxpayer Identification Number. MHA must be able to validate taxpayer identification information (TIN/SSN) with the IRS. MHA will not enter into a contract tax payer information is incorrect and unable to validated with the IRS.
- In cases where the owner has elected to utilize the services of a property management company or has otherwise designated an agent to act on his/her behalf, MHA may request a copy of the management or agent agreement, a statement from the owner identifying the individual/s authorized to execute HAP Contracts on his/her behalf in addition to proof of ownership documentation.
- MHA utilizes direct deposit as the method of payment of HAP obligations. Owners are required to provide a Tax Identification Number (TIN) or a Social Security Number. MHA must be able to validate bank account information for direct deposit. MHA will not enter into a contract when the owner elects not to accept direct deposit.
- Owner Certification

- The effective date of the HAP contract assignment;
- A written agreement to comply with the terms of the HAP contract; and
- A certification that the new owner is not a prohibited relative.
- When a change in ownership occurs, the new owner legally assumes the current lease and the current HAP contract. At MHA's or the new owner's request a new HAP contract may be executed, however the lease terms remain the same and new HAP term matches the existing lease.

9.4 HAP Contract Terminations

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

MHA will terminate a current HAP contract or deny approval of a new HAP contract when:

- A family vacates the unit either in violation of the lease or by mutual agreement with the owner before termination of the lease/contact;
- The lease is terminated by the owner or the family;
- The owner will not renew the HAP contract or extend the current lease;
- The sole participant dies;
- There has been no HAP for 180 calendar days;
- MHA terminates assistance for the family; or
- HQS space requirements are not met.

MHA may terminate the HAP contract for any owner breach of contract, including the following:

- HAP contract violation including not maintaining HQS;
- Any fraud or bribery or other corrupt or criminal act in connection with Federal housing programs;
- Has a history or practice of failing to terminate tenancy of tenants of assisted units for activity by the tenant, any member of the household, a guest or another person under the control of any member of the household that: (a) threatens the right to peaceful enjoyment of the premises by other residents; (b) threatens the health or safety of other residents, of employees of MHA, or of owner employees or other persons engaged in management of the housing; (c) threatens the health or safety of, or the right to peaceful enjoyment of their residences, by persons residing in the immediate vicinity of the premises; or, (d) commits drug-related criminal activity or violent criminal activity;
- Engaging in any drug-related criminal activity or any violent criminal activity;
- Any failure to comply with mortgage insurance/loan program regulations, or bribery or other corrupt or criminal act in connection with the program. (Only for projects with mortgages insured or loans made from HUD);
- Seriously delinquent taxes; or
- Habitual failure to maintain HQS.

The nature and extent of circumstances will be considered when such HAP contract terminations are proposed.

The HAP contract will terminate on the last day of the month following the month in which MHA provided the owner with notice. No future subsidy payments on behalf of the family will be made by MHA to the owner after the month in which the Contract is terminated. The owner must reimburse MHA for any subsidies paid by MHA for any period after the contract termination date or if it is determined that an owner accepted payments for a unit not occupied in accordance with the terms of the HAP contract. MHA may recoup HAP due to the Authority by withholding any payment owed to that owner, even if the payment owed is for another HCV participant. MHA may deny any new RTA for an owner who has a balance outstanding to MHA or withhold HAP payments on new contracts until outstanding balances have been satisfied. MHA may also pursue other means of collection for debts owed to MHA.

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

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

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

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

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

HAP Termination due to Insufficient Funding

MHA may terminate the HAP contract if it is determined, in accordance with HUD requirements, that the funding under the consolidated ACC is insufficient to support the continued assistance for families in the program. In the event the termination of HAP contracts becomes necessary, MHA shall exempt the following:

- Elderly Families (HOH/Spouse/Co-head is 62 years and older)
- Disabled families (HOH/Spouse/Co-head is disabled)
- Homeownership
- Families receive voucher assistance through VASH, Mainstream, DHAP and FUP
- Families where HAP covers more than 75% of their contract rent

- Families where HAP covers 50% to 74% of their contract rent
- Families where HAP covers 25% to 49% of contract rent
- Families where HAP covers percent 15% to 24% of contract rent
- Families where HAP covers less than 15% of contract rent will be considered based on any remaining available funds.

MHA reserves the right to determine the methodology of termination of HAP contracts. Such methodology shall be based on income. Families currently paying seventy-five percent (75%) or more of contract rent will have the HAP contracts terminated. If after terminating families paying seventy-five percent (75%) or more of contract rent, there continues to be insufficient funding, the families paying fifty percent (50%) to seventy-four percent (74%) of contract rent will be terminated. If there continues to be insufficient funding, then, families paying twenty-five percent (25%) to forty-nine percent (49%) of contract rent will be terminated. The order of families being terminated in these payment groups shall be conducted on a first in, first out basis. i.e., those families who have participated the longest in the program by lease-up date will be the first HAP contracts terminated. Notice of the HAP contract termination will be provided to the tenant and owner. Families terminated due to lack of sufficient HAP funding leaving in good standing shall be afforded, when available, other housing opportunities. Families removed from the program shall be placed on a list until funding is available for re-housing.

CHAPTER 10 - Verifications

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

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

10.1 Methods of Verification

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

MHA uses HUD's hierarchy for verifications, in the following order:

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

10.1.1 EIV Verification Process

Link: [24 CFR 5.233](#); [PIH Notice 2018-28](#)

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

MHA will inform all applicants and participants of its use of HUD's EIV system during the admission and reexamination process.

10.1.2 Requirements for Non-EIV Verifications

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

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

10.1.3 Third-party Written Verifications

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

MHA will use review of documents in lieu of requesting third-party verification when the market value of an individual asset or an expense is less than \$5,000 annually.

MHA also will determine that third-party verification is not available when there is a service charge for verifying an asset or expense.

10.1.4 Third-party Oral Verifications

MHA will document the oral verification or the attempt(s) to verify in the family's file.

10.1.5 Family Self-Certifications

Link: Notice [PIH 2013-03](#)

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

10.2 Eligibility Verifications

The following information will be verified to determine eligibility for initial and continued participation in MHA's HCV programs:

- Household composition, demographics and type (Elderly/Disabled/Non-elderly)
- Annual Income
- Assets and Asset Income
- Deductions from Income
- Social Security Numbers of all household members
 - Pending disclosure and documentation of social security numbers, MHA will allow the family to retain its place on the waiting list for 90 days. If all household members have not disclosed their SSNs at the next time a voucher becomes available, MHA will offer a voucher to the next eligible applicant family on the waiting list.
 - Citizens and lawfully present noncitizens who state that they have not been assigned an SSN by the SSA will make such declaration in writing and under penalties of perjury to MHA.

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

10.3 Legal Identity Verification

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

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

10.3.1 Marriage Verification

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

10.3.2 Separation or Divorce Verification

Certification by the head of household is normally sufficient verification. A certified copy of a divorce decree may be required to document that a couple is divorced.

A copy of a court-ordered maintenance or other court record may be required to document a separation. If no court document is available, documentation from a community-based agency may be accepted.

10.4.3 Adult Member Absence Verification

If an adult member who was formerly a member of the household is reported to be permanently absent, the family must provide evidence to support that the person is no longer a member of the family (e.g., lease at another address or utility bill).

10.3.4 Foster Children and Foster Adults Verification

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

10.3.5 Student Status Verification

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

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

10.3.6 Student Head of Households

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

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

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

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

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

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

10.3.7 Disabled Status Verification

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

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

10.3.8 US Citizens and Nationals

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

10.4 Verification of Income

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

10.4.1 Wage Verification

MHA generally requires two current and consecutive paystubs for determining annual income from wages. If paystubs are not available, MHA will accept an authentic document on employer letterhead that states wages for previous 60 days, or an employer payroll print out.

10.4.2 Tip Income Verification

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

10.4.3 Bonus Income Verification

For persons who regularly receive bonuses or commissions, MHA may verify and then average amounts received for one-year preceding admission or reexamination. MHA may consider justification for not

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

10.4.4 Business and Self Employment Income Verification

Business owners and self-employed persons may be required to provide any of the following:

- A statement of income and expenses must be submitted and the business owner or self-employed person must certify to its accuracy.
- All schedules completed for filing federal and local taxes in the preceding year.
- MHA will provide a format for any person who is unable to provide such a statement to record income and expenses for the coming year. The business owner/self-employed person will be required to submit the information requested and to certify to its accuracy at all future reexaminations.
- Documents that support submitted financial statements such as manifests, appointment books, cash books, or bank statements.
- If a family member has been self-employed less than three months, MHA may accept the family member's certified estimate of income.
- If the family member has been self-employed for three to twelve months, MHA may require the family to provide documentation of income and expenses for this period and use that information to project income.

10.4.5 Social Security and SSI Benefits Verification

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

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

10.4.6 Alimony and Child Support Verification

MHA verifies alimony and child support differently depending on whether the family declares that it receives regular payments. If the family declares that it receives regular payments, verification may be obtained:

- If payments are made through a state or local entity, MHA will request copy of the payment register for the 12 months and request that the entity disclose any known information about the likelihood of future payments.
- Copy of the latest check and/or payment stubs
- Copy of a separation or settlement agreement or a divorce decree stating amount and type of support and payment schedules.

- Third-party verification form from the person paying the support
- Family's self-certification of amount received and of the likelihood of support payments being received in the future, or that support payments are not being received

10.4.7 Zero Income Verification

MHA will check EIV to determine zero income. MHA may require all adult family members who report no income to complete a Zero Income certification to document to determine that certain forms of income such as unemployment benefits, TANF, SSI, etc. are not being received. MHA may also require all adults residing in the household to sign a release allowing MHA to obtain a certified copy of any tax return submitted to the IRS.

10.4.8 Student Financial Assistance

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

For a student subject to having a portion of his/her student financial assistance included in annual income, MHA may request written third-party verification of both the source and the amount.

Documents requested include:

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

10.4.8.1 Verification of Parental Income of Students Subject to Eligibility Restrictions

If MHA is required to determine the income eligibility of a student's parents, MHA may request an income declaration and certification of income from the appropriate parent(s). MHA will send the request directly to the parents, who will be required to certify to their income under penalty of perjury. The parents will be required to submit the information directly to MHA. The required information must be postmarked within the time period specified in MHA's request or within any extended timeframe approved by MHA.

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

10.5 Verification of Assets

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

For a family with net assets equal to or less than \$5,000, MHA may accept the family's declaration that it has net assets equal to or less than \$5,000, without taking additional steps to verify the accuracy of the declaration. The declaration must state the amount of income the family expects to receive from such assets; this amount must be included in the family's income.

MHA will obtain third-party verification of assets at eligibility determination and every three years thereafter.

10.5.1 Assets Disposed of for Less Than Fair Market Value Verification

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

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

10.5.2 Income from Rental Verification

The family must provide:

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

10.5.3 Retirement Account Verifications

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

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

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

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

10.6 Verification of Expenses

10.6.1 Medical Expenses

Medical expenses will be verified by written third-party documents provided by the family, such as pharmacy printouts or receipts. MHA will make a best effort to determine what expenses from the past

are likely to continue to occur in the future. MHA will also accept evidence of monthly payments or total payments that will be due for medical expenses during the upcoming 12-months.

MHA will also accept written third-party verification forms.

When anticipated costs are related to on-going payment of medical bills incurred in past years, MHA verifies:

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

10.6.2 Disability Assistance Expenses

Expenses for attendant care will be verified through:

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

Expenses for auxiliary apparatus will be verified through:

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

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

To verify the family member is enabled to work, MHA may verify that the expenses claimed actually enable a family member, or members, (including the person with disabilities) to work. MHA may request third-party verification from a rehabilitation agency or knowledgeable medical professional indicating that the person with disabilities requires attendant care or an auxiliary apparatus to be employed, or that the attendant care or auxiliary apparatus enables another family member(s) to work. To be eligible for the disability expenses deduction, the costs must not be reimbursed by another source.

10.6.3 Child Care Expense Verification

MHA may verify that the family member(s) that has identified as being enabled to seek work, pursue education, or be gainfully employed, are actually pursuing those activities.

If a family member is seeking work, MHA may use documentation from a state or local agency that monitors work-related requirements (e.g., welfare or unemployment) or MHA may request family-

provided verification from the agency of the member's job seeking efforts to date and may require the family to submit any reports provided to that agency.

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

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

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

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

CHAPTER 11 - ONGOING PROGRAM OPERATIONS

11.1 Annual Reexaminations

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

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

Annual reexaminations may be completed by mail, in person or electronically. The participant and all adult family members must complete and submit all the required documents within the specified time period.

MHA may prescribe completion of annual reexaminations by mail, in person or electronically within a specified time period. The participant and all adult family members must complete and submit all the required documents, signatures and verifications within the specified period of time.

If the family size has changed, MHA will increase or decrease the voucher size as appropriate at the annual reexamination. The current utility allowance schedule will be used to complete the annual reexamination.

Participants are required to provide documents such as social security cards, birth certificates, citizen declaration forms, etc., upon request, at annual reexamination, interim certification, or at any time requested by MHA.

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

MHA may, as a courtesy, follow up by telephone, email and/or require in-person appointments with participants, as needed, to request additional information, seek clarification, review reexamination documents, and/or conduct quality control.

Participants will be provided up to two opportunities to complete the re-examination requirements within the prescribed timeframes. If all documents and information are not submitted to MHA within the timeframe, and any allowed extensions, the family's assistance will be terminated effective on the participant's reexamination effective date for the family's failure to comply with their family obligations. The termination process begins after one failure to return mailed documents plus one missed appointment, two missed appointments, or other opportunities as provided (e.g. on-line, via telephone, mail, etc.).

11.1.1 Streamlined Income Determinations

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

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

A family member with a fixed source of income is a family member whose income includes periodic payments at reasonably predictable levels from one or more of the following sources: Social Security, Supplemental Security Income, Supplemental Disability Insurance; federal, state, local, or private pension plans; annuities or other retirement benefit programs, insurance policies, disability or death benefits, or other similar types of periodic receipts; or any other source of income subject to adjustment by a verifiable COLA or current rate of interest.

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

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

11.2 Interim Reexaminations

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

Rent and other charges shall remain in effect for the period between regularly scheduled re-examinations, except when household composition or income changes in accordance with the following. The family must report changes in income expected to last more than thirty days and/or household composition to MHA within 30 days of the change. Families are not required to report cost of living adjustments to recipients of Social Security, SSI, TANF, and Veteran's Assistance.

11.2.1 Changes to Household Composition

The family must inform MHA of an addition of a family member as a result of birth, adoption, or court-awarded custody of a child or the removal of a family member from the household within 30 days.

A participant family must request from MHA and upon approval of MHA, may add an additional adult family member to the household under the following circumstances:

1. A family member (spouse, sons, daughters, brothers, sisters, parents, grandparents, grandchildren, cousins, nieces, nephews) of an existing household member;
2. Such member must be eligible for participation in the Housing Choice Voucher Program

3. Such member has supplied documentation of Social Security Number prior to move-in. If the member is a child six or under, the household has 90 days after move-in to submit the documentation.
4. Such member's income must be considered in calculation towards rent; The addition of the family member will be in consideration of a reasonable accommodation or for humanitarian reasons (requests to add a live-in aide to the household must also be in writing or prescribed electronic format); OR
5. Unrelated/unmarried partners who show proof of intention to live as a family.

All other additions to participant families shall be considered only on a case-by-case basis and must be documented at the time such changes occur. A criminal background check is required for all requests to add adult household members or live-in aides to the household. MHA's prior approval of additions to the household is required.

MHA will not approve the addition of a new family member or household member unless the individual meets MHA's eligibility criteria and documentation requirements. MHA will not approve the addition of a foster child or foster adult if it will cause a violation of HQS space standards. Only those persons listed on the most recent certification form and lease shall be permitted to be included in the family composition. MHA will conduct interim reexaminations to account for any changes in household composition that occur between annual reexaminations.

Applicants or participants who fail to notify the MHA of additions to the household or who permit persons to be added to the family composition without undergoing screening are in violation of program requirements. Persons added without MHA approval will be considered unauthorized occupants and the entire household will be recommended for termination from the Housing Choice Voucher Program.

11.2.2 Interim Changes Affecting Income or Expenses

Interim reexaminations may be scheduled either because MHA has reason to believe that changes in income or expenses may have occurred, or because the family reports a change.

Families are required to report changes in household income expected to last more than 30 days within 30 days. Interims reexaminations may be conducted when a family's income increases or decreases.

11.2.3 MHA-Initiated Interim Reexaminations

MHA may conduct an interim reexamination at any time:

- In order to make corrections or to investigate a participant fraud complaint.
- For families reporting zero (\$0) income.
- If at the time of the annual reexamination, participant-provided documents were used on a provisional basis due to the lack of third-party verification, and third-party verification becomes available, MHA will conduct an interim reexamination.

During any reexamination, families reporting \$0 income may be required to have all adult household members sign a certification of zero income. MHA may also require all adults residing in the household to sign a release allowing MHA to obtain a certified copy of any tax return submitted to the IRS. MHA may require the household to complete detailed family expense form to identify household income. Participants will be asked to provide information that verifies the source of income that allows them to meet monthly financial obligations. Failure to comply with these reexamination requirements will be considered grounds for termination of assistance.

11.2.4 Interim Reexamination Effective Dates

If the family's share of rent is to increase:

- The increase will become effective on the first day of the second month following the date the change occurred.
- If a family fails to report a change within the required timeframe or fails to provide all required and requested information within the required timeframe, the increase will be effective retroactive to the date the rent would have been effective had the information been provided on a timely basis.

If the family's share of 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 and requested information has been received.

11.3 Family Moves

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

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

- The initial term of the lease has expired and proper notice has been given to the landlord and to MHA.
- The lease for the family's unit has been terminated by mutual agreement of the owner and the family. The family must use MHA mutual termination agreement form.
- For non-lease violations only: the owner has given the family a notice to vacate, has commenced an action to evict the family, or has obtained a court judgment or other process allowing the owner to evict the family. The family must give MHA a copy of any owner eviction notice and eviction for lease violation may result in termination from the program.
- The family or a member of the family is or has been the victim of domestic violence, dating violence, sexual assault, or stalking and the move is needed to protect the health or safety of the family or family member. This condition applies even when the family has moved out of its unit in violation of the lease, with or without prior notification to MHA, if the family or family member who is the victim reasonably believed that he or she was imminently threatened by harm from further violence if he or she remained in the unit.

- MHA has terminated the assisted lease for the family's unit for the owner's breach of the HAP contract.
- MHA determines that the family's current unit does not meet the HQS space standards because of an increase in family size or a change in family composition.
- The family is in good standing with MHA.
- The family does not owe MHA money.

Families are not permitted to move in the first term of the lease or while in any subsequent lease term, unless the owner and family mutually agree to do so. Families will not be permitted to move more than once in a 12-month period unless required to do so by MHA to meet HQS or other program objectives, to protect the health or safety, or in the case of an emergency.

In case of VAWA, a participant family, who is a victim of domestic violence, dating violence, sexual assault, or stalking may request an emergency transfer from their current unit to another unit. The family may be permitted move to another unit and to keep its assistance if it is determined the family or family member is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, and MHA has another dwelling unit that is available and is safe to offer the family for temporary or more permanent occupancy, in accordance with the Emergency Transfer Policy as outlined in Appendix 2.

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

Required Moves

MHA may require participant families to move from one unit to another unit if:

- MHA has terminated the unit for the owner's breach of the HAP contract or unit is in foreclosure; or
- MHA determines that the family's current unit does not meet the HQS space standards because of an increase in family size or a change in family composition.
- The unit is not in compliance with HQS.

11.3.1 Denial of Moves

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

MHA may deny moves in the following circumstances:

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

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

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

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

11.3.2 Move Process

If MHA determines a family eligible to move, the family will be issued a voucher to move and provided any other necessary information. If the family and owner agree to extend the move date, the extension must be submitted to MHA in writing, signed by both the family and owner, must include the new effective date of the move, and must be submitted before the original effective date of the move notice.

All actions regarding moves (Request for Tenancy Approval, owner approval, initial inspection, initial rent burden, rent reasonableness, voucher term, voucher extensions, etc.) are the same as stated elsewhere in this Plan.

MHA's policy regarding moves applies to moves within MHA's jurisdiction as well as to moves outside its jurisdiction under portability. MHA may limit moves at any time due to HUD funding constraints.

11.3.3 Duplicate Housing Assistance Payments with a Move

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

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

11.4 Portability

Link: [24 CFR 982.353\(b\)](#)

11.4.1 Outgoing Portability

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

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

MHA will not approve extensions to a voucher issued to an applicant or participant family porting out of MHA's jurisdiction except under the following circumstances:

- the initial term of the voucher will expire before the portable family will be issued a voucher by the receiving MHA; or
- the family decides to return to the initial MHA's jurisdiction and search for a unit there.

If the applicant did not live in MHA's jurisdiction at the time that the family's application for assistance was submitted, the family must lease a unit within MHA's jurisdiction for at least 12 months before requesting portability. MHA will consider exceptions to this policy for purposes of reasonable accommodation or reasons related to domestic violence, dating violence, sexual assault, or stalking.

11.4.2 Incoming Portables

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

If MHA decides to absorb a portable family upon the execution of a HAP contract on behalf of the family, MHA will notify the initial MHA by the initial billing deadline specified on form HUD-52665. The effective date of the HAP contract will be the effective date of the absorption. MHA may not change its determination to bill or to absorb a voucher after that without the approval of the initial PHA.

MHA may conduct a new reexamination of family income and composition, for any family moving into its jurisdiction under portability.



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

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

12.1 Evidence and Considerations

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

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

Credible evidence may be obtained from police and/or court records. Testimony from neighbors, when combined with other factual evidence, can be considered credible evidence. Other credible evidence includes documentation of drug raids or arrest warrants, evidence gathered by MHA inspectors and/or investigators, and evidence gathered from MHA incident reports.

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

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

protection against denial provided by VAWA and a description of MHA's confidentiality requirements.

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

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

12.2 Denial of Assistance

MHA may deny housing assistance to any applicant household:

1. Who does not meet eligibility requirements, including providing valid social security number information for all household members;
2. Who has any household member who refuses to sign or submit consent forms;
3. Wherein the Total Tenant Payment is greater than the Payment Standard;
4. Who has any household member who has been evicted from public housing within the past five years or has outstanding balances to any PHA as recorded in HUD's EIV data system;
5. If MHA has ever terminated assistance to any household member under the Housing Choice Voucher Program; and
6. Who has any household member who illegally possesses weapons.

MHA may deny or terminate housing assistance to any applicant or participant household who:

1. Violates program obligations, including compliance with HQS.
2. Commits fraud in connection with the HCV program or any other Federal housing assistance program. If MHA determines that the family committed willful and intentional fraud, MHA may require the family to repay any amount owed in full or the family's assistance may be terminated. MHA may, at its discretion, offer the applicant or participant the opportunity to enter into an agreement to repay the amounts owed to MHA or another Housing Authority. If

MHA elects to make such an offer, the agreement shall be on terms prescribed by MHA. MHA may, at any time, deny or terminate assistance for breach of such agreement.

3. Misrepresented or does not provide complete information related to eligibility, including income, expenses, family composition or rent.
4. Owes money to MHA or any other Housing Authority in connection with the Housing Choice Voucher Program or the Public Housing Program, if an applicant; or owes money to MHA and breaches a reimbursement agreement, if a Housing Choice Voucher participant;
5. Has engaged in or threatened abusive or violent behavior toward MHA personnel;
 - Abusive or violent behavior towards MHA personnel includes verbal as well as physical abuse or violence. Use of racial epithets, or other language, written or oral, that is customarily used to intimidate may be considered abusive or violent behavior.
 - Threatening refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.
6. Has \$0 in housing assistance payments paid on the family's behalf for six months;
7. Is convicted of drug-related criminal activity for the manufacture or production of methamphetamine on the premises of federally assisted housing. The premise is defined as the building or complex in which the dwelling unit is located, including common areas and grounds.
8. Is convicted of other drug-related, violent or non-violent criminal activity within the past five years.
9. Is subject to a lifetime registration requirement under a State sex-offender registration program in the state where the housing is located and in other states where the household is known to have lived.
10. A pattern of abuse of alcohol, including, but not limited to, public intoxication and driving while intoxicated. A pattern (for the purposes listed above) consists of three or more incidences, with a minimum of one incident occurring within the past five years.
11. Has any household member who illegally possesses weapons.
12. The family fails to provide required documentation and/or fails to sign and submit any required consent forms.
13. Any other HUD required reason.

Per the Violence Against Women Act, the following tenancy protections have been instituted for victims of actual or threatened domestic violence or stalking:

- Incidents of actual or threatened domestic violence, dating violence, stalking or sexual assault will not be considered to be "serious or repeated" violations of the lease or other "good cause" to terminate the assistance of victims of abuse.
- Criminal activity directly related to abuse, engaged in by a household member, guest or other person under the tenant's control, shall not be cause for termination of assistance if a member of the tenant's immediate family is the victim or threatened victim of that abuse.
- If an assisted household member engages in criminal acts of physical violence against family members or others, MHA may terminate assistance to the offending household member in

order to terminate assistance for any individual who is a tenant or lawful occupant. These actions may be taken without penalizing the victim.

- These protections will only be afforded to participants that complete the HUD Certification of Domestic Violence, Dating Violence, Stalking or Sexual Assault or provide other documentation in lieu of the form within specified timeframes. See Section O for documentation requirements.
- These statements do not limit the authority or ability of MHA to terminate assistance to any tenant under program guidelines if either MHA or the unit owner/manager can demonstrate an “actual and imminent threat” to other tenants or persons employed at or providing services to the property.

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

12.3 Notice of Denial

MHA will notify applicant families in writing of any decision to deny assistance.

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

12.4 Denial of Assistance for Noncitizens

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

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

When MHA receives notification that the USCIS secondary verification failed to confirm eligible immigration status, MHA will notify the family of the results of the USCIS verification. The family will have 30 calendar days from the date of the notification to request an appeal of the USCIS results, made

by the family directly in writing to the USCIS. The family must provide MHA with a copy of the written request for appeal and proof of mailing within 10 business days of mailing the request to the USCIS.

MHA will send written notice to the family of its right to request an informal hearing upon notice of the USCIS decision regarding the family's immigration status.

12.5 Termination of Assistance

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

12.5.1 Grounds for Termination of Assistance

MHA may terminate assistance for certain actions and inactions of the family. Termination of assistance for a participant may include any or all of the following actions by MHA:

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

MHA is required to terminate assistance for any or all of the following circumstances:

- Family choice

The family requests that MHA terminate housing assistance payments on behalf of the family at any time.

- Family with Zero Assistance

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

- Eviction

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

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

- Failure to provide consent

Link: [24 CFR 960.259](#)

MHA must terminate assistance if any family member fails to sign and submit any consent form s/he is required to sign for any reexamination.

- Failure to document citizenship

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

MHA must terminate assistance if (1) a family fails to submit required documentation within the required timeframe concerning any family member's citizenship or immigration status; (2) a family submits evidence of citizenship and eligible immigration status in a timely manner, but United States Citizenship and Immigration Services (USCIS) primary and secondary verification does not verify eligible immigration status of the family, resulting in no eligible family members; or if MHA determines that a family member has knowingly permitted an ineligible individual to reside in the family's unit on a permanent basis.

- Failure to Disclose SSN:

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

MHA must terminate assistance if a participant family fails to disclose the complete and accurate social security numbers of each household member and the documentation necessary to verify each social security number.

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

- Threat to Other Participants

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

- Methamphetamine Conviction:

Link: [24 CFR 966.4](#)

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

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

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

- Other Serious or Repeated Violations of the Family Obligations of the HCV Program
- Fugitive Felon or Parole Violator
If a participant is fleeing to avoid prosecution, or custody or confinement after conviction, for a crime, or attempt to commit a crime, that is a felony under the laws of the place from which the individual flees, is a high misdemeanor; or violating a condition of probation or parole imposed under federal or state law.
- Persons subject to sex offender registration requirement.
If any member of the household has, during their current participation in the HCV program, become subject to a registration requirement under a state sex offender registration program regardless whether it is for life time or not.
- Crime On or Off the Premises
 - Drug related convictions; Alcohol related convictions (if it indicates an ongoing pattern); Fraud;
 - Acts of violent behavior convictions; and or Crimes of violent behavior

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

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

HCV Program Violations That May Lead to Termination

- Discovery of facts after admission to the program that would have made the participant ineligible.
- Discovery of false statements or fraud by the participant in connection with an application for assistance or with a reexamination of income.
- Failure to furnish such information and certifications regarding family composition and income as may be necessary for MHA to make determinations with respect to rent, eligibility, and unit size.

- Information not provided: After issuance of the termination notice, but before the effective date of the termination, the participant may provide the missing data. It is solely MHA's discretion whether to accept the data or to proceed with termination.
- Missed appointments per policy and procedure requirements.
- Failure to transfer to an appropriate size unit based on family composition, upon notice by MHA that such a move is required for HQS compliance.
- Failure to permit access to the unit by MHA after proper advance notification for the purpose of performing routine inspections.
- Failure to inform MHA within 30 days of changes in household composition.
- If the family has breached the terms of a repayment agreement entered into with MHA.
- If a household member has engaged in or threatened violent or abusive behavior toward MHA personnel.
 - Abusive or violent behavior towards MHA personnel includes verbal as well as physical abuse or violence. Use of racial epithets, or other language, written or oral, that is customarily used to intimidate may be considered abusive or violent behavior.
 - Threatening refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.
- Furnishing false or misleading information concerning illegal drug use, alcohol abuse, or rehabilitation of illegal drug users or alcohol abusers.
- If the family does not remedy family-caused HQS failures in the required timeframe.
- If the family does not allow MHA to inspect the unit at reasonable times and after reasonable notice.
- If any family member commits lease violations, including but not limited to:
 - If the family does not give proper notice to MHA and the owner before moving out of the unit.
 - The family does not give MHA a copy of any owner eviction notice as required in this Administrative Plan.
 - If the family is not using the assisted unit for residence by the family and/or the assisted unit is not the family's only residence.
 - If the family has non-approved persons residing in the unit.

- If the family does not promptly notify MHA that a family member no longer resides in the assisted unit.
- If the family engages in profit making activities in the assisted unit which are not incidental to the primary residential use of the unit.
 - Limitation on Profit Making Activity in the Unit:
 - If the business activity area results in the inability of the family to use any of the critical living areas, such as a bedroom utilized for a business which is not available for sleeping, it is considered a violation.
 - If MHA determines that the use of the unit as a business is not incidental to its use as a dwelling unit.
- If the family subleases, sublets, assigns the lease or transfers the unit.
- If the family does not notify MHA of an absence from the unit, and if the family does not provide MHA any requested information regarding the absence.
- If the family owns or has any interest in the unit.
- If any family member is receiving or received Section 8 participant-based assistance while receiving another housing subsidy, for the same unit or for a different unit, under any duplicative housing assistance program.
- If the family breaches an agreement with MHA to pay amounts owed to MHA or amounts paid to an owner by MHA.
- Insufficient ACC funding to support continued assistance for families in the program. In such event, MHA will follow the procedures outlined in MHA's Management Procedures.
- If the family fails to disclose to MHA any HUD notification it has received regarding discrepancies in the amount or verification of family income.
- Any other HUD required reason.

12.5.2 Termination of Tenancy by the Owner

An owner may evict the resident from the unit only by instituting a court action and only for one of the following reasons:

- Serious violation (including but not limited to failure to pay rent or other amounts due under the lease) or repeated violation of the terms and conditions of the lease;
- Violation of Federal, State or local law which imposes obligations on the resident in connection with the occupancy or use of the dwelling unit and surrounding premises; or
- Other good cause (only permitted after expiration of the initial lease term).

Owner termination of residency for other good cause may include:

- The tenant's failure to accept the offer of a new lease in accordance with HUD regulations
- A history of disturbances of neighbors or destruction of property;
- Living or housekeeping habits resulting in damage to the unit or property;
- Criminal activity by family members involving crimes of physical violence to persons or property;
- A business or economic reason; and
- The owner's desire to utilize the unit for personal or family use.

Per the requirements of the Violence Against Women Reauthorization Act (VAWA), unit owners/managers shall not consider an incident or incidents of actual or threatened domestic violence, dating violence, stalking or sexual assault as serious or repeated violations of the lease or other "good cause" for termination of the assistance, tenancy, or occupancy rights of a victim of abuse.

Criminal activity directly related to abuse, engaged in by a household member, guest or other person under the tenant's control, shall not be cause for termination of tenancy or occupancy rights if a member of the tenant's immediate family is the victim or threatened victim of that abuse.

If an assisted household member engages in criminal acts of physical violence against family members or others, an owner/manager may "bifurcate" a lease, or otherwise remove the household member from the lease, in order to evict, remove, or terminate occupancy rights for any individual who is a tenant or lawful occupant. These actions may be taken without penalizing the victim.

These statements do not limit the authority or ability of a unit owner/manager to evict any tenant under program guidelines if s/he can demonstrate an "actual and imminent threat" to other tenants or persons employed at or providing services to the property.

This list of examples is intended as a non-exclusive statement of some situations included in "other good cause," but shall in no way be construed as a limitation on the application of "other good cause" to situations not included in the list.

If the owner opts not to renew the Lease or to terminate the HAP contract for a business or economic reason (such as the sale of the property, renovation of the unit or desire to rent the unit at a higher rate) or if the HAP contract is to expire, the owner must give written notice to the family and MHA in accordance with the lease.

The owner must notify MHA in writing of the commencement of procedures for termination of tenancy at the same time that the owner gives notice to the resident under State and local law. The notice to MHA may be given by furnishing to MHA a copy of the notice to the tenant.

12.5.3 Termination of Tenancy by the Family

The tenant may terminate the lease without cause at any time after the initial term of the lease, according to the requirements stated in the lease, with written notice by the tenant to the owner (with a copy to MHA). The tenant may, however, only receive a Voucher to move if it has been at least 12 months since the last household move with assistance.

The requirement to vacate the unit in compliance with the lease may be waived if a family requests a portability move due to actual or threatened domestic violence, dating violence, stalking or sexual assault. MHA will request in writing that tenants that seek to move under a claim of abuse complete the HUD Certification of Domestic Violence, Dating Violence, Stalking or Sexual Assault or provide other documentation in lieu of the form. See VAWA in this Plan.

12.6 Termination Notification

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

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

When a family requests to be terminated from the program, they must do so in writing to MHA.

12.7 Removal of a Family Member from the Application

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

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

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

12.8 Reasonable Accommodation Related to Denials or Terminations

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

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

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

12.9 Repayment Agreements

[Link: PIH Notice 2017-12; PIH Notice 2018-18](#)

If a family owes amounts to MHA, as a condition of continued occupancy, MHA may require the family to repay the full amount or to enter into a repayment agreement when required by HUD regulations. The family will have the option to repay the amount owed as follows:

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

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

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

The repayment agreement will include the total amount owed, amount of lump sum payment made at time of execution, if applicable, and the monthly repayment amount. The amount of the monthly repayment together with the family's TTP will not exceed 40% of the family's adjusted monthly income. The amount of the monthly repayment will be adjusted as adjustments are made to the family's TTP.

If MHA determines that the family committed fraud or was grossly irresponsible, MHA may require the family to repay the entire amount in full or have its assistance terminated, since fraud or gross irresponsibility are considered a violation of a family obligation. When it is not financially feasible for

the debt to be paid in full, MHA, in its sole discretion, may offer the participant the opportunity to repay the debt over a period of time.

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



QUADEL
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CHAPTER 13 - Informal Reviews and Informal Hearings

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

13.1 Informal Review Policy

Links: [24 CFR 982.554](#); Notice PIH 2020-32

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

An applicant may request an informal review if the applicant:

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

Informal reviews will not be granted to applicants who dispute:

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

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

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

Informal review requests must be made in writing within the 15 business days from the date of MHA's Denial. The informal review will be conducted by a person or panel including other than the one who made the decision under review or a subordinate of this person. **MHA may elect to conduct Informal Reviews through telephone, video-teleconferencing or other virtual platforms.**

The applicant will be provided an opportunity to present written or oral objections to the decision of MHA. The review decision will be based only on evidence presented at the review by both parties. Evidence presented after the review will not be considered. Extensions for evidence will not be granted.

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

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

13.2 Informal Hearing Policy

Link: [24 CFR 982.555](#)

Informal hearings may be requested for the following reasons:

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

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

- Discretionary administrative determinations by MHA, or to consider general policy issues or class grievances
- Determination that the unit does not comply with MHA's Housing Quality Standards including space requirements for family size, that the owner failed to maintain the unit in a decent, safe, and sanitary manner in accordance with the Housing Quality Standards (HQS), (including all services, maintenance, and utilities required under the lease).
- Decision to exercise any remedy against the owner under an outstanding contract, including the termination of Housing Assistance Payments to the owner

- Decision not to approve a family's request for an extension of the term of the Voucher issued to an assisted family which wants to move to another dwelling unit with continued participation
- Establishment of MHA schedule of utility allowances for families in the program
- Disapproval of unit or lease

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

- Reason(s) for and timing of termination,
- The date the proposed action will take place
- Procedure for requesting a hearing if the participant does not agree with the decision
- Time limit for requesting a hearing: The participant must submit the written request for an informal hearing within 15 business days of the date of the termination notice.

13.3 Conducting Informal Hearings

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

Hearings may be attended by the following applicable persons:

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

MHA may elect to conduct Informal Hearings through telephone, video-teleconferencing or other virtual platforms.

13.3.1 Hearing Decision

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

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

13.3.2 Invalid Decisions

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

13.3.3 Rights of the Applicant/Participant and MHA

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

- The applicant/family and MHA have the right to present evidence, both oral and written.
- The applicant/family and MHA have the right to question any witnesses, and the right to state his/her case prior to the hearing officer's decision.
- The applicant/family has the right to arrange for an interpreter to attend the review/hearing, at his/her own expense.
- The applicant/family has the right to seek redress directly through judicial procedures of the court.
- MHA has the right to make final submissions.

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

13.3.4 Review/Hearing Process

The review/hearing will follow the following guidelines:

- The review will be conducted by any person or persons designated by MHA, other than a person who made or approved the decision under review or a subordinate of this person.
- All MHA Denial and Termination notices will advise the applicant/family of his/her right to a review/hearing and the process to request a review/hearing.
- The applicant/family must request the informal review/hearing in writing within the required time frame (15 business days after receipt of notice from MHA).
- MHA will schedule the hearing within a reasonable timeframe, preferably before the effective termination date. If the hearing cannot be scheduled before the effective termination date, the effective termination date may be extended, based solely on the reason for the delay and at the sole discretion of MHA.
- The notification of hearing will contain:

- Date and time of the hearing
 - Location where the hearing will be held.
 - Family's right to bring evidence, witnesses, legal or other representation at the
 - Right to view any documents or evidence in the possession of MHA and upon which MHA based the proposed action and, at the family's expense, to obtain a copy of such documents prior to the hearing. Requests for such documents or evidence must be received no later than five business days before the hearing date.
- If a family does not appear at a scheduled review/hearing and has not rescheduled the hearing in advance, the hearing officer will assume the family is no longer interested in the program and will uphold the denial/termination.
 - The applicant/family will be given an opportunity to present written or oral objections to MHA's decision.
 - MHA will notify the applicant/family of MHA final decision after the informal review/hearing, including a brief statement of the reasons for the final decision.
 - The Notice will contain the following information:
 - Applicant/family name
 - Applicant/family address
 - Date
 - Date and time of review/hearing
 - Names of everyone in attendance at review/hearing
 - Final decision
 - Brief statement of the reason(s) for the final decision
 - HUD regulation for the denial/termination (if upholding the denial/termination)
 - Effective date of denial/termination (if applicable)
 - A hearing decision letter will also be sent to the owner, stating whether the termination was upheld or overturned. The notice to the owner will contain the following information:
 - Family name
 - Unit address
 - Effective date of termination or
 - Effective date of re-instatement

- All requests for review, supporting documentation, and a copy of the final decision will be filed in the family's file.

13.3.5 Decisions Not Binding to MHA

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

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

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

13.3.6 Hearing Provisions for Restrictions on Assistance to Non-Citizens

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

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

13.4 USCIS Determination of Ineligibility

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

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

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

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

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

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

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

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

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

MHA's informal review and informal hearing procedures are stated in MHA HCV Informal Review and Hearing Procedure.



CHAPTER 14 - Program Integrity

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

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

14.1 Detecting Errors and Program Abuse

MHA may employ a variety of methods to detect errors and program abuse, including:

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

For each investigation, MHA will determine:

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

14.2 Consideration of Remedies

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

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

- The seriousness of the offense and the extent of participation or culpability of individual family members
- Any special circumstances surrounding the case
- Any mitigating circumstances related to the disability of a family member
- The effects of a particular remedy on family members who were not involved in the offense

14.3 Notice and Effective Dates

MHA will inform the relevant party in writing of its findings and remedies. The notice will include:

- A description of the error or program abuse,
- The basis on which MHA determined the error or program abuses,
- The remedies to be employed, and

- The family's right to appeal the results through an informal review or informal hearing.

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

Any decreases in participant rent will become effective the first of the month following the discovery or retroactively if due to MHA error.

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

14.4 Family Prohibited Actions

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

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

14.5 MHA Prohibited Activities

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

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

- Committing any other corrupt or criminal act in connection with any federal housing program

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

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

14.6 Owner Prohibited Activities

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

An owner participating in the HCV program must not:

- Make any false statement to MHA.
- Commit fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program.

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

- Charging the family rent above or below the amount specified by MHA;
- Charging a security deposit other than that specified in the family's lease;
- Charging the family for services that are provided to unassisted tenants at no extra charge;
- Knowingly accepting housing assistance payments for any month(s) after the family has vacated the unit;
- Knowingly accepting incorrect or excess housing assistance payments;
- Offering bribes or illegal gratuities to MHA Board of Commissioners, employees, contractors, or other MHA representatives;
- Offering payments or other incentives to an HCV family as an inducement for the family to make false or misleading statements to MHA; or
- Residing in the unit with an assisted family.

14.6.1 Owner Remedies and Penalties

In the case of owner-caused errors or program abuse, MHA will take into consideration (1) the seriousness of the offense; (2) the length of time since the violation has occurred; and (3) the effects of a particular remedy on family members who were not involved in the offense.

When MHA determines that the owner has committed program abuse, MHA may take any of the following actions:

- Terminate the HAP contract.

- Bar the owner from future participation in any MHA programs.
- Refer the case to state or federal officials including the HUD Office of Inspector General (HUD-OIG for criminal prosecution.
- Require the owner to repay excess housing assistance payments.

MHA may recover overpaid amounts by withholding housing assistance payments due for subsequent months. If the debt is large, MHA may allow the owner to pay in installments over a period of time.

14.6.2 Corrections to Subsidy Payments

When an incorrect subsidy is identified as a result of an error, program fraud, misrepresentation or abuse, MHA will promptly correct the subsidy under- or overpayment. A subsidy under- or overpayment includes:

- An incorrect housing assistance payment to the owner;
- An incorrect family share established for the family; and
- An incorrect utility reimbursement to a family.

Families and owners will be notified of corrective actions and penalties, if any. Increases in the family share will be implemented only after the family has received 30 days advanced notice. Any decreases in family share will become effective the first of the month following the discovery of the error. The family will not be reimbursed when the family caused the underpayment.

Neither a family nor an owner is required to repay an overpayment of subsidy if the error or program abuse is caused by MHA staff.

When efforts to collect monies owed to MHA (as described in the Family or Owner Remedies sections of this Plan) are unsuccessful, MHA may also pursue collection through credit bureaus, small claims court, civil law suit, state income tax set-off program or other debt recovery solutions.

CHAPTER 15 - Project Based Vouchers

Link: [24 CFR 983](#)

Except as noted in this chapter, the Administrative Plan policies stated for the HCV program also apply to the PBV program.

15.1 Overview

MHA may use up to 20 percent of allocated Housing Choice Voucher of its Consolidated Annual Contracts (ACC) authorized units for project based assistance. MHA uses project-based vouchers to encourage new construction or rehabilitation, promote voucher utilization and increase supportive housing options. The proposed location of any PBV units must comply with the goals of deconcentrating poverty, expanding housing opportunities, affirmatively furthering fair housing and expanding housing and economic opportunities.

The project-based voucher program is intended to provide housing assistance to individuals and families so that specific objectives can be accomplished in accordance with HUD's regulations as follows:

- To encourage developers or property owners, including non-profit housing development corporations, to construct standard, or to upgrade substandard, rental stock throughout Memphis;
- To make existing, newly constructed or rehabilitated dwelling units available to very-low and low-income persons at rents within the MHA's applicable payment standard.

Preference will be given to proposals that intend to attach project-based assistance to projects that meet or exceed targeted development areas as defined by the Consolidated Plan, or that compliment development priorities of the MHA. Projects that serve elderly or disabled populations or enhance participant self-sufficiency will receive greater consideration.

However, as permitted under 24 CFR 983.51, beside selection through MHA's Request for Proposal (RFP) process, the agency may select developments for project based vouchers that have gone through a competitive selection process for housing assistance under a local, state or federal program.

Additional Project-Based Units

MHA may project-base an additional 10 percent of its ACC authorized units above the 20 percent program limit, if the additional units:

- Are specifically made available to house individuals and families that meet the definition of homeless under section 103 of the McKinney-Vento Homeless Assistance Act
- Are specifically made available to house families that are comprised of or include a veteran.
- Provide supportive housing to persons with disabilities or elderly persons as defined in 24CFR 5.403.

- Are located in a census tract with a poverty rate of 20 percent or less, as determined in the most recent American Community Survey Five-Year Estimates.
 - For these projects, the project cap is the greater of 25 units or 40 percent (instead of 25 percent) of the units in the project.

Program Requirements

At its discretion, MHA will solicit proposals from developers, property owners and nonprofit housing corporations to participate in the project-based voucher program. Project based assistance may be attached to existing units, units to be rehabilitated and newly constructed units. In addition, a maximum of twenty-five percent (25%) percent of the units in any one project may receive project-based voucher assistance. However, single-family properties and properties located in a census tract with a poverty rate of 20 percent (20%) or less, designated for elderly families, disabled families, or families receiving supportive services are exempt from the twenty-five percent (25%) limit. The types of services that MHA will deem eligible to qualify a project to meet HUD's definition of families receiving supportive services include, but are not limited to:

- Household Training (e.g.: homemaking, parenting skills, money management);
- Meal service adequate to meet nutritional need;
- Housekeeping aid;
- Personal Assistance
- Transportation Services
- Job Training (preparation and counseling, job development and placement,
- follow-up assistance after job placement, completion of FSS "Contract of
- Family Participation);
- Self Sufficiency Services and Resources (appropriate to assist families to achieve economic independence and self-sufficiency);
- Remedial Education (education for the completion of
- Secondary or post-secondary education); and
- Substance Abuse Treatment (counseling and treatment for substance abuse).

It is not necessary that the services be provided at or by the project, if they are approved services. To qualify for occupancy of an exempt supportive services unit, the family residing in must have at least one member receiving at least one qualifying supportive service.

For the purposes of the project-based voucher program, existing units require a minimum expenditure of no less than \$1,000 per assisted unit, including a prorated share of work on common areas or systems to comply with federal housing quality standards (HQS) at the time MHA notifies the applicant of selection. Rehabilitated units, for the purpose of the project-based voucher program, are units that require a minimum expenditure of \$1,000 per assisted unit, including a prorated share of work on common areas or systems to comply with HQS.

All subsidized units in the building receiving project-based assistance shall be inspected for HQS, as stipulated in this Administrative Plan. MHA shall inspect each unit on an annual basis. Only units that comply with HQS shall be included in the HAP contract.

For units undergoing rehabilitation or new construction concerning site and neighborhood standards apply. The site shall be accessible to social, recreational, educational, commercial, health facilities, and other appropriate municipal facilities and services.

Properties to be assisted under the project-based voucher program will be subject to the Uniform Relocation Assistance and Real Property Acquisitions Policies Act (URA) and the requirements of 49 CFR, Part 24, subpart B.

Exception to the Percentage Limitation (Program Cap) Requirement

PBV units that were previously subject to certain federal rent restrictions or were receiving another type of long-term housing subsidy provided by HUD are not subject to the 20% limitation when PBV assistance is attached to them.

In order to qualify for the exception, the unit must meet the following conditions:

- The unit was placed under PBV HAP contract on or after 4/18/17; and
- In the five years prior to the date the PHA either issued the RFP or selected the project, the unit received either:
 - Public Housing Capital or Operating Funds;
 - Project-Based Rental Assistance, including units assisted under the section 8 moderate rehabilitation program and Mod. Rehab, single-room occupancy program;
 - Housing for Elderly (Section 202), Housing for Persons with Disabilities (section 811);
 - Rent Supplement (Rent Supp) program (section 101 of the Housing and Urban Development Act of 1965);
 - Rental Assistance Program (RAP) (section 236(f)(2) of the National Housing Act); or
- The unit was subject to a rent restriction through a HUD loan or insurance program as a result of:
 - Section 236;
 - Section 221(d)(3) or (d)(4) BMIR;
 - Housing for Elderly Persons (Section 202);
 - Housing for Persons with Disabilities (Section 811);
 - Flexible Subsidy Program (Section 201 of the Housing and Community Development Amendments of 1978)

Units that have previously received either PBV or HCV assistance are not covered under the 20 percent limitation. Also, PBV units under the RAD program and HUD-VASH PBV set-aside vouchers are not subject to the percentage limitation.

Location of Project-Based Vouchers

MHA may administer the program on a city-wide basis. In compliance with the federal regulations and the MHA's Equal Housing Opportunity Plan, suitable dwelling units must be made available under the project-based voucher program in structures that exceed in quality, design or type units generally available in the local market if they are not located in areas outside of low income and minority concentrations, unless a waiver is requested from and granted by HUD.

MHA may request exceptions of the requirement that project-based assistance be located in census tracts with a poverty rate of less than twenty percent (20%) percent, based upon the review of the proposals submitted to MHA.

Administrative Approach

MHA shall perform traditional Housing Choice Voucher program administrative responsibilities associated with the implementation of the project-based voucher program. These functions include, but are not limited to, outreach, review and selection of proposals, inspections, tenant selection from the waiting list, determination of tenant eligibility, and annual recertification, in accordance with this Administrative Plan, for applications that involve new construction or rehabilitation of units. MHA Capital, accounting staff or designee may also perform work write-ups, cost estimates, and feasibility analyses.

MHA reserves the right to solicit proposals from private contractors to perform selected administrative responsibilities in the implementation of the project-based voucher program or may contract with the property owner or developer of the project-based property for any administrative functions that are the responsibility of the housing agency.

15.2 Proposal Selection

Link: [24 CFR 983.52\(a\)\(b\)\(c\); §8\(o\)\(13\)\(B\) of the 1937 Act](#)

Prior to issuing a Request for Proposal or selecting a project without following a competition process where the PHA has ownership interest, MHA will submit to the local field office all required information under §8(o)(13)(B) of the 1937 Act. MHA will select proposals for PBV assistance using either the Request for Proposal method or the Previous Competition method.

15.2.1 MHA Request for Proposals Method for Rehabilitated and Newly Constructed Units

Solicitation of Owner Proposals

MHA will solicit owner participation by advertising in four newspapers of general circulation and MHA's website, stating proposals to attach rental assistance for specific properties will be accepted.

The advertisement may be published at least three times over a period of not less than thirty (30) days, and will include a statement that applications will not be accepted beyond the specified 30-day deadline. The advertisement will also specify the number of dwelling units the MHA estimates that it will

be able to assist under the funding that MHA is making available for this purpose and that only applications submitted in response to the advertisement will be considered. The advertisement will also state MHA's selection policies.

For proposals requiring new construction or rehabilitation of assisted units, MHA will establish competitive procedures for the submission of proposals, which will be submitted to HUD for approval.

An application packet will be prepared for distribution to interested parties, and will also be made available at MHA's administrative offices. The packet will contain a description of the project-based voucher program, an outline of the rules and regulations governing the project-based voucher program, the required contents of owner proposals, and the criteria that MHA will use in the selection of eligible proposals.

At MHA's discretion, additional information may be provided at pre-proposal conferences or workshops.

Requirements for the Submission of Proposals

The owner's submission of the application to the MHA must contain:

- Description of housing to be assisted, including the number of units by size (square footage); bedroom count; bathroom count; sketches of proposed new construction or rehabilitation, if applicable; unit plans; listing of amenities and services and estimated date of completion for units to be rehabilitated or constructed. For rehabilitation, the description must describe the property "as-is" and must also describe the proposed rehabilitation.
- Evidence of site control, and for new construction, identification and description of the proposed site, site plan and neighborhood.
- Evidence that the proposed new construction or rehabilitation is permitted by current zoning ordinances or regulations or evidence to indicate that the needed rezoning is likely and will not delay the project.
- The proposed contract rent per unit, including an indication of which utilities, services and equipment are included in the rent and which are not included.
- Information concerning the occupancy status of the units to be assisted under the project-based voucher program, including applicability of permanent and temporary relocation of site occupants.
- A certification from the owner that there will be no displacement of residential tenants from units to be assisted under the project-based voucher program.
- The identity of the owner, developer, builder, architect, management agent (and other participants) and the names of officers and principal members, shareholders, investors, and other parties have a financial interest; a disclosure of any possible conflict of interest by any of these parties; and information on the qualifications and experience of the principal participants, including previous participation in any HUD programs.
- The owner's marketing plan.
- The owner's plan for managing and maintaining the units.

- Evidence of financing or lender interest and the proposed terms of financing.
- The proposed term of the HAP Contract.

Initial Inspection

Prior to the ranking and rating of proposals, an initial inspection will be performed by MHA staff for properties included in proposals accepted for consideration of rating and ranking. MHA will not inspect properties included in the proposals that do not meet threshold requirements for further consideration.

- The inspection will determine if the property is eligible as defined at 24 CFR § 983.101, meets federal HQS, and the occupancy status of the units to be assisted.
- For proposals which will involve rehabilitation, the inspection will also determine if the property can be rehabilitated without causing displacement of residential tenants from units to be assisted, will identify the rehabilitation work meets the minimum \$1,000 per unit requirement, and if the specific work items will bring the units in compliance with HQS.
- For proposals in which there will be new construction, the inspection will determine that construction work has not begun.
- Should MHA discover as a result of the initial inspection that the proposal does not meet program requirements, the owner will be informed in writing of the reasons for the rejection.

Rating and Ranking of Proposals

The rating and ranking of proposals will be performed by MHA staff. With regard to the initial screening of proposals, the criteria that will be utilized to determine whether a proposal should be rejected without further review or accepted for further consideration of rating and ranking will include:

- Receipt of the proposal by the date and time as specified in the advertisement
- Receipt of the proposal in the proper format, including submission of all specified forms with all of the entries completed as required
- Proposals that indicate gross rents will exceed one-hundred percent (100%) of MHA payment standards, or which clearly indicate that the proposed project is infeasible, will be rejected
- Proposals involving ineligible properties or housing types identified in 24 CFR 983.53 will be rejected.

Proposals will be evaluated based on the factors determined by MHA to rate and rank proposals. Among the factors to be considered in the ranking and rating of proposals include: suitability of the site to accommodate the number and type of units proposed for assistance, including environmental and health and safety concerns; design elements, with preference to proposals that offer larger units to be assisted; experience of the owner and other participants in providing affordable housing; plan for the relocation of current tenants, if applicable; and financial feasibility of the project.

For proposals that involve new construction or rehabilitation of units, additional factors will be considered: the estimated cost per unit of construction or rehabilitation, and the experience of the

owner and other participants in construction or rehabilitation of rental properties in accordance with HUD regulations.

Notification to Owners

Proposals that have been received in response to the MHA's advertisement, which comply with all of the prescribed selection criteria and procedures and are deemed feasible, will be rated and ranked in accordance with MHA's written policies. The Owners who submitted the highest ranked feasible proposals will be sent a written Notice of Acceptance stating the tentative number of units to be assisted.

Selection of Contractor

Owners are responsible for the selection of a competent contractor to undertake the new construction or rehabilitation work under the AHAP contract. The owner, contractor and his/her subcontractors are subject to Section 3 of the Housing and Urban Development Act, as amended in 1968, and the regulations at 24 CFR part 135, which requires that training, employment and contracting opportunities be provided, where feasible, to low-income Section 3 residents. MHA shall provide oversight and assistance regarding the owner's responsibility under Section 3.

Uniform Federal Accessibility Standards: Section 504 and Fair Housing Act

The owner and his/her contractors and subcontractors are subject to compliance with the Fair Housing Acts, Americans with Disabilities Act and Section 504 of the Rehabilitation Act and are required to comply with Uniform Federal Accessibility Standards requirements for persons with disabilities and the Fair Housing Amendments Act. MHA will coordinate Section 504/ADA requirements.

Agreement to enter into HAP Contract

When all required pre-Agreement procedures have been satisfactorily completed, the AHAP contract shall be executed. The AHAP must be executed before the start of any new construction or rehabilitation to be performed under the AHAP. Under the AHAP, the owner agrees to construct the units in accordance with MHA approved working drawings and specifications or to rehabilitate the units in accordance with MHA approved work write-ups.

For existing housing, the HAP contract will be executed after MHA determines that all units pass HQS.

New Construction or Rehabilitation Phase

Timely Performance of Work

Immediately following the execution of the AHAP contract, the owner shall promptly proceed with the construction or rehabilitation work as provided in the agreement. In the event the work is not so commenced, diligently continued, or completed, MHA may terminate the Agreement or take other appropriate action.

Inspections

MHA, or its designee, shall conduct periodic inspections during the new construction or rehabilitation phase to ensure that work is proceeding on schedule and is being accomplished in accordance with the terms of the AHAP. Inspections shall be performed at such intervals so as to ensure that the work meets the levels of materials specified in the work write-ups or working drawings and specifications, and meets typical levels of workmanship in the area.

Changes to Work

Owners must obtain prior approval from the MHA for any changes from the work specified in the AHAP contract that would alter the design or quality of the required new construction or rehabilitation. If the owner makes any changes without the prior approval of MHA, MHA may request HUD to lower the initial contract rents in the amount determined by HUD, and may require the Owner to remedy any deficiencies, prior to, and as a condition for, acceptance of the units. MHA shall have the right to disapprove any changes requested by the owner.

Completion of New Construction or Rehabilitation

The owner must notify MHA in writing when the work is completed and submit evidence of completion. Among the documents the owner must submit is a Certificate of Occupancy or other official approvals required by the locality, and a certification that the work has been completed in accordance with the requirements of the AHAP.

The MHA will conduct a final inspection to verify the completion of all the work items required by the AHAP and a determination regarding compliance with Section 504/ADA/ Fair Housing Act, and other applicable laws, regulations and executive orders, HQS and the City of Memphis Building Code. If MHA determines from the review and inspection that the unit(s) has been completed in accordance with the AHAP contract, MHA shall accept the unit(s).

If there are any items of delayed completion that are minor items or that are incomplete because of weather conditions, and in any case that do not preclude or affect occupancy, and all other requirements of the AHAP contract have been met, MHA shall accept the unit(s); however, MHA shall require the owner to deposit in escrow with MHA an amount MHA determines to be sufficient to ensure completion of the delayed items. In addition, the owner and MHA shall execute a written agreement, specifying the schedule for completion of these items. If the items are not completed within the agreed time period, MHA may terminate the AHAP contract or exercise other rights under the AHAP contract.

15.7 Housing Assistance Payments (HAP) Contracts

Link: [24 CFR 152](#)

15.7.1 Term of the HAP Contract

The term of all PBV HAP contracts will be no less than one year, and no more than 20 years, and will be negotiated with the owner on a case-by-case basis. Contracts may be extended for an additional term(s) not to exceed a total of 20 years (40 cumulative years).

15.7.2 Extending the HAP Contract

When determining whether or not to extend an expiring PBV contract, MHA will consider several factors including, but not limited to:

- The cost of extending the contract and the amount of available budget authority; The condition of the contract units;
- The owner's record of compliance with obligations under the HAP contract and lease(s);
- Whether the location of the units continues to support the goals of deconcentrating poverty and expanding housing opportunities;
- The need for and availability of supportive services for MHA population; and
- Whether the funding could be used more appropriately for tenant-based assistance.

15.7.3 Amendments to the HAP Contract

MHA will consider HAP Contract amendments to add additional PBV units in the same building. MHA will consider adding contract units to the HAP contract when MHA determines that additional housing is needed to serve eligible low-income families. Circumstances may include, but are not limited to:

- The local housing inventory is reduced due to a disaster (either due to loss of housing units, or an influx of displaced families); and
- Voucher holders are having difficulty finding units that meet program requirements.
- Adding additional PBV units which include supportive services.

15.8 Unit Inspections

Link: [24 CFR 983.103](#)

All contract units will be inspected and comply with Housing Quality Standards prior to HAP contract execution.

At least biennially during the term of the HAP contract, MHA will inspect a random sample, consisting of at least 20 percent of the contract units in each building, to determine if the contract units and the premises are maintained in accordance with the HQS. Turnover inspections are not counted toward meeting this inspection requirement.

If more than 20 percent of the inspected units in a building fail, MHA will re-inspect 100 percent of the contract units in the building.

In the case of a property assisted with project-based vouchers that is subject to an alternative inspection, MHA may rely upon inspections conducted at least triennially to demonstrate compliance with the inspection requirement.

Inspections for the entire building will occur at the same time. MHA will abate and terminate PBV HAP contracts for non-compliance with HQS in accordance with the policies used in the tenant-based voucher program.

In the case of MHA-owned units, the inspections will be performed by an independent agency designated by MHA and approved by HUD. The independent entity must furnish a copy of each inspection report to MHA and to the HUD field office where the project is located. MHA must take all necessary actions in response to inspection reports from the independent agency, including exercise of contractual remedies for violation of the HAP contract by MHA's owner.

15.8.1 Lead-based Paint

Link: [24 CFR 983.101\(c\); HUD PIH Notice 2017-13](#)

The lead-based paint requirements for the tenant-based voucher program do not apply to the PBV program. Instead, The Lead-based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at 24 CFR part 35, subparts A, B, H, and R, apply to the PBV program. Under Subpart H, owners of target housing properties receiving more than \$5,000 annually per unit in project-based assistance are required to ensure that target housing receives a lead risk assessment by a certified risk assessor, regardless of whether there is a child under age 6 in residence, and that occupants are notified of the results of the risk assessment.

15.9 Initial Rent and Rent Increases

Link: [24 CFR 983, Subpart G](#)

15.9.1 Initial Rent

The amount of the initial rent to an owner of units receiving PBV assistance is established at the beginning of the HAP Contract term.

15.9.2 Rent Increases

An owner's request for a rent increase must be submitted to MHA 60 days prior to the anniversary date of the HAP contract, and must include the new rent amount the owner is proposing.

15.10 Tenant Selection

Link: [24 CFR 983.255](#)

Except where noted in the Administrative Plan, MHA's tenant selection procedures for its tenant-based programs apply for units assisted under the PBV Program. Except for units which are occupied by eligible tenants upon the commencement of the project based contract term, when a vacancy exists at a PBV site,

MHA will notify the next families on MHA Wait List. MHA's letter to the applicants will also state that if the applicant is interested in residing in the vacant PBV unit that the applicant will not lose his/her place on MHA's HCV waiting list (if applicable) until that person has been leased in the PBV unit. An applicant who rejects an offer of a project-based unit or who is rejected by the owner of the housing unit will remain in the same position on the tenant-based assistance list, as if the offer had not been made. If a dwelling unit to which assistance is to be attached under the project-based voucher program is occupied, MHA must determine whether the unit's occupants are eligible for assistance. If a unit is occupied by an eligible family and the unit is selected by MHA, the family must be placed in an appropriately size project-based assisted unit in the project without requiring the family to be placed on MHA's waiting list.

In the event that there are an insufficient number of eligible persons on the waiting list, MHA will place applicants referred by the owner on the waiting list. Eligibility for selection in the Project-based voucher program will be consistent with MHA's tenant-based and project-based assistance programs.

MHA will provide a selection preference when required by the regulation (e.g., eligible in-place families, qualifying families for "excepted units," mobility impaired persons for accessible units). MHA will not offer any additional preferences for the PBV program or for particular PBV projects or units.

Applicants must meet all of MHA's applicable eligibility requirements. MHA will refer qualified applicants to the owner for all vacancies. If MHA referrals do not provide the owner with a suitable tenant for the unit within 30 days, the owner may refer an eligible individual or family from the owner's waiting list to MHA.

The owner chooses a tenant for occupancy from the qualified applicants referred by MHA based on their written tenant selection policy. MHA must approve the owner's tenant selection procedures. When a family is approved by the owner, they will execute a lease with the owner.

The owner must notify MHA in writing (mail, fax, or e-mail) within 10 business days of the unit lease end date or expected lease end date. MHA will make every reasonable effort to promptly refer families to the owner after receiving a vacancy notice from the owner.

15.11 Unit Moves/Transfers

Overcrowded, Under-Occupied, and Accessible Units

Link: [24 CFR 983.259](#)

MHA will promptly notify the family and the owner of the family's need to move based on the occupancy of a wrong-size or accessible unit. MHA will offer the family the following types of continued assistance in the following order, based on the availability of assistance:

- PBV assistance in the same building or project;
- PBV assistance in another project; and
- Tenant-based voucher assistance.

The determination of the offer of continued assistance will be at the discretion of the MHA. However, if the MHA offers the family the opportunity to receive tenant-based rental assistance under the voucher program, MHA must terminate assistance payments for the project-based unit at the expiration of the term of the voucher.

If MHA offers the family the opportunity for another form of continued housing assistance, except for tenant-based voucher assistance, and the family does not accept the offer, does not move out of the Project-based Voucher unit within a reasonable time, or both, the MHA must terminate the housing assistance payments for the project-based unit.

15.11.1 Moves Requested by the Tenant

Link: [24 CFR 983.261](#)

PBV participants have choice mobility: after one-year, families have the option to leave the PBV unit and receive a tenant-based voucher, if a voucher is available. If a PBV participant chooses mobility and moves with a tenant-based voucher, MHA will supply the owner with a referral for a new PBV tenant. Families who wish to relocate with continued assistance must inform the owner and MHA in writing not less than 30 days prior to the date they plan to vacate the unit and in accordance with the lease. MHA will then place the family on a PBV-HCV Voucher program transfer list according to the date and time of receipt by MHA of written notification of the family's 30-day notice of intent to vacate. MHA will issue the next available tenant-based voucher to families on the PBV-HCV transfer list before proceeding to its regular HCV waiting list. Families from the regular HCV waiting list who have been notified of an eligibility appointment for a tenant-based voucher will not be delayed from receiving their voucher.

15.11.2 Moves from Excepted Units

MHA will allow families who initially qualified to live in an excepted unit to remain when circumstances change due to factors beyond the remaining family members' control.

In all other cases, when MHA determines that a family no longer meets the criteria for a "qualifying family" in connection with the 25 percent per project cap exception, MHA will provide written notice to the family and owner within 15 business days of making the determination. The family will be given 30 days from the date of the notice to move out of the PBV unit. If the family does not move out within this 30-day time frame, MHA will terminate the housing assistance payments at the expiration of this 30-day period. MHA 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. MHA may refer other eligible families to the excepted units. However, if there are no eligible families on the waiting list and the owner does not refer eligible families to MHA, MHA will amend the HAP contract to reduce the total number of units under contract.

15.11.3 Emergency Transfers

When a victim of domestic violence, dating violence, sexual assault, or stalking has lived in a PBV unit

and has requested an emergency transfer from their current unit to another unit, MHA will follow the VAWA policy contained in this Plan and the Emergency Transfer Plan as outlined in Appendix 2 as the basis for PBV moves under VAWA.

15.12 Vacancy Payments

[24 CFR 983.352](#)

MHA will decide on a case-by-case basis if vacancy payments will be provided to the owner. The HAP Contract with the owner will contain any such agreement, including the amount of the vacancy payment and the period for which the owner will qualify for these payments, which will in no event exceed 60 days.

If an assisted family moves out of the unit, the owner may keep the housing assistance payment for the calendar month when the family moves out. However, the owner may not keep the payment if MHA determines that the vacancy is the owner's fault.

If MHA determines that the owner is responsible for a vacancy and, as a result, is not entitled to the keep the housing assistance payment, MHA will notify the landlord of the amount of housing assistance payment that the owner must repay. MHA will require the owner to repay the amount owed.

If an owner's HAP contract calls for vacancy payments to be made, and the owner wishes to receive vacancy payments, the owner must properly notify MHA. In order for a vacancy payment request to be considered, it must be made within 10 business days of the end of the period for which the owner is requesting the vacancy payment. The request must include the required owner certifications and MHA may require the owner to provide documentation to support the request. If the owner does not provide the information requested by MHA within 10 business days of MHA's request, no vacancy payments will be made.

15.13 Reduction in HAP Contract Due to Vacancies

Link: [24 CFR 983.25](#)

If no eligible family rents a vacant unit with one hundred and twenty (120) days of the vacancy, the MHA may terminate its commitment to make additional assistance payments for the unit for the balance of the HAP contract.

In the event that MHA is the owner, developer or operator, all required approvals will be obtained from HUD or it's designee in lieu of MHA.

CHAPTER 16 - Rental Assistance Demonstration (RAD) Project-Based Voucher Conversions

Link: [PIH Notice 2019-12](#); [PIH Notice 2018-11](#); [PIH Notice 2016-17](#); [RAD Statute](#)

16.1 Overview

Public housing units converting to assistance under Rental Assistance Demonstration (RAD) long-term Project Based Voucher (PBV) contracts are no longer subject to the public housing program rules. The former public housing units which become PBV units are subject to the rules of the Section 8 program, as modified by a few rules specific to RAD converted units. These specific RAD-related rules apply a few important provisions of the public housing rules to the RAD converted units, even though they would not normally be applicable in the HCV context.

MHA anticipates converting public housing units to PBV units using RAD conversions. Upon conversion to PBV, MHA will adopt the resident rights, participation, waiting list and grievance procedures applicable to the RAD PBV units. The units converted to PBV under the RAD program will be operated consistent with MHA's PBV program rules referenced in this Administrative Plan to the extent not specifically required to operate in a different manner by the regulatory and statutory requirements of the RAD PBV program referenced above.

16.2 Resident Rights

16.2.1 No Re-screening of Tenants upon Conversion

Pursuant to the RAD statute, at conversion current households are not subject to rescreening, income eligibility, or income targeting provisions. Current households will be grandfathered for conditions that occurred prior to conversion but will be subject to any ongoing eligibility requirements for actions that occur after conversion.

A unit with a household that was over-income at time of conversion would continue to be treated as an assisted unit. Once that remaining household moves out, the unit must be leased to an eligible family.

16.2.2 Right to Return

Any residents that need to be temporarily relocated due to rehabilitation or construction have a right to return to an assisted unit at the site once rehabilitation or construction is completed. If transferred, residents of the converting site have the right to reside in an assisted unit at the new site once rehabilitation or construction is complete.

Residents of a site undergoing RAD conversion may voluntarily accept MHA's offer to permanently relocate to another assisted unit, and thereby waive their right to return to the site after rehabilitation or construction is completed.

16.2.3 Renewal of Lease

Under RAD, MHA must renew all leases upon lease expiration, unless cause exists. This provision must be incorporated by the PBV owner into the tenant lease or tenancy addendum.

16.2.4 Phase-in of Tenant Rent Increases

MHA has established a policy setting the length of the phase in period at three years. If a tenant's monthly rent increases by more than the greater of 10 percent or \$25 solely as a result of RAD conversion, the rent increase will be phased in over 3 years.

The below method explains the percentage-based phase-in MHA will follow. For purposes of this section "standard TTP" refers to the TTP calculated in accordance with regulations at 24 CFR §5.628 and the "most recently paid TTP" refers to the TTP recorded on line 9j of the family's most recent HUD Form 50058.

Three Year Phase-in:

- Year 1: Any recertification (interim or annual) performed prior to the second annual recertification after conversion – 33% of difference between most recently paid TTP and the standard TTP
- Year 2: Year 2 Annual Recertification (AR) and any Interim Recertification (IR) prior to Year 3 AR – 66% of difference between most recently paid TTP and the standard TTP
- Year 3: Year 3 AR and all subsequent reexaminations – Full standard TTP Five Year Phase in:

In the three-year phase-in, once the standard TTP is equal to or less than the previous TTP, the phase-in ends and tenants will pay full TTP from that point forward.

16.2.5 Family Self-Sufficiency

Current FSS participants will continue to be eligible for FSS once their housing is converted under RAD, and MHA is allowed to use any remaining Public Housing FSS funds to serve those FSS participants who live in units converted by RAD.

16.2.6 Choice-Mobility

MHA provides a Choice-Mobility option to residents of RAD projects based on the following:

- Resident Eligibility: Residents have a right to move with tenant-based rental assistance 12 months after the move-in date, subject to the availability of tenant-based vouchers. Households must submit a written request after the 12 month period has expired if they wish to be issued a tenant-based voucher. Households requesting tenant-based vouchers will be reviewed and if the required 12 month PBV period has

occurred, will be moved to the top of the HCV waiting list based on the date and time of their written request.

- If a resident is already a resident of the covered project at the time of conversion to PBV, the resident may request a tenant-based voucher after 12 months of PBV assistance, subject to the availability of tenant-based vouchers. When requests for tenant-based vouchers are made after 12 months of PBV residency, residents must submit a written request for a tenant-based voucher which will be reviewed and if the required 12 month PBV period has occurred, will be moved to the top of the HCV waiting list based on date and time of written request.

16.2.7 Resident Participation and Funding

Residents of RAD projects converting to PBVs have the right to establish and operate a resident organization for the purpose of addressing issues related to their living environment and are eligible for resident participation funding.

16.3 Waiting List

Link: [24 CFR 903.7\(b\)\(2\)\(ii\)-\(iv\)](#)

MHA may establish PBV site-based waiting lists for properties converted through RAD. MHA will ensure that applicants on MHA's public housing and HCV waiting lists are offered placement on the RAD project's initial site-based waiting lists. Applicants from the PH and/or HCV waiting lists will be placed on the new PBV site-based waiting list(s) based on the date and time of their original application to the PH and/or HCV program.

16.4 Earned Income Disregard (EID)

Link: [24 CFR 5.617](#)

Tenants who are employed and are currently receiving the EID exclusion at the time of RAD conversion will continue to receive the EID after conversion. Upon the expiration of the EID, the rent adjustment will not be subject to rent phase-in. The rent will automatically increase to the appropriate rent level based upon tenant income at that time.

Under the HCV program, the EID exclusion is limited to only persons with disabilities. However that requirement is not in the public housing program, i.e. the units prior to conversion to RAD. In order to allow all RAD public housing conversion tenants who are employed and currently receiving the EID at the time of conversion to continue to benefit from EID in the PBV project, the provision limiting EID to only disabled persons is waived. The waiver only applies to public housing tenants receiving the EID at the time of RAD conversion to PBV.

16.5 Termination Notification

Link: [24 CFR 5.617](#)

The termination procedure for RAD conversions to PBV will require MHA provide adequate written notice of termination of the lease which will not be less than:

- A reasonable period of time, but not to exceed 30 days:
 - If the health or safety of other tenants, MHA employees, or persons residing in the immediate vicinity of the premises is threatened; or
 - In the event of any drug-related or violent criminal activity or any felony conviction;
- 14 days in the case of nonpayment of rent; and
- 30 days in any other case, except that if a State or local law provides for a shorter period of time, such shorter period shall apply.

16.6 Grievance Process

Link: [4 CFR 982.555\(a\)\(1\)\(i\)-\(iv\)](#)

For RAD converted PBV units, the additional RAD program rules apply:

- An opportunity for an informal hearing must be given to residents for any dispute that a resident may have with respect to an MHA (as owner) action in accordance with the individual's lease or the contract administrator in accordance with RAD PBV requirements that adversely affect the resident's rights, obligations, welfare, or status.
 - For any hearing for participants, the contract administrator will perform the hearing.
 - For any additional hearings required under RAD, MHA (as owner) will perform the hearing.

An informal hearing will not be required for class grievances or to disputes between residents not involving MHA (as owner) or contract administrator.

MHA (as owner) will provide opportunity for an informal hearing before an eviction.

Notice and other informal hearing policies are the same as stated in this Administrative Plan for the HCV program.

CHAPTER 17 - Homeownership

Link: [24 CFR 982.625](#)

The homeownership option is used to assist a family residing in a home purchased and owned by one or more members of the family. There are two forms of homeownership assistance a PHA may offer under this option: monthly homeownership assistance payments or a single down payment assistance grant. PHAs may choose to offer either or both forms of homeownership assistance or choose not to offer either. If a PHA offers both forms of assistance, a family must choose which form of assistance to receive. MHA offers monthly homeownership assistance payments. However, if necessary as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities, MHA must offer single down payment assistance. MHA must determine what is reasonable based on the specific circumstances and individual needs of the person with a disability. MHA may determine that it is not reasonable to offer homeownership assistance as a reasonable accommodation in cases where MHA has otherwise opted not to implement a homeownership program. MHA must approve a live-in aide if needed as a reasonable accommodation so that the program is readily accessible to and usable by persons with disabilities.

17.1 Family Eligibility

Link: [24 CFR 982.267](#)

The family must meet all of the requirements listed below before the commencement of homeownership assistance.

- The family must have been admitted to the Housing Choice Voucher program.
- The family must qualify as a first-time homeowner or may be a cooperative member.
- The family must meet the federal minimum income requirement.
 - The family must have a gross annual income equal to the federal minimum wage multiplied by 2000 based on the income of adult family members who will own the home.
 - For disabled families, the minimum income requirement is equal to the current SSI monthly payment for an individual living alone multiplied by 12.
 - MHA may establish a higher income standard for families. However, a family that meets the federal minimum income requirement (but not MHA's requirement) will be considered to meet the minimum income requirement if it can demonstrate that it has been pre-qualified or pre-approved for financing that is sufficient to purchase an eligible unit.
 - For elderly or disabled families, welfare assistance payments for adult family members who will own the home will be included in determining whether the family meets the

minimum income requirement. Welfare payments will not be included for other families.

- The family must satisfy the employment requirements by demonstrating that one or more adult members of the family who will own the home at commencement of homeownership assistance is currently employed on a full-time basis (not less than an average of 30 hours per week) and has been continuously so employed during the year before commencement of homeownership assistance for the family.
 - The employment requirement does not apply to elderly and disabled families. In addition, if a family, other than an elderly or disabled family, includes a person with disabilities, MHA must grant an exemption from the employment requirement if MHA determines that it is needed as a reasonable accommodation.
- The family has not defaulted on a mortgage securing debt to purchase a home under the homeownership option.
- Except for cooperative members who have acquired cooperative membership shares prior to commencement of homeownership assistance, no family member has a present ownership interest in a residence at the commencement of homeownership assistance for the purchase of any home.
- Except for cooperative members who have acquired cooperative membership shares prior to the commencement of homeownership assistance, the family has entered a contract of sale in accordance with [24 CFR 982.631\(c\)](#).

17.2 Selection of Families

Unless otherwise provided (under the homeownership option), MHA may limit homeownership assistance to families or purposes defined by MHA and may prescribe additional requirements for commencement of homeownership assistance for a family. If MHA limits the number of families that may participate in the homeownership option, MHA must establish a system by which to select families to participate.

17.3 Eligible Units

Link: [24 CFR 982. 628](#)

In order for a unit to be eligible, MHA must determine that the unit satisfies all of the following requirements:

- The unit must meet HUD's eligible housing requirements and may not be any of the following:
 - A public housing or Indian housing unit;
 - A unit receiving Section 8 project-based assistance;
 - A nursing home, board and care home, or facility providing continual psychiatric, medical or nursing services;
 - A college or other school dormitory;
 - On the grounds of penal, reformatory, medical, mental, or similar public or private institutions.

- The unit must be under construction or already exist at the time the family enters into the sale.
- The unit must be a one-unit property or a single dwelling unit in a cooperative or condominium.
- The unit must have been inspected by MHA and by an independent inspector designated by the family.
- The unit must meet Housing Quality Standards (see Chapter 8).
- For a unit where the family will not own fee title to the real property (such as a manufactured home), the home must have a permanent foundation and the family must have the right to occupy the site for at least 40 years.
- For PHA-owned units all of the following conditions must be satisfied:
 - MHA must inform the family, both orally and in writing, that the family has the right to purchase any eligible unit and a PHA-owned unit is freely selected by the family without PHA pressure or steering;
 - The unit is not ineligible housing;
 - MHA must obtain the services of an independent agency to inspect the unit for compliance with HQS, review the independent inspection report, review the contract of sale, and determine the reasonableness of the sales price and any PHA provided financing.
- MHA must not approve the unit if MHA has been informed that the seller is debarred, suspended, or subject to a limited denial of participation.

17.4 Additional MHA Requirements for Search and Purchase

Link: [24 CFR 982.629](#)

It is the family's responsibility to find a home that meets the criteria for voucher homeownership assistance. The family has 180 days from the date of issuance of a Homeownership Eligibility Voucher to locate a home and to execute a contract of sale with the seller. Furthermore, the family must close on the home within a reasonable time, as determined by the MHA. The family will be required to report periodically to the Authority on their progress in locating and purchasing a home.

If the family is unable to purchase a home within the maximum time established by MHA, MHA may issue the family a voucher to lease a unit or place the family's name on the waiting list for a voucher.

17.4.1 Homeownership Counseling

Before commencement of homeownership assistance for a family, the family must attend a MHA Homeownership counseling program. This program may consist of a one-on-one session or a classroom style approach with potential homebuyers. The participants will be referred to a HUD-approved housing counseling agency. MHA may require selected families attend and satisfactorily complete the pre-assistance homeownership and housing counseling program. The pre-assistance counseling program will cover the following subjects:

- Home maintenance (including care of the grounds);
- Budgeting and money management;
- Credit counseling;
- How to negotiate the purchase price of a home;
- How to obtain homeownership financing and loan pre-approvals, including a description of types of financing that may be available, and the pros and cons of different types of financing;
- How to find a home, including information about homeownership opportunities, schools, and transportation in MHA jurisdiction;
- Information on fair housing, including fair housing lending and local fair housing enforcement agencies; and

MHA may adapt the subjects covered in pre-assistance counseling (as listed) to local circumstances and to meet the needs of individual families. MHA may also offer additional counseling after commencement of homeownership assistance (ongoing counseling). If MHA offers a program of ongoing counseling for participants in the homeownership option, MHA has discretion to determine whether the family is required to participate in the ongoing counseling.

17.5 Home Inspections, Contract of Sale and Disapproval of Sellers

Link: [24 CFR 982.631](#)

17.5.1 Home Inspections

MHA may not commence monthly homeownership assistance payments or provide down payment assistance grants for a family until MHA has inspected the unit and has determined that the unit passes HQS.

An independent professional inspector selected by and paid for by the family must also inspect the unit. The independent inspector may not be a PHA employee, contractor, or other person under control of MHA. However, MHA may establish standards for qualification of inspectors selected by families under the homeownership option. The independent inspection must cover major building systems and components, including foundation and structure, housing interior and exterior, and the roofing, plumbing, electrical, and heating systems. The independent inspector must be qualified to report on property conditions, including major building systems and components.

MHA may disapprove a unit for assistance based on information in the independent inspector's report, even if the unit was found to comply with HQS.

17.5.2 Down Payment

A minimum down payment of 3% is required. At least 1% of the down payment must come from the family's own resources. The family is responsible for the payment of closing costs. However, the family may access FSS escrow funds and other programs to cover some of these costs. In addition to funding 1% of the down payment, the family must also demonstrate that it has the resources to provide for the

acquisition of basic household tools and equipment. These include a hammer, screwdriver set, flashlight, toilet plunger, basic lawn equipment and snow removal equipment. The family must also demonstrate that there are kitchen appliances (stove and refrigerator) or that the family has the resources to acquire kitchen appliances. The family must pay the cost of the home inspection and the family's attorney's fees. The family must be current in the payment of its utility obligations and must have the ability to have utilities turned on the name of the mortgagor(s).

17.5.3 Contract of Sale

Before commencement of monthly homeownership assistance payments or receipt of a down payment assistance grant, a member or members of the family must enter into a contract of sale with the seller of the unit to be acquired by the family. The family must give MHA a copy of the contract of sale. The contract of sale must:

- Specify the price and other terms of sale by the seller to the purchaser;
- Provide that the purchaser will arrange for a pre-purchase inspection of the dwelling unit by an independent inspector selected by the purchaser;
- Provide that the purchaser is not obligated to purchase the unit unless the inspection is satisfactory to the purchaser;
- Provide that the purchaser is not obligated to purchase the unit unless the purchaser obtains financing approval;
- Provide that the purchaser is not obligated to pay for any necessary repairs; and
- Contain a certification from the seller that the seller has not been debarred, suspended, or subject to a limited denial of participation under CFR part 24.

17.5.4 Disapproval of Seller

In its administrative discretion, MHA may deny approval of a seller for the same reasons the MHA may disapprove an owner under the regular HCV program [see [24 CFR 982.306\(c\)](#)].

17.6 Financing

Link: [24 CFR 982.632](#)

MHA has established partnerships with local lenders to create a source for mortgage financing for program participants purchasing of a home under the homeownership option.

MHA reserves the right to review lender qualifications, loan terms and fees before closing on a loan and authorizing homeownership assistance. Additionally, MHA may disapprove proposed, refinancing or other debt if it is determined that the debt is not affordable or that either the lender or the loan terms do not meet MHA qualifications. In making this determination, MHA may take into account other family expenses, such as childcare, non-reimbursed medical expenses, homeownership expenses, and other family expenses as determined by MHA.

First mortgage lenders are not allowed to charge fees that exceed 1% of market interest rates and/or discounts points applicable to comparable products the lender offers. Owner financing is not permitted unless the seller is a non-profit organization approved by MHA.

MHA will provide a participating lender's list; however, all participants must secure their own financing. Only 30 year, fixed rate, level payment, fully amortizing loans are eligible for use in the program. Participants may not secure adjustable rate mortgages nor mortgages with balloon payments.

17.7 Continued Assistance Requirements; Family Obligations

Link: [24 CFR 982.633](#)

Homeownership assistance may only be paid while the family is residing in the home. If the family moves out of the home, MHA may not continue homeownership assistance after the month when the family moves out. The family or lender is not required to refund to MHA the homeownership assistance for the month when the family moves out.

Before commencement of homeownership assistance, the family must execute a statement of family obligation and agree to comply with all obligations:

The family is obliged under the terms of its voucher subsidy to:

- Occupy the home as their primary place of residence.
- Comply with the terms of any mortgage securing debt incurred to purchase the home and any refinancing of such debt.
- Notify MHA immediately of any defaults on a mortgage securing any debt incurred to purchase the home.
- Not sell, convey or transfer any interest in the home to any entity or person prior to informing MHA. Housing Assistance Payments will terminate with any sale, conveyance or transfer.
- During the time the family receives homeownership assistance, no family member may have any ownership interest in any other residential property.
- Supply such certification, release information or documentation as MHA determines to be necessary in the administration of the program, including information required by MHA for a regularly scheduled reexamination or interim reexamination of family income and composition in accordance with HUD requirements.
- The family understands that continued Housing Assistance Payments from MHA are reevaluated annually and continued assistance is not guaranteed. The family is responsible for the entire monthly mortgage payment (PITI) in the event that HAP is discontinued.
- The family must continue to comply with all the terms and conditions of the HAP contract.
- In the event that the family is unable to make its monthly mortgage payment, it must immediately contact MHA to determine what options are available.
- The family must attend and complete ongoing homeownership and housing counseling as recommended by agency designated by MHA.

- The family must remain in compliance with the Section 8 Homeownership requirements as long as they continue to receive HAP assistance.
- The qualifying family members must continue working. If there is a loss of employment, the family must immediately contact Section 8 Representative.
- The family must report all family income from all sources and the names of all persons living in the household.
- The family must report in writing to MHA within thirty (30) days when there is any reported change in family composition, or any adult household member who was previously unemployed is now employed.
- The family must notify MHA before the family moves out of the home.
- The maximum term or employment requirement does not apply to elderly and disabled families. In the case of an elderly family, the exception only applies if the family qualifies as an elderly family at the start of homeownership assistance. In the case of a disabled family, the exception applies if at any time during receipt of homeownership assistance the family qualifies as a disabled family.
- If, during the course of homeownership assistance, the family ceases to qualify as a disabled or elderly family, the maximum term and employment requirement becomes applicable from the date homeownership assistance commenced. However, such a family must be provided at least six months of homeownership assistance after the maximum term becomes applicable.
- Each member of the family must not commit fraud, bribery or any other corrupt or criminal act in connection with the program.
- Each member of the family must not participate in illegal drug or violent criminal activity

17.8 Maximum Term of Homeowner Assistance

Link: [24 CFR 982.634](#)

Except in the case of a family that qualifies as an elderly or disabled family, other family members (described below) will not receive homeownership assistance for more than:

- Fifteen years, if the initial mortgage incurred to finance the purchase of the home has a term of 20 years or longer; or
- Ten years, in all other cases.

The maximum term described above applies to any member of the family who:

- Has an ownership interest in the unit during the time that homeownership payments are made; or
- Is the spouse of any member of the household who has an ownership interest in the unit during the time homeownership payments are made.

In the case of an elderly family, the exception only applies if the family qualifies as an elderly family at the start of homeownership assistance. In the case of a disabled family, the exception applies if at any time during receipt of homeownership assistance the family qualifies as a disabled family.

If during the course of homeownership assistance, the family ceases to qualify as a disabled or elderly family, the maximum term becomes applicable from the date homeownership assistance commenced. However, such a family must be provided at least 6 months of homeownership assistance after the maximum term becomes applicable (provided the family is otherwise eligible to receive homeownership assistance).

If the family has received such assistance for different homes, or from different PHAs, the total of such assistance terms is subject to the maximum term described in this part.

17.9 HOMEOWNERSHIP ASSISTANCE PAYMENTS AND EXPENSES

Link: [24 CFR 982.635](#)

The monthly homeownership assistance payment is the lower of the voucher payment standard minus the TTP or the monthly homeownership expenses minus the TTP. In determining the amount of the homeownership assistance payment at initial payment, MHA will use the same payment standard schedule, payment standard amounts, and subsidy standards as those described elsewhere in this plan for the Housing Choice Voucher program. The payment standard for subsequent years will be the higher of: (1) the payment standard in effect at commencement of homeownership assistance; or (2) the payment standard in effect at the most recent regular family reexamination

MHA may pay the homeownership assistance payments directly to the family, or at MHA's discretion, to a lender on behalf of the family. If the assistance payment exceeds the amount due to the lender, MHA must pay the excess directly to the family. Homeownership assistance for a family terminates automatically 180 calendar days after the last homeownership assistance payment on behalf of the family. However, MHA may grant relief from this requirement in those cases where automatic termination would result in extreme hardship for the family.

Homeownership expenses (not including cooperatives) only include amounts allowed by MHA to cover:

- Principal and interest on initial mortgage debt, any refinancing of such debt, and any mortgage insurance premium incurred to finance purchase of the home;
- Real estate taxes and public assessments on the home;
- Home insurance;
- MHA allowance of \$75 annual reserves for maintenance expenses and costs for major repairs and replacements;
- MHA utility allowance for the home;
- Principal and interest on mortgage debt incurred to finance costs for major repairs, replacements or improvements for the home.
 - If a member of the family is a person with disabilities, such debt may include debt incurred by the family to finance costs needed to make the home accessible for such person, if MHA determines that allowance of such costs as homeownership expenses is

needed as a reasonable accommodation so that the homeownership option is readily accessible to and usable by such person;

- Land lease payments where a family does not own fee title to the real property on which the home is located; [see [24 CFR 982.628\(b\)](#)].
- For a condominium unit, condominium operating charges or maintenance fees assessed by the condominium homeowner association.

Homeownership expenses for a cooperative member may only include amounts allowed by MHA to cover:

- The cooperative charge under the cooperative occupancy agreement including payment for real estate taxes and public assessments on the home;
- Principal and interest on initial debt incurred to finance purchase of cooperative membership shares and any refinancing of such debt;
- Home insurance;
- MHA allowance of \$75 annual reserves for maintenance expenses and costs for major repairs and replacements;
- MHA utility allowance for the home; and
- Principal and interest on debt incurred to finance major repairs, replacements or improvements for the home.
 - If a member of the family is a person with disabilities, such debt may include debt incurred by the family to finance costs needed to make the home accessible for such person, if MHA determines that allowance of such costs as homeownership expenses is needed as a reasonable accommodation so that the homeownership option is readily accessible to and usable by such person.
- Cooperative operating charges or maintenance fees assessed by the cooperative homeowner association.

17.10 Portability

Link: [24 CFR 982.636](#)

Subject to the restrictions on portability included in HUD regulations and PHA policies, a family may exercise portability if the receiving PHA administers a voucher homeownership program and is accepting new homeownership families. The receiving PHA may absorb the family into its voucher program or bill the initial PHA.

The family must attend the briefing and counseling sessions required by the receiving PHA. The receiving PHA will determine whether the financing and the physical condition of the unit are acceptable. The receiving PHA must promptly notify the initial PHA if the family has purchased an eligible unit under the program or if the family is unable to purchase a home within the maximum time established by MHA.

17.11 Moving with Continued Assistance

Link: [24 CFR 982.637](#)

In certain circumstances, a family receiving homeownership assistance may move with continued assistance through voucher rental assistance or voucher homeownership assistance. However, continued tenant-based assistance for a new unit cannot begin so long as any family member holds title to the prior home.

MHA may deny permission to move to a new unit with continued assistance due to:

- Lack of funding to provide continued assistance.
- In accordance with [24 CFR 982.638](#) regarding denial or termination of assistance.
- In accordance with MHA's policies regarding the denial of moves Chapter 11.3 Family Moves.

MHA must deny the family permission to move to a new unit with continued voucher rental assistance if:

- The family defaulted on an FHA-insured mortgage; and
- The family fails to demonstrate that the family has conveyed, or will convey, title to the home, as required by HUD, to HUD or HUD's designee; and the family has moved, or will move, from the home within the period established or approved by HUD.

17.12 Denial or Termination of Assistance

Link: [24 CFR 982.638](#)

At any time, MHA may deny or terminate homeownership assistance in accordance with HCV program requirements in [24 CFR 982.552](#) (grounds for denial or termination of assistance) or [24 CFR 982.553](#) (crime by family members). MHA may also deny or terminate assistance for violation of participant obligations described in [24 CFR Parts 982.551](#) or [982.633](#) and in accordance with its own policy.

MHA must terminate voucher homeownership assistance for any member of family receiving homeownership assistance that is dispossessed from the home pursuant to a judgment or order of foreclosure on any mortgage (whether FHA insured or non-FHA) securing debt incurred to purchase the home, or any refinancing of such debt.

A participant in the Homeownership Program will be entitled to the same termination notice and informal hearing procedures as set forth in this Administrative Plan.

CHAPTER 18 - Family Self-Sufficiency Program

Link: [24 CFR 984.102](#)

The objective of the FSS program is to reduce the dependency of low-income families on welfare assistance and on Section 8, public, or any Federal, State, or local rent or homeownership subsidies. Under the FSS program, low-income families are provided opportunities for education, job training, counseling, and other forms of social service assistance, while living in assisted housing, so that they may obtain the education, employment, and business and social skills necessary to achieve self-sufficiency, as defined in §984.103 of this subpart A.

18.1 Action Plan

Link: [24 CFR 984.201](#)

MHA has developed an Action Plan in consultation with the Chief Executive Officer and the Program Coordinating Committee, which has met with HUD approval.

The Action Plan describes the policies and procedures of MHA for operation of a local FSS program, and contains the following information:

- Family demographics. A description of the number, size, characteristics, and other demographics (including racial and ethnic data), and the supportive service needs of the families expected to participate in the FSS program;
- Estimate of participating families. A description of the number of eligible FSS families who can reasonably be expected to receive supportive services under the FSS program, based on available and anticipated Federal, tribal, State, local, and private resources;
- Eligible families from other self-sufficiency program. If applicable, the number of families, by program type, who are participating in Operation Bootstrap, Project Self-Sufficiency, or any other local self-sufficiency program who are expected to agree to execute an FSS contract of participation.

18.2 Program Coordinating Committee

Link: [24 CFR 984.202](#)

MHA has established a Program Coordinating Committee (“PCC”) to assist the PHA in securing commitments of public and private resources for the operation of the FSS program within MHA's jurisdiction, including assistance in developing the Action Plan and in implementing the program.

The PCC is comprised of representatives of MHA; residents of public housing and/or participants of the HCV Program; and may include representatives of the unit of general local government served by MHA,

local agencies (if any) responsible for carrying out JOBS training programs, or programs under the JTPA, and other organizations, such as other State, local or tribal welfare and employment agencies, public and private education or training institutions, child care providers, nonprofit service providers, private business, and any other public and private service providers with resources to assist the FSS program.

18.3 Family Selection

Link: [24 CFR 984.203](#)

All families currently living in MHA's public housing or Section 8 housing program are eligible for participation in the agency's FSS program. Family Unification Program families will be given preference in admission to participate in the program for a specific number of slots.

MHA will maintain a waiting list of families who would like to participate in the program. The Waiting List will be maintained for all individuals who responded positively to their desire to participate in the FSS program. Each family Head of Household will complete an application form. This will also serve as an initial needs assessment for the family and will become the basis for designing the Family Action Plan.

Since each family in the program has opportunities to participate in the FSS program and participation is purely voluntary, there will be no discrimination based on the family's educational level, educational or standardized motivational test results, previous job history or job performance, credit rating, marital status, number of children, or other factors, such as sensory or manual skills, and any factors which may result in discriminatory practices or treatment toward individuals with disabilities or minority or non-minority groups.

Participation in the FSS program will be on a "first come, first serve basis" replacement basis.

18.4 Contract of Participation

Link: [24 CFR 984.303](#)

Each family that is selected to participate in an FSS program must enter into a contract of participation with MHA. The contract of participation must be signed by the head of the FSS family. The contract of participation provides that each FSS family is required to fulfill their obligations no later than 5 years after the effective date of the contract. MHA may extend the term of the contract of participation for a period not to exceed two years for any FSS family that requests, in writing, an extension of the contract, provided that MHA finds that good cause exists for granting the extension.

The contract of participation includes the individual training and services plan(s) and sets forth the terms and conditions governing participation in the FSS program, including the rights and responsibilities of the FSS family and of MHA, the services to be provided to, and the activities to be completed by, the head of the FSS family and each adult member of the family who elects to participate in the program.

In the event that the FSS family fails to comply with the Contract of Participation, without good cause, MHA may:

- Withhold the supportive services;
- Terminate the family's participation in the FSS program; or
- Terminate or withhold the family's Section 8 assistance, except in the case where the only basis for noncompliance with the contract of participation is noncompliance with the lease, or failure to become independent from welfare assistance.

The contract of participation is considered to be completed, and a family's participation in the FSS program is considered to be concluded when one of the following occurs:

- The FSS family has fulfilled all of its obligations under the contract of participation on or before the expiration of the contract term, including any extension thereof; or
- 30 percent of the monthly adjusted income of the FSS family equals or exceeds the published existing housing fair market rent for the size of the unit for which the FSS family qualifies based on MHA's occupancy standards. The contract of participation will be considered completed and the family's participation in the FSS program concluded on this basis even though the contract term, including any extension thereof, has not expired, and the family members who have individual training and services plans have not completed all the activities set forth in their plans.
- The contract of participation is automatically terminated if the family's Section 8 assistance is terminated in accordance with HUD requirements.

The contract of participation may be terminated before the expiration of the contract term, and any extension thereof, by:

- Mutual consent of the parties;
- The failure of the FSS family to meet its obligations under the contract of participation without good cause, including in the Section 8 FSS program the failure to comply with the contract requirements because the family has moved outside the jurisdiction of the PHA;
- The family's withdrawal from the FSS program;
- Such other act as is deemed inconsistent with the purpose of the FSS program; or
- Operation of law.
- *Option to terminate Section 8 housing and supportive service assistance.* MHA may terminate or withhold Section 8 housing assistance, the supportive services, and the FSS family's participation in the FSS program, if MHA determines, in accordance with the hearing procedures provided in 24 CFR 982.555 that the FSS family has failed to comply without good cause with the requirements of the contract of participation.

18.5 FSS Account

Link: 24 [CFR 984.305](#)

An interest-bearing escrow account is established by MHA for each participating family. Any increases in the family's rent as a result of increased earned income during the family's participation in the program result in a credit to the family's escrow account. MHA will report, at least once annually, to each FSS family on the status of the family's FSS account. Once a family graduates from the program, they may access the escrow and use it for any purpose.

If the FSS family has not paid the family contribution towards rent, or other amounts, if any, due under the public housing or section 8-assisted lease, the balance in the family's FSS account will be reduced by that amount (as reported by the owner to the PHA in the Section 8 FSS program) before prorating the interest income. If the FSS family has fraudulently under-reported income, the amount credited to the FSS account will be based on the income amounts originally reported by the FSS family.



QUADEL
CONSULTING

APPENDIX 1

Definitions of Terms

Adult

A household member who has reached the age of legal majority in the State of Tennessee (18 years old) or a head, spouse, under the age of 18 who has executed the appropriate emancipated adult form.

Affiliated individual

With respect to an individual, means:

- a. A spouse, parent, brother, sister, or child of that individual, or a person to whom that individual stands in the place of a parent or guardian (for example, the affiliated individual is a person in the care, custody, or control of that individual); or
- b. Any individual, tenant, or lawful occupant living in the household of that individual.

Allowance for Dependents

A \$480 deduction is allowed for each family member who is a dependent. (See definition of Dependent.)

Allowance for Elderly and Disabled

A \$400 standard deduction is allowed for elderly and disabled households. (See definition of Disabled Family and Elderly Family).

Allowance for Disability Assistance Expenses

The amount of Disability Assistance Expense in excess of three percent of annual income that enables a family member (including the disabled person) to work. The allowance may not exceed the annual income earned by the family member who is enabled to work. Disability assistance expenses include costs for care attendants and auxiliary apparatus (e.g., wheelchairs, adaptations, to vehicles, special equipment) if directly related to permitting the disabled person or other family members to work.

Allowance for Medical Expenses

For Elderly and Disabled Families (see definition of Elderly Family below) the amount of medical expenses (see definition of Medical Expenses below) in excess of three percent of annual income.

Annual Income

The anticipated total annual income, before deductions, of an eligible family from all sources for the 12-month period following the date of determination of income. When the cash value of a family's assets is greater than \$5,000, the annual income derived from assets shall be the greater of the actual income derived or the imputed income computed at the passbook savings rate determined by HUD.

Applicant

A person who has filled out an application or pre-application with MHA for housing assistance.

Application

The full, formal and complete family information form signed by the head of household when the family is invited to complete eligibility determination. The applicant's signature (written or electronic) on the application form certifies that all information provided is complete and accurate.

Assets

The Value of equity in real property, savings, stock, bonds, life insurance policies, and other forms of capital investment, excluding interests in Indian trust land. The value of necessary items of personal property such as furniture and automobiles is not considered an asset. The value of such assets will be determined in accordance with HUD guidance.

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.

Bifurcate

With respect to a public housing or HCV lease, to divide a lease as a matter of law such that certain tenants can be evicted or removed while the remaining family members' lease and occupancy rights are allowed to remain intact.

Certification

To formally confirm the information provided in a document through written or electronic signature.

Child

A child is defined as a minor.

Child Care Expenses

Amounts anticipated to be paid by the family for the care of children under 13 years of age (including foster children) during the period for which Annual Income is computed, but only where such care is necessary to enable a family member to be gainfully employed or to further his or her education. The amount deducted shall reflect reasonable charges for childcare and in the case of childcare necessary to permit employment, the amount deducted shall not exceed the amount of income received from such employment.

Citizen

Means a citizen or native of the United States.

Continuously Assisted

An applicant is continuously assisted under the 1937 Housing Act if the family is already receiving assistance or was receiving assistance in the past 90 days under any 1937 Housing Act program when the family is admitted to the Voucher Program.

Controlling interest

Controlling interest means:

- a. Holding more than 50 percent of the stock of any corporation; or
- 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 non-profit corporation); or
- 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; or
- d. Holding more than 50 percent of all managing member interests in an LLC; or

- e. Holding more than 50 percent of all general partner interests in a partnership; or
- f. Having equivalent levels of control in other ownership structures. Most ownership structures are already covered in the categories listed above. This last category is meant to cover any ownership structure not already listed in the categories above. Also, under this category (f), a PHA must have more than 50 percent control in that ownership structure (an equivalent level of control) for the project to be considered PHA-owned.

Dating violence

Violence committed by a person:

- a. Who is or has been in a social relationship of a romantic or intimate nature with the victim; and
- b. Where the existence of such a relationship shall be determined based on a consideration of the following factors:
 - i. The length of the relationship;
 - ii. The type of relationship; and
 - iii. The frequency of interaction between the persons involved in the relationship.

Dependent

A member of the household (excluding foster children) other than the family head or spouse, who is under 18 years of age or is a Disabled Person, or is a Full-time Student.

Disabled Family

A family in which the head of household, spouse, or co-head of household is a disabled person.

Disabled Person

A person is considered disabled if one of the following definitions is met.

- a. Section 223 of the Social Security Act defines disability as an inability to engage in any substantial gainful activity because of any physical or mental impairment that is expected to result in death or has lasted or can be expected to last continuously for at least 12 months; or, for a blind person at least 55 years old, inability because of blindness to engage in any substantial gainful activities comparable to those in which the person was previously engaged with some regularity and over a substantial period.
- b. A person having a physical or mental impairment that:
 - 1. Is expected to be of a long-continued and indefinite duration;
 - 2. Substantially impedes his or her ability to live independently; and
 - 3. Is of such a nature that such ability could be improved by more suitable housing conditions.
- c. A developmental disability is a severe, chronic disability which:
 - 1. Is attributable to a mental and/or physical impairment;
 - 2. Was manifested before the age of 22;
 - 3. Is likely to continue indefinitely;

- i. Results in substantial functional limitations in three or more of the following areas: capacity for independent living; self-care; receptive and expressive language; learning; mobility; self-direction; and economic self-sufficiency; AND
 - ii. Requires special, interdisciplinary, or generic care, treatment, or other services that are of lifelong or extended duration and are individually planned or coordinated.
- d. No individual shall be considered a person with disabilities, for the purpose of eligibility for Housing Choice Voucher Housing assistance, on the basis of any drug or alcohol dependence.

Disability Assistance Expenses

Reasonable expenses in excess of three percent of annual income that are anticipated, during the period for which Annual Income is computed, for attendant care and auxiliary apparatus for a disabled family member and that are necessary to enable a family member (including the disabled member) to be employed, provided that the expenses are neither paid to a member of the Family nor reimbursed by an outside source.

Displaced Person

A person displaced by government action or a person whose dwelling has been extensively damaged or destroyed as a result of a disaster declared or otherwise formally recognized pursuant to Federal disaster relief laws.

Domestic violence

Felony or misdemeanor crimes of violence committed by a current or former spouse or intimate partner 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 or intimate partner, 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.

Elderly Family

A family whose head or spouse (or sole member) is a person who is 62 years of age or older. It may include two or more Elderly Persons living together, or one or more such persons living with one or more persons who are determined to be essential to their care or well-being.

Elderly Person

A person who is at least 62 years of age.

Eviction

The dispossession of the tenant by the unit owner (in accordance with a court order) from the leased unit as a result of the termination of the lease, for serious or repeated violation of material terms of the lease such as failure to make payments due under the lease or to fulfill the tenant obligations set forth in HUD regulations, Federal, and Tennessee law, or for other good cause.

Extremely-Low Income Family

A family whose Annual Income does not exceed the higher of the Federal poverty level or 30% of the median income for the area, as determined by HUD with adjustments for family size.

Family and Family Composition

Regardless of actual perceived sexual orientation, gender identity or marital status, a family is:

- a. A single person, who may be an elderly, displaced person, disabled person, near-elderly person or any other single person family. A single, pregnant woman is considered a two-person family for purposes of the Housing Choice Voucher Program.
- b. A group of persons residing together and such group includes, but is not limited to a family with or without children; an elderly family; a near-elderly family; a disabled family; a displaced family and the remaining member of a tenant family whose income and resources are available to meet the family's needs.

Family Share

The full amount of housing costs for which the family is responsible.

Family Rent to Owner

The amount paid by the family that is calculated by subtracting the amount of the housing assistance payment to the owner from the rent to owner.

Fixed Income

Fixed-income includes income from:

- a. Social Security payments, to include Supplemental Security Income (SSI) and Supplemental Security Disability Insurance (SSDI);
- b. Federal, state, local, and private pension plans; and
- c. Other periodic payments received from annuities, insurance policies, retirement funds, disability or death benefits, and other similar types of periodic payments.

Foster Care Payment

Payment to eligible households by state, local or private agencies for the care of a child placed in the home by an agency.

Full-time Student

A person who is carrying a subject load that is considered full-time for day students under the standards and practices of the educational institution attended. An educational institution includes a vocational school with a diploma or certificate program, as well as an institution offering a college degree.

Gender Identity

Actual or perceived gender-related characteristics.

Head of Household

An adult, 18 years of age or older, whom the members of the family have routinely looked to as the head of the family, and who is legally competent to sign a binding contract.

History or Practice

A history or practice refers to actions or activities that have occurred more than once (i.e. repeated).

HUD

The U.S. Department of Housing and Urban Development or its designee.

Lease

A written agreement between the family and the owner of a housing unit.

Live-in Aide

A person who resides with someone who is age 50 or older, disabled or handicapped person or persons and who:

- a. Is determined by MHA to be essential to the care and well-being of the person(s);
- b. Is not obligated for support of the person(s); and

Would not be living in the unit except to provide necessary supportive services.

A live-in aide does not qualify as the remaining member of a tenant family. A live-in aide may include more than one person.

Low Income Families

A family whose annual income does not exceed 80% of the median income for the area, as determined by HUD with adjustments for family size.

Medical Expenses

Those medical expenses that are anticipated during the period for which Annual Income is computed, and that are not covered by insurance, including medical insurance premiums, payments on accumulated major medical bills, dental expenses, prescription medicines, eyeglasses, hearing aids, and batteries, cost of care attendant, and transportation expenses directly related to medical treatment.

MHA

Memphis Housing Authority.

Minimum Rent

The minimum monthly rent contribution to be paid by a family assisted under the Housing Choice Voucher program. The minimum rent established by MHA is \$50 per month.

Mixed Family

A family whose members include those with citizenship or eligible immigration status and those without citizenship or eligible immigration status.

Monthly Adjusted Income

1/12 of Annual Adjusted Income.

Monthly Income

1/12 of Annual Income.

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.

Owner (including a principal or other interested party)

Possessor of property.

Overcrowded Family

A participant family with an insufficient number of bedrooms for the number of persons in the family, according to the HQS defined in the regulations.

Overhoused Family

A participant family with a greater number of bedrooms than required for the family members.

PHA-Owned Unit

A unit is “owned by a PHA if the unit is in a project that is:

- a. Owned by the PHA (which includes a PHA having a “controlling interest” in the entity that owns the unit);
- b. Owned by an entity wholly controlled by the PHA; or
- c. Owned by a limited liability company (LLC) 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.

Pre-Application

A preliminary application form designed to collect information to determine preliminary eligibility for placement on the waiting list.

Portability Eligibility

Families whose head of household or spouse lived in the MHA jurisdiction at the time of application.

Project

A single building, multiple contiguous buildings, or multiple buildings on contiguous parcels of land.

Prohibited Relative

Sister, brother, mother, father, spouse, son, daughter, grandmother, grandfather, step-family or in-law of any member of the family.

Reexamination

The process of securing documentation to recomputed rent and subsidy, and to determine that participants meet the eligibility requirements for continued assistance.

Reexamination Effective Date

The date established by MHA on which a rent change becomes effective following verification of all income, assets, expenses and circumstances. The anniversary of the first of the month the tenant was assisted under the assistance contract in effect.

Remaining Member of the Tenant Family

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

members have left. A live-in aide, foster children and foster adults do not qualify as the remaining member of a tenant family.

Rent to Owner

The rent charged by the owner, including owner paid utilities.

Service Provider

A person or organization qualified and experienced in the provision of supportive services, that is in compliance with applicable licensing requirements imposed by state or local law for the type of service to be provided. The service provider may be either a for-profit or a non-profit entity.

Sexual assault

Any nonconsensual sexual act proscribed by Federal, tribal, or State law, including when the victim lacks capacity to consent.

Sexual Orientation

Homosexuality, heterosexuality or bisexuality.

Single Person

A person who lives alone or intends to live alone.

Spouse or Intimate Partner

A person who is or has been in a social relationship of a romantic or intimate nature with the victim, as determined by the length of the relationship, the type of the relationship, and the frequency of interaction between the persons involved in the relationship.

Stalking

Engaging in a course of conduct directed at a specific person that would cause a reasonable person to:

- a. Fear for the person's individual safety or the safety of others; or
- b. Suffer substantial emotional distress.

Supportive Services

Services that help support a family's successful tenancy and address their needs in a broad range of areas, including but not limited to: Household Training, Job Training, Self Sufficiency Services and Resources, Remedial Education and Substance Abuse Treatment.

Temporary Deferral of Termination of Assistance

A specific period of time in which the family would continue to receive full assistance before assistance is terminated.

Tolling

The suspension of the search time that a family is allotted on their voucher.

Total Family Income

Annual Income as defined above.

Total Tenant Payment

An amount equal to 30 percent of the family's monthly-adjusted income; 10 percent of the gross monthly income of the family occupying the dwelling unit; or the monthly minimum rent of \$50, whichever amount is greater. The Total Tenant Payment does not include charges for excess utility consumption or other miscellaneous charges.

Utility Allowance

An amount determined by MHA as an allowance for the cost of utilities (except telephone and cable TV) payable directly by the tenant.

Utility Reimbursement

The amount by which the Utility Allowance for the unit exceeds the Family Share (negative rent).

VAWA

The Violence Against Women Act of 1994, as amended (42 U.S.C. 13925 and 42 U.S.C. 14043e et seq.).

Very-Low Income Family

A family whose Annual Income does not exceed 50% of the median income for the area, as determined by HUD, with adjustments for family size.

Veteran

An individual who has served in the United States Armed Forces.

Welfare Assistance

Welfare or other payments to families or individuals, based on need, that are made under programs funded, separately or jointly, by Federal, state or local governments. Also known as Temporary Assistance to Needy Families (TANF).

APPENDIX 2

Emergency Transfer Plan for Victims of Domestic Violence, Dating Violence, Sexual Assault, or Stalking

Link: [PIH 2017-08](#)

Emergency Transfers

Memphis Housing Authority (MHA) is concerned about the safety of its participants, and such concern extends to participants who are victims of domestic violence, dating violence, sexual assault, or stalking. In accordance with the Violence Against Women Act (VAWA), MHA allows participants who are victims of domestic violence, dating violence, sexual assault, or stalking to request an emergency transfer from the participant's current unit to another unit. The ability to request a transfer is available regardless of sex, gender identity, or sexual orientation. The ability of MHA to honor such request for participants currently receiving assistance, however, may depend upon a preliminary determination that the participant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking, and on whether MHA has another dwelling unit that is available and is safe to offer the participant for temporary or more permanent occupancy.

This plan identifies participants who are eligible for an emergency transfer, the documentation needed to request an emergency transfer, confidentiality protections, how an emergency transfer may occur, and guidance to participants on safety and security.

Eligibility for Emergency Transfers

A participant who is a victim of domestic violence, dating violence, sexual assault, or stalking, as provided in HUD's regulations at 24 CFR part 5, subpart L is eligible for an emergency transfer, if: the participant reasonably believes that there is a threat of imminent harm from further violence if the participant remains within the same unit. If the participant is a victim of sexual assault, the participant may also be eligible to transfer if the sexual assault occurred on the premises within the 90-calendar-day period preceding a request for an emergency transfer.

A participant requesting an emergency transfer must expressly request the transfer in accordance with the procedures described in this plan.

Participants who are not in good standing may still request an emergency transfer if they meet the other requirements in this section.

Emergency Transfer Request Documentation

To request an emergency transfer, the participant shall notify the HCV Management and submit a written request for a transfer to another location. MHA will provide reasonable accommodations to this policy for individuals with disabilities. The participant's written request for an emergency transfer should include either:

1. A statement expressing that the participant reasonably believes that there is a threat of imminent harm from further violence if the participant were to remain in the same dwelling unit assisted under MHA's program; OR
2. A statement that the participant was a sexual assault victim and that the sexual assault occurred on the premises during the 90-calendar-day period preceding the participant's request for an emergency transfer.

Confidentiality

MHA will keep confidential any information that the participant submits in requesting an emergency transfer, and information about the emergency transfer, unless the participant gives MHA written permission to release the information on a time limited basis, or disclosure of the information is required by law or required for use in an eviction proceeding or hearing regarding termination of assistance from the covered program. This includes keeping confidential the new location of the dwelling unit of the participant, if one is provided, from the person(s) that committed an act(s) of domestic violence, dating violence, sexual assault, or stalking against the participant.

Emergency Transfer Timing and Availability

MHA cannot guarantee that a transfer request will be approved or how long it will take to process a transfer request. MHA will, however, act as quickly as possible to expedite administrative processes for participants who are a victim of domestic violence, dating violence, sexual assault, or stalking to another unit, subject to availability and safety of a unit, or to a tenant-based voucher if available, in accordance with this Plan.

If a victim makes an emergency transfer request and has been living in a PBV unit for one year or more, MHA will provide the victim priority to receive the next available opportunity for continued tenant-based rental assistance. If a voucher is not available, MHA may:

- Offer to place the victim on their Public Housing waiting list.
- Offer a tenant-based voucher if available
- Provide the victim with a list of housing providers in the community for which the PHA has partnered to serve victims of domestic violence, dating violence, sexual assault, and stalking.
- Offer to allow the tenant to move to another PBV unit at the same site if the individual deems the unit safe, or to a unit in another PBV project under the PHA.
 - If a participant reasonably believes a proposed transfer would not be safe, the participant may request a transfer to a different unit. If a unit is available, the transferred participant must agree to abide by the terms and conditions that govern occupancy in the unit to which the participant has been transferred. MHA may be unable to transfer a participant to a particular unit if the participant has not or cannot establish eligibility for that unit.

If MHA has no safe and available units or tenant-based vouchers for which a participant who needs an emergency is eligible, MHA will assist the participant in identifying other housing providers who may have safe and available units to which the participant could move. At the participant's request, MHA will also assist participants in contacting the local organizations offering assistance to victims of domestic violence, dating violence, sexual assault, or stalking that are attached to this plan.

Safety and Security of Participants

Pending processing of the transfer and the actual transfer, if it is approved and occurs, the participant is urged to take all reasonable precautions to be safe.

Participants who are or have been victims of domestic violence are encouraged to contact the National Domestic Violence Hotline at 1-800-799-7233, or a local domestic violence shelter, for assistance in creating a safety plan. For persons with hearing impairments, that hotline can be accessed by calling 1-800-787-3224 (TTY).

Participants who have been victims of sexual assault may call the Rape, Abuse & Incest National Network's National Sexual Assault Hotline at 800-656-HOPE, or visit the online hotline at <https://ohl.rainn.org/online/>.

Participants who are or have been victims of stalking seeking help may visit the National Center for Victims of Crime's Stalking Resource Center at <https://www.victimsofcrime.org/our-programs/stalking-resource-center>.



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APPENDIX 3

COVID-19 WAIVERS AND ALTERNATIVE REQUIREMENTS

Link: [PIH 2020-08](#); PIH 2020-13; PIH 2020-33

On April 10, 2020, HUD issued Notice PIH 2020-05 in response to the COVID-19 pandemic and its impact on housing agencies nationwide. PIH Notice 2020-13 was issued on July 2, 2020 and PIH notice 2020-33 issued on November 30, 2020 supersede Notice PIH 2020-05. On November 30, 2020, HUD issued PIH Notice 2020-33. The notices made waivers available to public housing agencies under the Coronavirus Aid, Relief, and Economic Security (CARES) Act and established alternative requirements for numerous statutory and regulatory requirements for the Housing Choice Voucher (HCV) program. This will allow for more administrative flexibility and relief to public housing agencies to keep the programs operational to the extent practicable during the COVID-19 pandemic.

During the COVID-19 pandemic, MHA shall continue to exercise due diligence to adhere to the statutory and regulatory requirements of the HCV program. However, in case of the MHA's inability to adhere to statutory and regulatory requirements due to the effects the COVID-19 pandemic, MHA adopted and implemented the following waivers and alternative requirements as allowed under Notice PIH 2020-05 and Notice PIH 2020-13 through December 31, 2020 or any subsequent extensions provided by HUD. Once the period of availability deadline has lapsed, MHA will resume adherence to its normal policies, as outlined in the Administrative Plan.

The following reflects the revisions to the Administrative Plan due to the adoption of the COVID waivers and alternative requirements.

HCV-3 & 4: Family Income and Composition – Annual and Interim Reexamination

Income Verification waives the requirement to follow the income hierarchy described in notice 2018-18. MHA may forgo third-party income verification requirements for annual and interim reexaminations, including the use of EIV, and may use self-certification as the highest form of income verification to process annual and interim reexaminations.

10.1 Methods of Verification

MHA uses HUD's hierarchy for verifications, in the following order:

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

Revision: MHA is required to conduct a reexamination of income and family composition annually and to use the Enterprise Income Verification (EIV) System for verification of family income at the annual examination.

If MHA is unable to follow the HUD hierarchy because verifications are not available, MHA may accept written self-certification as well as oral third-party certification to verify income for reexaminations and interim re-examinations as the highest form of income verification.

HCV-5: Enterprise Income Verification (EIV) Monitoring waives the mandatory EIV monitoring requirements.

10.1.1 EIV Verification Process

MHA uses HUD's Enterprise Income Verification (EIV) system and the EIV Income Validation Tool and reports) to verify participant employment, earned income, unemployment benefits, and social security (SS), and supplement security income (SS) benefits information at annual and interim reexaminations.

Revision: MHA is required to use the EIV System to verify the reported income of participants. Due to possible technology challenges and limitations that may be encountered during the COVID-19 pandemic, MHA may suspend EIV monitoring.

HQS-1: Initial Inspection waives the requirement to conduct an initial inspection and the unit passes in order for it to be placed under HAP contract and payments commenced on the unit.

8.2 Initial Inspections

MHA will schedule and conduct the initial inspection after receiving a completed RFTA from the family and the unit is ready for inspection.

Revision: MHA is required to conduct an inspection of a unit, within specific timeframes, before any housing assistance payment is made to determine whether the unit meets HQS. MHA may not approve the assisted tenancy or execute a HAP contract until the unit has been inspected by the PHA and passes HQS.

In lieu of conducting an initial inspection, MHA may allow the owner to submit a self-certification that the owner has no reasonable basis to have knowledge that life-threatening conditions exist in the unit or units in question instead of conducting an initial inspection.

For any units for which a self-certification was accepted, MHA will perform an inspection of the unit no later than 1 year from the date of the owner's certification.

HQS-3: Initial Inspection: Non-Life-Threatening Deficiencies (NLT) Option waives the requirement that the PHA must withhold the payment if the NLT repairs are not made in 30 days. Instead, the PHA may provide an extension of up to an additional 30 days to the owner to make the NLT repairs and continue to make payments to the owner during the period of that maximum 30-day extension.

8.2.1 Approval of Tenancy with a failed HQS Initial Inspection

MHA may, at its sole discretion, approve the Request for Tenancy (RFTA) and commence housing assistance payments if the unit fails the initial inspection but only has non-life-threatening HQS deficiencies. If a MHA makes payments under this exception, MHA will withhold any assistance payments if the non-life-threatening deficiencies are not remedied within no more than 30 days of MHA notifying the owner of the unit, in writing, of the unit's failure to comply with HQS.

Revision: MHA may approve the Request for Tenancy (RFTA) and commence housing assistance payments if the unit failed to meet HQS as the result only of Non-Life-Threatening (NLT) deficiencies. MHA may approve an extension of up to an additional 30 days to make the repairs.

MHA may also approve an assisted tenancy and execute a HAP contract if there are outstanding NLT deficiencies in the unit. However, if repairs are not made within 60 days, MHA will withhold payments until the repairs are made. Once the unit passes the HQS, assistance payments may be made retroactively, dating back to the beginning of the assisted lease term, which is the effective date of the HAP contract.

HQS-5: Biennial HQS Inspections allows for the delay of the biennial HQS inspection requirement for both tenant-based and PBV units. All delayed biennial inspections must be completed as soon as reasonably possible but no later than 1 year after the date on which the biennial inspection would have been required.

CHAPTER 8: Housing Quality Standards and Inspections and Rent Reasonableness

MHA generally performs four types of inspections:

- Initial Inspections
- Biennial Inspections
- Special/Complaint Inspections
- Quality Control Inspections

At least biennially, MHA will inspect the units to determine if the unit and the premises are maintained in accordance with the HQS.

Revision: All HCV units will be inspected, at least biennially, and must comply with Housing Quality Standards to participate in the program.

MHA may delay biennial inspections until the CDC, state and local government have relaxed the COVID-19 restrictions. Delayed inspections will be conducted as soon as reasonably possibly, but not later than one year after the date the biennial inspection would have been required absent the waiver.

HQS-6: Interim HQS Inspections waives the requirement tenant reports that a unit does not meet HQS, MHA normally would have to inspect the unit within 24 hours or 15 days. Under the waiver, if the deficiency is life-threatening, the MHA inspection is waived if the owner either corrects the deficiency or provides photos or other evidence that the deficiency did not exist within 24 hours. If non-life threatening, MHA has 30 days to notify the owner who in turn has 30 days to either correct the deficiency or provide documentation that the deficiency doesn't exist.

8.4 Special Inspections

MHA will conduct a special inspection if the owner, family, or another source reports HQS violations in the unit.

8.7 Emergency Inspections

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

When life-threatening conditions are identified, MHA will immediately notify the owner and/or family by mail, telephone, or other electronic means. The notice will specify who is responsible for correcting the violation. The corrective actions must be taken within 24 hours of MHA's notice.

When failures that are not life-threatening are identified, MHA will provide the owner and/or family written notification of the inspection results. The written notice will state that the re-inspection will occur within 30 days, without a MHA approved extension.

Revision: Owners are required to maintain units in compliance with Housing Quality Standards (HQS) at all times. MHA conducts a special inspection if the owner, family, or another source reports HQS violations in the unit.

For reported HQS violations in the unit, MHA will notify the owner of deficiency and in lieu of a physical inspection, MHA will require owners to self-certify to repair for HQS fail items within the prescribed time, 24 hours for life threatening or 30 days for non-life threatening.

In lieu of re-inspection when unit in abatement and/or third inspection is requested, MHA will require the owner and participant to submit an Owner Self Certification of Repair for failed items. MHA shall perform an inspection of the unit no later than 1 year from the date of the owner's certification.

HQS-9: HQS Quality Control Inspections waives the requirement for QC sampling inspections.

8.5 Quality Control Inspections

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

Revision: MHA is required to conduct quality control inspections of a sample of units under contract.

MHA may suspend quality control inspections until the CDC, state and local government have relaxed the COVID-19 restrictions. Quality Control inspections will be conducted as soon as reasonably possibly and safe to do so.

HQS-10: HQS Space and Security waives the limits on persons per sleeping room if a family wants to add a family member for existing leases only (not new leases). The waiver will remain in effect 1 year from the lease term or date of this notice, whichever is longer.

7.5.4 Underhoused and Overhoused Families

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

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

MHA will not require a family to move until the lease term date after COVID-19 restrictions are lifted, if the addition of a new household member would violate Housing Quality Standards (HQS) regarding space and safety.

HCV-2: Information When Family is Selected: PHA Oral Briefing waives the requirement to conduct an oral briefing for families selected to participate in either the HCV or PBV program. Oral briefings of new HCV recipients can be done through other means such as a webcast, video call, or expanded information packet.

5.5 Eligibility Process

Families selected from the waiting list are required to complete MHA's eligibility determination process which may include one or more interviews/appointments/briefings.

17.10 Portability

The family must attend the briefing and counseling sessions required by the receiving PHA.

Revision: MHA is required to give an oral briefing to families in the HCV and PBV programs that are selected from the waiting list.

MHA will not require that eligible applicants pulled from the HCV waiting list attend an in-person briefing in order to receive a voucher. Instead, eligible applicants will be required to watch an online briefing presentation or receive an oral briefing by phone.

HCV – 6: Automatic Termination of HAP Contract waives the requirement to terminate a HAP contract 180 days after a participant is placed on abeyance. MHA may, following written notice to the participant, extend the period of time following the last payment to the owner that triggers the automatic termination.

12.5.1 Grounds for Termination of Assistance

MHA is required to terminate assistance for any or all of the following circumstances:

- Family with Zero Assistance

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

Revision: MHA is required to automatically terminate HAP contract if a family has received zero assistance in 180 days.

MHA will not pursue program termination for participants who have received zero assistance and are able to pay their full contract rent for more than 180 days.

HCV-3: Term of Voucher provides an extension to the voucher term in an effort to provide maximum search time for families searching for a unit.

7.4 Voucher Term

The initial voucher term is 60 calendar days. The family must submit a Request for Tenancy Approval that is complete and a proposed lease within the 60-day period, unless MHA grants an extension. An additional 30 days will be added to the initial voucher term for a family exercising portability.

Vouchers are typically issued for an initial voucher term of 60 calendar days. The maximum time limit on the voucher term (including extensions) is 120 days.

Revision: MHA may grant an extension of the voucher term and the maximum time limit on the voucher search for an additional 60 days to allow families time to search for a suitable unit.

HCV-5: Absence From Unit waives the requirement that a voucher holder may not be absent from a unit for more than 180 consecutive calendar days.

5.8.2 Absence of Entire Family

Notice is required when all family members will be absent from the unit for an extended period of time (greater than 30 calendar days). Families are required to give MHA 30 days' notice before moving out of a unit. Absence means that no family member is residing the unit.

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

If a family is absent from the unit for more than 180 consecutive days, MHA will terminate assistance.

Revision: MHA is required to terminate assistance for families that are absent from the unit for more than 180 consecutive calendar days for any reason. Due to the COVID-19 pandemic, MHA recognizes that families may have to relocate to protect their health and safety.

MHA will not terminate assistance for families who have been away from the unit for more than 180 calendar day due to the COVID-19 pandemic. MHA may not make payments after this date if the family is still absent and the HAP contract will terminate.

HCV- 6 : Family Self-Sufficiency (FSS) Contract of Participation provides for extensions to the FSS Contract of Participation. The Family Self-Sufficiency (FSS) contracts of participation can be extended for up to two years due to good cause. This provides for extensions to the FSS Contract of Participation.

18.4 Contract of Participation

Each family that is selected to participate in an FSS program must enter into a contract of participation with MHA. The contract of participation must be signed by the head of the FSS family. The contract of participation provides that each FSS family is required to fulfill their obligations no later than 5 years after the effective date of the contract. MHA may extend the term of the contract of participation for a period not to exceed two years for any FSS family that requests, in writing, an extension of the contract, provided that MHA finds that good cause exists for granting the extension.

Revision: The FSS contract of participation provides that each FSS family is required to fulfill their obligations no later than 5 years after the effective date of the contract. MHA may extend the term of the contract of participation for a period not to exceed two years for any FSS family that requests, in writing, an extension of the contract, provided that MHA finds that good cause exists for granting the extension.

MHA will consider circumstances surrounding the COVID-19 pandemic as a good cause for granting Family Self-Sufficiency (FSS) Program contract extensions.

HCV- 10: Family Unification Program: FUP Youth Age Eligibility to Enter HAP Contract

waives the requirement that the PHA may execute a HAP contract on behalf of any otherwise eligible FUP youth not more than 25 years of age (not yet reached their 26th birthday).

4.8 Targeted Assistance

Family Unification Program (FUP)

The Family Unification Program provides Housing Choice Voucher (HCV) rental assistance to provide housing to (1) families for whom the lack of adequate housing is a primary factor in either the imminent placement of the family's child or children in out-of-home care or the delay in the discharge of the child or children to the family from out-of-home care and (2) youth at least 18 years old and not more than 24 years old who left foster care at age 16 or older or will leave foster care within 90 days.

Revision: The Family Unification Program provides rental assistance to foster youth who are at least 18 years old and not more than 24 years old at the time of initial HAP contract execution.

MHA will extend the age limit for foster youth to up to age 26 at the time of the initial HAP contract execution.

HCV-11: FUP: Length of Assistance for Youth allows PHAs to suspend terminations of assistance for FUP youth who will reach the 36-month limit between the period, April 10, 2020 and December 31, 2020.

Revision: The Family Unification Program provides rental assistance to foster youth for a period not to exceed 36 months.

MHA will suspend terminations of assistance for FUP youth who will reach the 36-month limit during the period of availability.

HCV- 12: Family Unification Program: Timeframe for Referral allows PHAs to accept referrals of otherwise eligible youth who will leave foster care with 120 days.

4.8 Targeted Assistance

Family Unification Program (FUP)

The Family Unification Program provides Housing Choice Voucher (HCV) rental assistance to provide housing to (1) families for whom the lack of adequate housing is a primary factor in either the imminent placement of the family's child or children in out-of-home care or the delay in the discharge of the child or children to the family from out-of-home care and (2) youth at least 18 years old and not more than 24 years old who left foster care at age 16 or older or will leave foster care within 90 days.

Revision: MHA may accept referrals from child welfare agencies for foster youth who will leave foster care within 90 days.

MHA will extend the timeframe to accept referrals from child welfare agencies for youth who will leave foster care to 120 days.

Interim Reexamination Retroactive Changes allows retroactive changes in rent due to an Interim Reexamination.

11.2.4 Interim Reexamination Effective Dates

If the family's share of rent is to increase:

- The increase will become effective on the first day of the second month following the date the change occurred.
- If a family fails to report a change within the required timeframe or fails to provide all required and requested information within the required timeframe, the increase will be effective retroactive to the date the rent would have been effective had the information been provided on a timely basis.

If the family's share of 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 and requested information has been received.

Revision: To avoid evictions during the COVID-19 pandemic, retroactive changes in rent as the result of an interim reexamination shall be allowed for families who were eligible for a rent reduction, but did not report their income loss promptly due to extenuating circumstances of COVID-19 and/or families.

The effective date of an interim reexamination retroactive to the first of the month following the date of the actual decrease in income as opposed to the first of the month following when the family reported the change in income or when the interim reexamination was conducted.

