

*Housing Authority of the City of Muskogee
Section 8 Administrative Plan
Muskogee, Oklahoma*

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Chapter 1
STATEMENT OF POLICIES AND OBJECTIVES

General

The Section 8 Program was enacted as part of the Housing and Community Development Act of 1974, which re-codified the U.S. Housing Act of 1937. The Act has been amended from time to time, and its requirements, as they apply to the Section 8 Housing Choice Voucher Program, is described in and implemented throughout this Administrative Plan. The Section 8 rental assistance programs are federally funded and administered by the Housing Authority of the City of Muskogee.

Administration of the Section 8 Program and the functions and responsibilities of the Housing Authority (MHA) staff shall be in compliance with MHA's Personnel Policy and the Department of Housing and Urban Development (HUD) Section 8 regulations, as well as all Federal, State, and local Fair Housing Laws and Regulations.

Jurisdiction

The jurisdiction of the Housing Authority of the City of Muskogee is the legal boundaries of the City of Muskogee. In addition, through a cooperative agreement with the Cherokee Nation Housing Authority, the Housing Authority of the City of Muskogee has overtaken administration of existing Cherokee Nation vouchers in the counties of Cherokee, Mayes, Rogers, Sequoyah, Tulsa, and Wagoner.

Housing Authority Mission Statement

The mission of the Housing Authority of the City of Muskogee is to enhance the quality of life for residents in the Muskogee area by providing affordable, quality housing options, advocating for resident involvement in community and employment opportunities, exemplifying leadership roles within communities and promoting an ideology of self-sufficiency.

Program Goals [24 CFR 982.11]

MHA has the following goals for the program:

1. To encourage self-sufficiency of participant families and assist in the expansion of family opportunities, which address educational, socio-economic, recreational and other human service needs.
2. To create positive public awareness and expand the level of family, owner, and community support in accomplishing MHA's mission.
3. To attain and maintain a high level of standards and professionalism in our day-to-day management of all program components.
4. To administer an efficient, high-performing agency through continuous improvement of MHA's support systems and commitment to our employees and their ongoing educational development.
5. To provide safe, decent, and sanitary housing for very low and low income families while maintaining their rent payments at an affordable level according to HUD definition.
6. To promote a market-driven housing program that will help qualified low-income families be successful in obtaining affordable housing and increase the supply of housing choices for such families.

Purpose of the Plan [24 CFR 982.54]

The purpose of the Administrative Plan is to establish policies for carrying out Section 8 Housing Choice Voucher programs in a manner consistent with HUD requirements and local goals and objectives contained in the MHA Agency Plan.

MHA is responsible for complying with all changes in HUD regulations pertaining to these programs. If such changes conflict with this plan, HUD regulations will have precedence. Applicable regulations include:

- 24 CFR Part 5: General Program Requirements
- 24 CFR Part 8: Nondiscrimination
- 24 CFR Part 35: Lead Based Paint
- 24 CFR Part 100: Nondiscrimination, Handicap
- 24 CFR Part 982: Section 8 Tenant-Based Assistance

- 24 CFR part 985: SEMAP

Rules and Regulations [24 CFR 982.52]

This Administrative Plan is set forth to define MHA's local policies for operation of the housing programs in the context of Federal laws and regulations. Such Federal regulations, HUD memos, Notices and guidelines, or other applicable law governs all issues related to Section 8 not addressed in this document.

Nondiscrimination and Accessibility [24 CFR 982.54(d) (6)]

It is the policy of the Housing Authority of the City of Muskogee to comply fully with all Federal, State, and local nondiscrimination laws; the Americans with Disabilities Act; and the U.S. Department of Housing and Urban Development regulations governing Fair Housing and Equal Opportunity in housing and employment.

No person shall, on the ground of race, color, sex, religion, national or ethnic origin, familial status, or disability be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under the Housing Authority of the City of Muskogee housing programs.

To further its commitment to full compliance with applicable Civil Rights laws, MHA will provide Federal/State/local information to applicants for and participants in the Section 8 Housing Choice Voucher program regarding discrimination and any recourse available to them if they believe they may be victims of discrimination. Such information will be made available to voucher holders, and all applicable Fair Housing information and Discrimination complaint forms will be made available at the MHA administrative office. In addition, all written information and advertisements will contain the appropriate Equal Opportunity language and logo. Such information will be made available during the family briefing session, and all applicable Fair Housing information and Discrimination complaint forms will be made a part of the voucher holder's briefing packet and available on request.

The Housing Authority of the City of Muskogee will assist any family that believes they have suffered illegal discrimination by providing copies of the housing discrimination form. MHA will also assist them in completing the form, if requested, and will provide them with the address of the nearest HUD Office of Fair Housing and Equal Opportunity.

The Housing Authority of the City of Muskogee shall not:

- a) deny any family the opportunity to apply for housing, nor deny and qualified applicant the opportunity to lease housing suitable to its needs;
- b) provide housing which is different from that provided others;
- c) subject a person to segregation, harassment or disparate treatment;
- d) restrict a person's access to any benefit enjoyed by others in connection with the housing program;
- e) treat a person differently in determining eligibility or other requirements for admission;
- f) deny a person access to the same level of services.

Office, Facility, and Program Accessibility

MHA will make every effort to assure that its offices, facilities, and programs are accessible to persons with a full range of disabilities. If offices, facilities and programs are not accessible, alternate arrangements will be made, subject to the undue financial and administrative burden test.

Documents and presentations intended for use by applicants and participants will be made available in formats accessible for those with vision or hearing impairments. At the point of initial contact, MHA will ask all participants whether they need some form of communication other than plain language paperwork. Alternative forms of communication might include: sign language interpretation, having materials explained orally by staff, either in person or by phone, large type materials, information on tape, and having someone (friend, relative or advocate) accompany the applicant to receive, interpret, and explain housing materials (24 CFR 8.6).

Staff will be trained to provide examples, verbally and in written format, of complicated concepts such as eligibility, rent computation, applicant screening, reasonable accommodations, and lease compliance to enable applicants with learning or cognitive disabilities to understand as much as possible (24 CFR 8.6).

At a minimum, MHA will prepare the following information in clearly written and accessible formats:

- a) marketing and informational materials
- b) information about the application process
- c) the application form
- d) all form letters and notices to applicants and participants
- e) general statement about reasonable accommodation
- f) briefing materials for applicants
- g) all information related to applicant's rights

Addressing Barriers to Equal Housing Opportunities/Reasonable Accommodation

Except as otherwise provided in 24 CFR 8.21(c)(1), 8.24 (a), 8.25, and 8.31, no individual with disabilities shall be denied the benefits of, be excluded from participation in, or otherwise be subjected to discrimination because the MHA facilities are inaccessible to or unusable by persons with disabilities. Posters and housing information are displayed in locations throughout MHA's office in such a manner as to be easily readable from a wheelchair.

In accordance with Section 504 and the Fair Housing Amendments Act of 1988, the Housing Authority of the City of Muskogee will make reasonable accommodations to permit persons with disabilities to take full advantage of the Section 8 housing programs.

Reasonable accommodations shall include assistance for persons with disabilities in locating appropriate accessible units, referrals to other community agencies that provide such assistance, and intervention with property owners to negotiate permission to make reasonable modifications in accordance with all provisions of the law.

A participant with a disability must first ask for a specific change to a policy as an accommodation of their disability before MHA will treat a person differently than anyone else. MHA's practices will be designed to provide assurances that persons with disabilities will be given reasonable accommodation, upon request, so that they may fully access and utilize the housing program and related services. The availability of requesting an accommodation will be made known by including notices on forms and letters.

This policy is intended to afford persons with disabilities an equal opportunity to obtain the same result, to gain the same benefit, or to reach the same level of achievement as those who do not have disabilities and is applicable to all situations described in this Administrative Plan including when a family initiates contact with MHA, when MHA initiates contact with a family including when a family applies, and when MHA schedules or re-schedules appointments of any kind.

To be eligible to request a reasonable accommodation, the requester must first certify (if apparent) or verify (if not apparent) that they are a person with a disability under the following ADA definition:

- A physical or mental impairment that substantially limits one or more major life activities of an individual; a record of such impairment; or being regarded as having such an impairment.

Rehabilitated former drug users and alcoholics are covered under the ADA. However, a current drug user is not covered. In accordance with 5.403(a), individuals are not considered disabled for eligibility purposes solely on the basis of any drug or alcohol dependence. Individuals whose drug or alcohol addiction is a material factor to their disability are excluded from the definition. Individuals are considered disabled if disabling mental and physical limitations would persist if drug or alcohol abuse discontinued.

Once the person's status as a qualified person with a disability is confirmed, MHA will require that a professional third party competent to make the assessment provides written verification that the person needs the specific

accommodation due to their disability and the change is required for them to have equal access to the housing program.

Undue Burden

If MHA finds that the requested accommodation creates an undue administrative or financial burden, MHA will either deny the request and/or present an alternate accommodation that will still meet the need of the person.

An undue administrative burden is one that requires a fundamental alteration of the essential functions of MHA (for example, waiving a family obligation). An undue financial obligation is one that when considering the available resources of the agency as a whole, the requested accommodation would pose a severe financial hardship on MHA.

MHA will provide a written decision to the person requesting the accommodation within a reasonable time. If a person is denied the accommodation or feels that the alternative suggestions are inadequate, they may request an informal hearing to review MHA's decision.

Reasonable accommodation will be made for persons with a disability that requires an advocate or accessible offices. A designee will be allowed to provide some information, but only with the written consent of the person with the disability.

Translation of Documents

The Housing Authority of the City of Muskogee will endeavor to have bilingual staff (Spanish/English) or access to persons who speak the Spanish to assist non-English speaking families on request.

In determining whether it is feasible to provide translation of documents written in English into other languages, MHA will consider the following factors:

- Number of applicants and participants in the jurisdiction who do not speak English and speak the other language.
- Availability of bi-lingual staff to provide translation for non-English speaking families.

Privacy Rights [24 CFR 982.551 and 24 CFR 5.212]

Applicants and participants, including all adults in their households, are required to sign the HUD-9886 form Authorization for the Release of Information. This document incorporates the Federal Privacy Act Statement and describes the conditions under which HUD and/or MHA will release family information. MHA will not release other information except as otherwise specifically identified in this Administrative Plan.

All applicant and participant files will be stored in a secure location, which is only accessible by authorized staff. MHA staff will not discuss family information contained in files unless there is a business reason to do so. Inappropriate discussion of family information or improper disclosure of family information by staff will result in disciplinary action.

Family Outreach

MHA will publicize the opening of the Section 8 program waiting list in a newspaper of general circulation, minority media, and by other suitable means when there are insufficient applicants to maintain full program utilization.

To reach persons who cannot read newspapers, MHA will distribute fact sheets to the broadcasting media and initiate personal contacts with members of community service agencies serving the populations most likely to need housing assistance.

Owner Outreach [24 CFR 982.54(d)(5)]

The Housing Authority of the City of Muskogee will develop, implement, and an ongoing marketing campaign designed to consistently attract new property owners to the Section 8 housing assistance program. Components of this program include but are not limited to the following activities:

- Establish and maintain a strong relationship with the Muskogee landlord community, participating in local landlord associations and related networking functions.
- Create and update an inventory of all multi-family apartment complexes in the City of Muskogee and communicate regularly with the corresponding management agents.
- Conduct annual seminars for property owners to inform them of the program and its benefits, including emphasis on quality screening and ways MHA assists owners to perform better screening.
- Courtesy inspections to assist landlords in making a determination of the work which may be needed to place a unit on the program.
- Provide opportunities for owners to ask questions, obtain written materials, and meet MHA staff.

MHA will particularly encourage owners of suitable units located outside of low-income or minority concentration to attend. Targeted mailing lists will be developed and announcements mailed.

MHA will maintain lists of available housing units submitted by owners in all neighborhoods within the MHA jurisdiction to ensure greater mobility and housing choice to very low income households. The unit list will be provided to all applicants in their briefing packet and to program participants on request.

Required Postings

The Housing Authority of the City of Muskogee will post in the Administration Building in a conspicuous place and at a height easily read by all persons including persons with mobility disabilities the following information:

- a) the Section 8 Administrative Plan;
- b) notice of the status of the waiting list (open or closed);
- c) address of all MHA offices, office hours, telephone numbers, and hours of operation;
- d) income limits for admission;
- e) informal review and informal hearing procedures;
- f) Fair Housing poster;
- g) Equal Opportunity in Employment poster.

Chapter 2 ELIGIBILITY FOR ADMISSION

General [24 CFR Part 5, Subparts B, D & E; Part 982, Subpart E]

This chapter defines both HUD and MHA's criteria for admission and denial of admission to the program. The policy of MHA is to strive to objectivity and consistency in applying these criteria to evaluate the eligibility of

families who apply for housing assistance. MHA staff will review all information provided by the family carefully and without regard to factors other than those defined in this chapter. Families will be provided the opportunity to explain their circumstances, to furnish additional information, if needed, and to receive an explanation of the basis for any decision made by MHA pertaining to their eligibility.

Eligibility Factors [24 CFR 982.201(b)]

MHA will accept applications only from families whose head or spouse is at least 18 years of age or an emancipated minor under the laws of the State of Oklahoma.

To be eligible for participation in the Section 8 Housing Choice Voucher program, an applicant must meet the following criteria established by HUD:

- An applicant must be a “family”
- An applicant must be within the applicable Income Limits
- An applicant must furnish Social Security numbers for all family members age six and older
- An applicant must furnish Declaration of Citizenship or Eligible Immigrant Status and at least one member of the applicant family must be either a U.S. citizen or have eligible immigration status.

Placement on the Waiting List

The family’s initial eligibility for placement on the waiting list will be made in accordance with the eligibility factors identified above. However, eligibility factors will not be verified before the family is placed on the waiting list. Placement on the waiting list will be based solely on the household’s certification.

Reasons for denial of placement on the waiting list or denial of admission are addressed in the “Denial or Termination of Assistance” further in this Administrative Plan. These reasons for denial constitute additional admission criteria.

Family Composition

The term "Family" also includes, but is not limited to, regardless of actual or perceived sexual orientation, gender identity, or marital status:

- 1) A single person, who may be an elderly person, displaced person, disabled person, near-elderly person or any other single person; or
- 2) A group of persons residing together and such group includes, but is not limited to:
 - a) 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);
 - b) An elderly family;
 - c) A near-elderly family;
 - d) A disabled family;
 - e) A displaced family; and
 - f) The remaining member of a tenant family

In addition, for categorizing family as defined above, the terms disabled family, elderly family, and near-elderly family (per 24 CFR 5.403) 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.

Near elderly family means a family whose head (including co-head), spouse, or sole member is a person who is at least 50 years of age but below the age of 62; or two or more persons, who are at least 50 years of age but below the age of 62, living together; or one or more persons who are at least 50 years of age but below the age of 62.

Children in Foster Care

A child who is temporarily away from home because of placement in foster care is considered a member of the family. This provision only pertains to the foster child's temporary absence from the home, and is not intended to artificially enlarge the space available for other family members.

Unborn Children/Adoption

For the purpose of determining bedroom size on the waiting list, unborn children and children in the process of being adopted are considered family members. However, the unborn children and/or children in the process of adoption are not considered family members for determining income limits and will not be considered family members if not living with the head of household at the time of voucher issuance.

Head of Household

The head of household is the adult member of the household who is designated by the family as head, is wholly or partly responsible for paying the rent, and has the legal capacity to enter into a lease under State/local law.

Co-Head

The co-head of the household is any adult individual designated by the household, who is equally responsible for the lease with the Head of Household. A family may have a spouse or co-head, but not both. A co-head never qualifies as a dependent.

Live-In Attendants

A family may include a live-in aide provided that such live-in aide:

- Is determined by MHA to be essential to the care and well being of an elderly person, a near-elderly person, or a person with disabilities;
- Is not obligated for the support of the person(s); and
- Would not be living in the unit except to provide care for the person(s).

The following distinct provisions apply to a live-in aide:

- Income of the live-in aide will not be counted for purposes of determining eligibility or amount of housing assistance.
- Live-in aides are not subject to non-citizen rule requirements.
- Live-in aides are not considered as a remaining member of the participant family and are therefore not entitled to any continued housing assistance if the household member they were aiding no longer participates in the program.

Relatives are not automatically excluded from being live-in aides, but they must also meet all of the elements in the live-in aide definition described above.

A live-in aide may only reside in the unit with the approval of MHA. Written verification will be required from a reliable, knowledgeable professional, such as a doctor, social worker, or caseworker. The verification provider must

certify that a live-in aide is needed for the care of the family member as described above. Verification must include the hours the care will be provided.

At any time, MHA will refuse to approve a particular person as a live-in aide or may withdraw such approval if:

- The person commits fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program;
- The person commits drug-related criminal activity or violent criminal activity; or
- The person currently owes rent or other amounts to MHA or to another public housing authority in connection with Section 8 or public housing assistance under the 1937 act.

Split Households Prior to Voucher Issuance

When a family on the waiting list splits into two otherwise eligible families due to divorce or legal separation, and the new families both claim the same placement on the waiting list, and there is no court determination, MHA will determine the family unit that retains the children as the applicant family. If there are no children, MHA will require the applicants to jointly agree to the continued applicant or solicit a court decision.

Documentation of these factors is the responsibility of the applicant families. If either or both of the families do not provide appropriate documentation, they will be denied continued placement on the waiting list for failure to supply information requested by MHA.

Multi-Generational Families

Families applying for assistance, which consist of two or more generations living together (such as a mother, and a daughter with her own children) will be treated as a single family unit and will be entitled to only one housing voucher for assistance.

Joint Custody of Children

Children who are subject to a joint custody agreement but live with one parent at least 51% of the time will be considered members of the household. "51% of the time" is defined as 183 days of the year, which do not have to run consecutively. Legal documentation must be provided for families who claim joint custody or temporary guardianship.

Income Limitations [24 CFR 982.201(b), 982.353]

The following income restriction provisions apply to applicants for admission to the Section 8 housing assistance programs:

- An applicant must be a very low income family, which is defined as a family whose annual income does not exceed 50% of the area median income.
- Applicants in excess of the very low income limits but within the low income limits (80% of the area median income) will only be admitted based on the following criteria:
 1. A low income family that is continuously assisted under the 1937 Housing Act. An applicant is continuously assisted if the family has received assistance under any 1937 Housing Act program within 120 days of voucher issuance.
 2. A low income family displaced by rental rehabilitation activity under 24 CFR part 511.
 3. A low income non-purchasing family residing in a project subject to homeownership program under 24 CFR 248.173.
 4. A low income or moderate income family that is displaced as a result of a prepayment of a mortgage or voluntary termination of mortgage insurance contracts under 24 CFR 248.165.
 5. A low income family that qualifies for voucher assistance as a non-purchasing family residing in a project subject to a resident home ownership program.

To determine if the family is income-eligible, MHA will compare the Annual Income of the family to the applicable income limit for the family's size. Families whose Annual Income exceeds the income limit will be denied admission and offered an informal review.

- Families using portability must be within MHA's applicable income limits at the time of initial lease-up in MHA's jurisdiction.
- 75% of all newly admitted applicants must fall within 30% of the area median income.
- Income limits apply only at admission and are not applicable for continued occupancy; however, as income rises the assistance will decrease.
- The applicable income limit for issuance of a voucher is the highest income limit for the family size for areas within MHA's jurisdiction. The applicable income limit for admission to the program is the income limit for the area in which the family is initially assisted in the program. The family may only use the voucher to rent a unit in an area where the family is income eligible at admission to the program.

Mandatory Social Security Numbers [24 CFR 5.216, 5.218]

Families are required to provide verification of Social Security Numbers for all family members age six and older prior to admission, if the Social Security Administration issued them a number. This requirement also applies to persons joining the family after admission to the program.

Failure to furnish verification of social security numbers is grounds for denial or termination of assistance.

Persons who have not been issued a social security number must sign a certification that they have never been issued a social security number.

Persons who disclose their social security number but cannot provide verification must sign a certification and provide verification within 60 days. Elderly persons must provide verification within 120 days.

Citizenship/Eligible Immigration Status [24 CFR Part 5, Subpart E]

In order to receive assistance, a family member must be a U.S. citizen or eligible immigrant. Eligible immigrants are persons who are in one of the immigrant categories as specified by HUD. The status of each member of the family is considered individually before the family's status is defined as follows:

- Mixed Families – a family is eligible for assistance as long as at least one member is a citizen or eligible immigrant. Families that include eligible and ineligible individuals are called "mixed." Assistance to such applicant families will be prorated and applicants will be notified accordingly.
- All Members Ineligible – applicant families that include no eligible members are not eligible for assistance. Such families will be denied admission.
- Non-Citizen Students – defined by HUD in the non-citizen regulations, and not eligible for assistance.

Applicants are entitled to a hearing for denial of placement on the waiting list or denial of assistance if such denial is based on the immigration status criteria described above.

Signing Consent Forms

In order to be eligible, each family member who is at least 18 years of age, and each head of household and spouse regardless of age, shall sign one or more consent forms. The consent form must contain, at a minimum, the following:

- A provision authorizing HUD and MHA to obtain from State Wage Information Collection Agencies (SWICAs) any information or materials necessary to complete or verify the application for participation or for eligibility for continued occupancy.

- A provision authorizing HUD and MHA to verify with previous or current employers income information pertinent to the family's eligibility for or level of assistance;
- A provision authorizing HUD and MHA to request income information from the IRS, the SSA, and DHS for the sole purpose of verifying income information pertinent to the family's eligibility or level of benefits.
- A statement that the authorization to release the information requested by the consent form expires 15 months after the date the consent form is signed.

Other Criteria for Admissions [24 CFR 982.552(b)]

MHA will apply the following additional criteria for admission to the program. Violation of any of the following may result in denial of admission.

- The family must not have violated any family obligation during a previous participation in the Section 8 program for one year prior to final eligibility determination.
- No family member has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program within the last three years prior to final eligibility determination for the first offense.
- The family must pay any outstanding debt owed to MHA or another public housing authority in connection with Section 8 or public housing assistance under the 1937 Act within 15 working days of MHA notice to repay.
- No family member may have been evicted from public housing for any reason during the last three years prior to final eligibility determination.
- No family member may have engaged in or threatened abusive or violent behavior toward MHA personnel for three years prior to final eligibility determination.
- No member of the family may have engaged in drug-related or violent criminal activity for three years prior to final eligibility determination.
 1. To determine whether this has occurred, MHA will check criminal history for all adults in the household to determine whether any member of the family has been arrested and/or convicted of violent or drug-related criminal activity within three years prior to final eligibility determination.

Persons evicted from other federally assisted housing because of an arrest and/or conviction for drug-related criminal activity are ineligible for admission to Section 8 programs for a three year period beginning on the date of such eviction. After the three-year period, the person must certify they are no longer engaging in a drug-related criminal activity and demonstrate successful completion of a rehabilitation program approved by MHA.

The applicant may not misrepresent the information on which eligibility or tenant rent is established. In addition to denial of admission, MHA will refer the family file/record to the proper authorities for appropriate disposition.

Tenant Screening [24 CFR 982.307]

MHA may deny assistance to a family because of drug-related criminal activity or violent criminal activity by family members. This check will be made through state or local law enforcement or court records in those cases where the household member has lived in the local jurisdiction for the last three years. If the individual has lived outside the local area, MHA may contact law enforcement agencies where the individual lived or request a check through the FBI's National Crime Information Center (NCIC). MHA will ban for life any individual who is registered as a lifetime sex offender.

MHA will not screen the applicant household for family behavior or suitability of tenancy. At or before MHA's approval of the tenancy, MHA will inform the owner that screening and selection for tenancy is the responsibility of the owner. At the prospective owner's request, MHA will provide any factual information or third-party written information they have relevant to a voucher holder's history of, or ability to, comply with material standard lease terms or any history of drug-related criminal activity.

The owner is responsible for screening families based on their tenancy histories, including such factors as [24 CFR 982.307(a) (3)]:

- Payment of rent and utility bills;
- Caring for a unit and premises;
- Respecting the rights of other residents to the peaceful enjoyment of their housing;
- Drug-related criminal activity or other criminal activity that is a threat to the health, safety, or property of others; and
- Compliance with other essential conditions of tenancy.

MHA will advise and assist families if they feel that the screening criteria applied by an owner violates any basic Fair Housing rights of the family. MHA will make referrals to the local Fair Housing Agency and/or to the appropriate HUD office.

Changes in Eligibility Prior to Effective Date of the Contract

Admission to the Section 8 program occurs at the time that an initial Housing Assistance Payments contract is executed with an owner for an eligible unit. Prior to that time, a family is considered an applicant. After execution of the HAP contract, a family is considered a participant. Therefore, changes that occur during the period between issuance of a voucher and lease-up may affect the family's eligibility.

Ineligible Families

Families who are determined to be ineligible will be notified in writing of the reason for this determination and given an opportunity to request an informal review (or an informal hearing if they were denied due to non-citizenship status) as discussed further in this Administrative Plan.

Chapter 3 APPLYING FOR ADMISSION

General [24 CFR 982.204]

The policy of MHA is to ensure that all families who express an interest in housing assistance are given an equal opportunity to apply, and are treated in a fair and consistent manner. This chapter describes the policies and procedures for completing an initial application for assistance, placement and denial of placement on the waiting list, and limitations on who may apply. The primary purpose of the intake function is to gather information about the family, but MHA will also utilize this process to provide information to the family so that an accurate and timely decision of eligibility can be made. Applicants will be pulled from the waiting list in accordance with this plan.

Acceptance of Applications [24 CFR 982.206, 982.54(d) (1)]

Families wishing to apply for the Section 8 program will be required to complete a pre-application for housing assistance. Applications will be accepted during regular business hours, Monday through Friday 8:00 a.m. to 12:00 noon and 1:00 p.m. to 5:00 p.m. at the Administration Building, 220 North 40th Street, Muskogee, Oklahoma 74401. Applications will be accepted via the U.S. postal service, facsimile, or in person to the MHA Administration building. Application forms are also available on the MHA web site, www.muskogeehousing.org . Application forms will be mailed to interested families upon request.

Applications are taken to compile a waiting list. Due to the demand for Section 8 assistance in the MHA jurisdiction, MHA may take applications on an open enrollment basis, depending on the length of the waiting list.

When the waiting list is open, completed applications will be accepted from all applicants. MHA will later verify the information in the applications relevant to the applicant's eligibility, admission, and level of benefit.

The completed application will be dated and time stamped upon its delivery to MHA. Persons with disabilities who require a reasonable accommodation in completing an application may call MHA to make special arrangements to complete their application.

The Application Process

The application process will involve two phases. The first phase is the initial application for housing assistance or the pre-application. The pre-application requires the family to provide limited basic information including name, address, phone number, family composition and family unit size, racial or ethnic designation of the household members, income category, and information establishing any preferences to which they may be entitled. This first phase results in the family's placement on the waiting list.

Upon receipt of the family's pre-application, MHA will make a preliminary determination of eligibility. MHA will notify the family in writing of the date and time of placement on the waiting list and the approximate amount of time before housing assistance may be offered. If MHA determines the family to be ineligible, the notice will state the reasons for denial and offer the family the opportunity of an informal review of this determination.

An applicant may at any time report changes in their applicant status including changes in family composition, income, or preference factors. MHA will annotate the applicant file and will update placement on the waiting list. Confirmation of the changes will be confirmed with the family in writing.

Applicants are required to inform MHA in writing of changes in address. Applicants are also required to respond to requests from MHA to update information on their application and to determine their continued interest in assistance.

The second phase is the final determination of eligibility, referred to as the full application. The full application takes place when the family nears the top of the waiting list and attends an eligibility interview. MHA will ensure that verification of all preferences, eligibility, and suitability selection factors are current in order to determine the family's final eligibility for admission to the Section 8 programs.

Waiting List Organization/ Time of Selection [24 CFR 982.204]

The waiting list will be maintained in accordance with the following guidelines:

1. The application will be a permanent file;
2. All applications will be maintained in order of preference and then in order of date and time of application;
3. Any contact between MHA and the applicant will be documented in the applicant file.
4. The waiting list cannot be maintained by bedroom size under current HUD regulations.

As vouchers are available, families will be selected from the waiting list in order of preference and then in order of date and time of application, regardless of family size, subject to income targeting requirements.

When a family appears to be within two months of being offered assistance, MHA will require the applicant household to attend an interview once they have been pulled from the waiting list. MHA utilizes the full application interview to discuss the family's circumstances in greater detail, to clarify information which has been provided by the family, and to ensure the information is complete. The interview is also used as a vehicle to meet the informational needs of the family by providing information about the application and verification process, as well as to advise the family of other MHA services or programs which may be available.

All adult family members are required to attend the interview and sign the housing application. Exceptions may be made for students attending school out-of-state or for members whom attendance would be a hardship unless such members are the head or co-head of the household.

All adult members must sign the HUD-9886 Release of Information form, the application form, the declarations and consent related to citizenship/immigration status, and any other documents required by MHA. Applicants will be required to sign specific verification forms for information which is not covered by the HUD-9886. Failure to sign any consent form will be cause for denial of the application for failure to provide necessary certifications and release as required by MHA.

If MHA determines at or after the interview that additional information or document(s) are needed, MHA will request the information or document(s) in writing. The family will be given ten (10) days to supply the information. If the information is not supplied in this time period, MHA will provide the applicant family a notification of denial for assistance.

Missed Appointments

Applicants who fail to appear for a scheduled appointment will be sent a notice of denial. However, MHA will allow the family to reschedule appointments for good cause. Generally, no more than one opportunity will be given to reschedule for good cause. When a good cause exists, MHA will work closely with the family to find a more suitable time. Applicants will be offered the right to an informal review before being removed from the waiting list. Examples of good cause include hospitalization, death of immediate family member, or applicant disability.

If an application is denied due to failure to attend the full application interview, the applicant will be notified in writing an offered an opportunity to request an informal review.

Verification [24 CFR 982.201(e)]

Information provided by the applicant will be verified, using the verification procedures found further in this plan. Family composition, income, allowances and deductions, assets, full-time student status, eligibility and rent calculation factors, and other pertinent information will be verified. Verifications may not be more than 120 days old at the time of issuance of the voucher.

Final Determination and Notification of Eligibility [24 CFR 982.201]

After the verification process is completed, MHA will make a final determination of eligibility. This decision is based upon information provided by the family, the verification completed by MHA, and the current eligibility criteria in effect. If the family is determined by MHA to be eligible, a briefing will be scheduled for the issuance of a voucher and the family's orientation to the housing program.

Grounds for Denial

MHA may deny assistance to applicants who:

- Do not meet any one or more of the eligibility criteria;
- Do not supply information or documentation required by the application process;
- Fail to respond to a written request for information or a request to declare their continued interest in the program;
- Fail to complete any aspect of the application or lease-up process;
- Have a history of criminal activity by any household member involving crimes of physical violence against persons or property, and any other criminal activity including drug-related criminal activity that would adversely affect the health, safety, or well-being of other tenants or staff, or cause damage to the property;
- Currently owes rent or other amounts to any housing authority in connection with the public housing or Section 8 programs;
- Have committed fraud, bribery, or any other corruption in connection with any Federal housing assistance program, including the intentional misrepresentation of information related to their housing application or benefits derived thereof;
- Have a family member who was evicted from public housing within the last three years;
- Have engaged in or threatened abusive or violent behavior towards any MHA staff or residents;
- Have a family household member who has been terminated under the voucher program during the last twelve months;
- Have a family member who has been convicted of manufacturing or producing methamphetamine (speed) – denied for life;
- Have a family member with a lifetime registration requirement under a state Sex Offender Registration program – denied for life;
- Have a family member who was evicted from public housing within five years of the projected date of admission because of drug-related criminal activity involving the illegal manufacture, sale, distribution, or possession with the intent to manufacture, sell, or distribute a controlled substance as defined in Section 102 of the Controlled Substances Act, 21 USC 802;
- Have a family member who is illegally using a controlled substance or abuses alcohol in a way that may interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents. MHA may waive this requirement if:
 1. The person demonstrates to MHA satisfaction that the person is no longer engaging in drug-related criminal activity or abuse of alcohol; and
 2. The person has successfully completed a supervised drug or alcohol rehabilitation program; or
 3. The person has otherwise been rehabilitated successfully.

Informal Review

If MHA determines an applicant does not meet the criteria for receiving Section 8 assistance, MHA will promptly provide the applicant with a written notice of the determination. The notice must contain a brief statement of the reason(s) for the decision and state the applicant may request an informal review of the decision within ten (10) business days of the denial. MHA will describe how to obtain the informal review. The informal review process is described further in this plan.

MANAGING THE WAITING LIST

General [24 CFR Part 5, Subpart D; 982.54(d) (1); 982.205; 982.206]

It is MHA's objective to ensure that families are selected from the waiting list for admissions in accordance with the policies in this Administrative Plan. By maintaining an accurate waiting list, MHA will ensure that an adequate pool of qualified applicants will be available so that program funds are used in a timely manner.

Waiting List [24 CFR 982.204]

MHA uses a single waiting list for admission to all Section 8 tenant-based assistance programs except for the Family Unification Program. A separate waiting list is utilized for the Family Unification Program, as discussed further in this plan. Applicants will be selected from the MHA waiting list in accordance with policies and income targeting requirements defined in this Administrative Plan.

MHA will maintain information that permits proper selection from the waiting list. The waiting list contains the following information for each applicant listed:

- Applicant name, address, and other contact information;
- Family size;
- Annual household income; and
- Racial or ethnic designation of the household members.

Preferences

MHA will select families from the waiting list based on the following preferences:

- A. One preference point will be awarded to Non-Elderly Disabled families. Eligibility for the preference point will be determined by written confirmation of qualified age and written confirmation of disability according to HUD regulation under the Mainstream program.
- B. One preference point will be awarded to Non-Elderly Disabled homeless families. Eligibility for the preference point will be determined by written confirmation of qualified age, written confirmation of disability, and written verification of homeless status according to HUD regulation under the Mainstream program.
- C. One preference point will be awarded to Non-Elderly Disabled transitional families. Eligibility for the preference point will be determined by written confirmation of qualified age, written confirmation of disability, and written verification of transitional housing status according to HUD regulation under the Mainstream program.
- D. One preference point will be awarded to families who reside or work in the City of Muskogee city limits at the time of application. Eligibility for the preference point will be determined by written verification of legal residence and/or written verification of place of employment according to HUD regulation.

Applicants with the most preference points will be selected from the waiting list before applicants with lesser preference points. Required documentation verifying the preference must be provided before the preference point will be awarded to the applicant. Otherwise, applicants will be selected from the waiting list based on the date and time the application is received.

Targeted Funding [24 CFR 982.203]

Special programs have been developed under the Housing Choice Voucher Program to service certain family types or certain family situations. Most of these programs require that MHA partner with a service agency in the community that provides supportive services to the particular family type. When HUD grants funding under these programs, families who meet the qualification of the program and are referred through the partner agency will be placed on the regular waiting list with appropriate preference points for each special program type. These families will then be selected in order from the waiting list.

MHA will continue to receive referrals from partner agencies until all designated vouchers have been utilized. Upon 100% utilization, MHA will request that the partner agencies suspend additional referrals until such time that any of the original designated vouchers are turned over and again become available for issuance to applicants. At that time, MHA will contact the appropriate partner agency and advise them of the availability of the targeted voucher and a referral will be accepted accordingly.

Current targeted funding programs administered by MHA include Family Unification and Mainstream. The provisions for targeted funding identified herein will also apply to any other future programs to be so designated by HUD.

Income Targeting

In accordance with the Quality Housing and Work Responsibility Act of 1998, each fiscal year MHA will reserve a minimum of 75% of its Section 8 new admissions for “extremely low income households” who are defined as families whose income does not exceed 30% of the area median income.

Income targeting does not apply to low-income families continuously assisted as provided for under the 1937 Housing Act or to assistance to low income or moderate income families entitled to preservation assistance under the tenant-based program as a result of a mortgage prepayment or opt-out.

Removal From Waiting List and Purging [24 CFR 982.204(c)]

MHA will not remove an applicant’s name from the waiting list unless:

- The applicant requests that the name be removed;
- The applicant fails to respond to a written request for information or a request to declare their continued interest in the program or misses scheduled appointments; or
- The applicant does not meet either the eligibility or screening criteria for the program.

Any applicant whose name is being removed from the waiting list will be notified by MHA in writing and shall have ten (10) business days from the date of the written correspondence to present mitigating circumstances or request an informal review. The letter will also indicate their name will be removed from the waiting list if they fail to respond within the timeframe specified. MHA’s system of removing applicant names from the waiting list will not violate the rights of persons with disabilities. If an applicant’s failure to respond to a request for information or updates was caused by the applicant’s disability, MHA will provide a reasonable accommodation. If the applicant indicates they did not respond due to a disability, MHA will verify that there is in fact a disability and that the accommodation they are requesting is necessary based on the disability. An example of a reasonable accommodation would be to reinstate the applicant on the waiting list based on the date and time of the original application.

The waiting list will be purged periodically to ensure that it remains current and accurate. A notice of continued interest will be mailed to all applicants requesting a response within ten days. If an applicant fails to respond to a mailing, the applicant will be sent written notification and given ten business days to contact MHA. If the applicant fails to respond within ten business days, the applicant will be removed from the waiting list.

If a letter is returned by the Post Office without a forwarding address, the applicant will be removed without further notice, and the envelope and letter will be maintained in the file.

SUBSIDY STANDARDS

General [24 CFR 982.54(d) (9)]

HUD guidelines require that MHA establish subsidy standards for the determination of family unit size, and that such standards provide for a minimum commitment of subsidy while avoiding overcrowding. The standards used for the unit size selected by the family must be within the minimum unit size requirements of HUD's Housing Quality Standards. This chapter explains the subsidy standards which will be used to determine the voucher size to be issued to families when they are selected from the waiting list, as well as procedures when a family's composition changes, or a family selects a unit size that is different from the size of the voucher.

Determining Voucher Size [24 CFR 982.402]

The subsidy standards for determining voucher size shall be applied in a manner consistent with Fair Housing guidelines. The standards in this section relate to the number of bedrooms on which subsidy will be paid, not the family's actual living arrangements. The following basic principles will prevail when applying subsidy standards:

- No determination will be made regarding who shares a bedroom or sleeping room, but there must be at least one person per bedroom;
- One bedroom will generally be assigned for each two members of the family;
- Consideration will be given to factors such as family characteristics including sex, age, or relationship, medical reasons and the presence of a live-in aide;
- Children of the same gender or children of the opposite gender under five years of age will share a bedroom two persons per bedroom, while children of the opposite gender will over five years of age will be awarded separate bedrooms;
- Adults of different generations, persons of the opposite sex (other than significant other persons), and unrelated adults will be allocated a separate bedroom;
- Foster children will be included in determining unit size only if they will be in the unit for more than six months;
- Live-in aides will be provided a separate bedroom but no additional bedrooms will be provided for the aide's family members;
- Space will be provided for a child who is away at school but who lives with the family during school recesses;
- Space will not be provided for a family member, other than a spouse, who will be absent most of the time, such as a member who is away in the military;
- A single pregnant woman with no other family members will be treated as a two-person family for waiting list placement but the unborn child will not be counted as a household member until live birth;
- Single person families shall be allocated one bedroom;
- In determining bedroom size, MHA will include the presence of children who are in the process of being adopted, children whose custody is being obtained, and children who are temporarily away in foster care.
- If the family selects a smaller unit than the size allocated on the voucher, the voucher size will be adjusted to reflect the actual size of the unit the family selected;
- If the family selects a larger unit than the size allocated on the voucher, the voucher size will not be adjusted and will remain the same as long as the family composition remains the same.

Guidelines for Issuance of Vouchers

The voucher size will generally be based on the following guidelines taking into consideration the subsidy standards described below.

Voucher Size	Minimum Number of Household Members	Maximum Number of Household Members
0	1	1
1	1	2
2	2	4
3	3	6
4	6	8
5	8	10
6	10	12

Bedroom size will also be determined using the following guidelines:

- Children of the same sex will share a bedroom;
- Children of the opposite sex, both under the age of five, will share a bedroom;
- Adults and children will not be required to share a bedroom;
- Foster adults and children will not be required to share a bedroom with family members;
- Live-in aides will be issued a separate bedroom.

Exceptions to Subsidy Standards [24 CFR 982.403(a), (b)]

MHA shall consider requests for exceptions from the subsidy standards if the family makes such request in writing within ten days from the date the voucher was issued and provides sufficient justification based on health or disability of family members, or other individual circumstances that may warrant an exception to the standards. A doctor or medical professional must verify requests based on health related reasons.

Changes in Voucher Size

The voucher size is determined prior to the briefing by comparing the family composition to the MHA subsidy standards. If an applicant requires a change in the voucher size, based on the requirements of the subsidy standards, the above referenced guidelines will apply.

If MHA errors in the bedroom size designation, the family will be issued a new voucher of the appropriate size for the full period allocated for new program admissions. If the family makes a request for an exception to the payment standards and such request is granted, the family shall be issued a new voucher for the time remaining under the initial issuance period.

All members of the family residing in the unit must be approved by MHA. The family must obtain approval of any additional family member before the new member occupies the unit except for additions by birth, adoption, or court-awarded custody of a minor, in which case the family must inform MHA within thirty (30) days from the date of action. Changes in voucher size will be applied if necessary based on the above-referenced guidelines at the anniversary date of the current lease agreement.

If there is a change in family composition that impacts the size of the voucher, MHA will issue a new voucher of the appropriate size at the anniversary date of the current lease agreement and assist the family in locating a suitable unit. If the unit is in violation of HQS space standards, action will be taken in accordance with the provisions outlined under the HQS standards identified further in this plan.

Unit Size Selected [24 CFR 982.402(c)]

The family may select a different size dwelling unit than that listed on the voucher, but the following criteria shall apply:

- Subsidy limitation: the family unit size as determined under the housing subsidy standards for a family assisted in the voucher program is based on the adopted payment standards. The payment standard for a family shall be the **lower** of:
 1. The payment standard amount for the family unit size; or
 2. The payment standard amount for the unit size rented by the family.
- Utility allowance: the utility allowance used to calculate the gross rent is based on the actual size of the unit the family selects, regardless of the size authorized on the family's voucher.
- Housing Quality Standards: the standards allow two persons per living/sleeping room and permit maximum occupancy levels (assuming a living room is used as a living/sleeping area) as shown in the table below. The levels may be exceeded if a room in addition to bedrooms and living room is used for sleeping.

Housing Quality Standards Maximum Occupancy in Units Selected	
Unit Size	Maximum Occupants
0	2
1	4
2	6
3	8
4	10
5	12
6	14
7	16

VOUCHER ISSUANCE AND BRIEFINGS

General [24 CFR 982.301, 982.302]

MHA's goals and objectives are designed to assure that families selected to participate are equipped with the tools necessary to locate an acceptable housing unit; that families are provided sufficient knowledge and information regarding the program; and, how to achieve maximum benefit while complying with program requirements. When eligibility has been determined, MHA will conduct a mandatory briefing to ensure that families know how the program works.

The briefing will provide a broad description of owner and family responsibilities, program procedures, and how to lease a unit. The family will also receive a briefing packet, which provides more detailed information about the program including the benefits of moving outside areas of poverty and minority concentration. This chapter describes how briefings will be conducted, the information that will be provided to families, and the policies for how changes in the family composition will be handled.

Issuance of Vouchers [24 CFR 982.204(d), 982.54(d) (2)]

When funding is available, MHA will issue vouchers to applicants whose final eligibility has been determined. MHA will strive to maintain 100% utilization of all program funds. Program capacity will be closely monitored to determine success rates, average lease-up time, and monthly turnover. This statistical information will serve as the basis to determine the number of vouchers to be issued on an ongoing basis to achieve the 100% utilization rate.

Vouchers will be issued based on the average success rates from the previous fiscal year. In the event of over-leasing, MHA will adjust future issuance of vouchers in order not to exceed the budget limitations over the entire fiscal year.

Initial Applicant Briefing and Required Attendance [24 CFR 982.301]

A full program briefing will be conducted for applicant families who are determined to be eligible for assistance. The briefings will be conducted in groups. However, families who attend group briefings and still have the need for individual assistance will be referred to available staff for additional guidance. All briefings will be conducted in English and will utilize audio-visual aids to assist applicants with limited comprehension or second language needs. Other reasonable accommodations will be provided to individuals who are disabled upon notification to MHA when doing so will not result in a fundamental alteration of the nature of the program or an undue financial or administrative burden. In determining the most suitable auxiliary aid, MHA will give primary consideration to the requests of the applicant. While we recognize the inconvenience to the family, children will not be permitted at the briefing session in order to ensure an informative learning environment that will meet the needs of all applicants.

The purpose of the briefing is to explain how the program works and distribute the required documents in the voucher packet to applicants. This will enable families to utilize the program to their advantage, and prepare them to discuss the Housing Choice Voucher program with potential owners and property managers.

MHA will not issue a voucher to an applicant family unless the household representative has attended a briefing and signed the voucher form. Applicants who provide prior notice of inability to attend a briefing will automatically be scheduled for the next scheduled briefing session. Applicants who fail to attend two (2) scheduled briefings will be denied admission based on failure to supply information needed for certification.

Briefing Packet [24 CFR 982.301(b)]

The documents and information provided in the briefing packet for the voucher program include the following items:

1. HUD approved voucher form indicating the term of the voucher.
2. Voucher extension request form and housing search record.
3. A description of the method used to calculate the housing assistance payment for the family, and the rent reasonableness and affordability standard, in the form of a mathematical worksheet.
4. Payments standards and utility allowance schedule.
5. Where the family may lease a unit.
6. Owner and family responsibilities.
7. Portability procedures and an explanation of how portability works.
8. HUD required tenancy addendum.
9. HUD approved Request for Tenancy Approval form.
10. Owner disclosure of lead-based paint.
11. HUD brochure "A Good Place to Live" on how to select a unit that complies with HQS.
12. HUD required information on lead-based paint.
13. Applicant rights to a review of MHA decisions and participant rights to informal hearings.
14. Requirements for reporting changes in income and family composition.
15. Information on security deposits and legal referral services.
16. Fair Housing rights and a housing discrimination complaint form.
17. Available information related to prospective rental units.
18. Information about the Family Self-Sufficiency program.
19. Information about the Section 8 Homeownership program.

Program Move Briefing

Program participants that have been under lease for a period of one year may opt to move to another assisted unit at the anniversary date of their lease agreement and Housing Assistance Payments contract. An abbreviated briefing will be conducted by the caseworker at the annual re-certification interview describing the requirements for a successful move within the program. A briefing packet containing the following information will be provided to the program participant once MHA receives the completed vacate notice signed by the current landlord:

1. HUD approved voucher form indicating the term of the voucher and voucher size.
2. Instructions for program moves.
3. Voucher extension request form and housing search record.
4. Current payment standards and utility allowances.
5. Request for tenancy approval.
6. Owner disclosure of lead-based paint.

Security Deposit Requirements [24 CFR 982.313]

The payment of a security deposit is an issue strictly between the owner and the voucher holder. The Section 8 programs do not assist with security deposit payments and the Housing Choice Voucher program does not provide for any special claims or payments for unpaid rent, damages, or vacancy loss to the owner.

The owner is not required to, but may collect a security deposit from the assisted household in accordance with local market practices. Security deposits charged by owners may not exceed those charged to unassisted households nor exceed the maximum prescribed by state or local law.

When the tenant moves out of the dwelling unit, the owner, subject to State or local law, may use the security deposit, including any interest on the deposit, in accordance with the lease, as reimbursement for any unpaid rent payable by the tenant, damages to the unit or for other amounts the tenant owes under the lease. The owner must give the tenant a written list of all items charged against the security deposit and the amount of each item. After deducting the amount, if any, used to reimburse the owner, the owner must refund promptly the full amount of the unused balance to the tenant. If the security deposit is not sufficient to cover amounts the tenant owes under the lease, the owner may seek to collect the balance from the tenant.

Term of Voucher [24 CFR 982.303, 982.54(d) (11)]

During the briefing session, each household will be issued a voucher, which represents a contractual agreement between MHA and the family, specifying rights and responsibilities of each party. It does not constitute admission to the program, and the family remains an applicant, until such time that a lease and contract become effective.

The voucher is valid for a period of sixty (60) calendar days from the date of issuance. The family must submit a Request for Tenancy Approval within the sixty-day period or request an extension in accordance with the extension provisions outlined below. If the voucher has expired, and has not been extended, the family will be denied assistance. The family will not be entitled to a review or hearing. If the family is currently assisted, they may remain as a participant in their unit if there is an assisted lease/contract in effect.

MHA will, at its discretion, use “tolling” when determining the term of the Housing Choice Voucher. Tolling (or suspension) is a term used to describe the stopping of the clock on a family’s voucher term when a family submits the Request for Tenancy Approval until MHA approves or denies the current request. Should the current request be denied, families will not lose the period of time during which the voucher was being processed.

Extensions of the Voucher

Extensions will be granted only if the family provides a written documented record to MHA indicating property owners contacted, units visited and the reasons why these units were unacceptable. Extensions will be granted for a period of an additional thirty (30) days.

The family must submit an acceptable Request for Tenancy Approval within the extension period or assistance will be denied. The family will not be entitled to a review or a hearing.

MHA will extend the voucher term up to 120 days from the beginning of the initial term if the family makes a written request for an extension as a reasonable accommodation to make the program accessible to and usable by a family member with a disability, provided such request is made prior to the expiration of the initial term of the voucher.

Voucher Issuance Determination for Split Households [24 CFR 982.315]

In those instances when a family assisted under the Section 8 program becomes divided into two otherwise eligible families due to divorce, legal separation, or the division of the family, and the new families cannot agree as to which new family unit should continue to receive the assistance, and there is no determination by a court, MHA will issue the voucher to the family member who retains custody of the greatest number of minor children.

Transfer and Retention of Voucher [24 CFR 982.315]

Assistance may only be transferred to someone other than the designated head of household or co-head of household if the head or co-head involuntarily leaves the household. Assistance will only be transferred if a remaining member of the household is a sole member or legally obtains custody of the remaining minor members of the household. No household member may voluntarily assign the assistance to another household member.

To be considered the remaining member of the assisted family, the person must have been previously approved by MHA to be living in the unit, identified on the HUD-50058 at the most recent re-certification and be listed on the most recent lease agreement with the owner.

A live-in aide, by definition, will not be considered a remaining member of the family and will not be entitled to any continued assistance if the person who they were assisting ceases to receive assistance for any reason. A minor child may only be considered as a remaining member of the household if a court has awarded emancipated minor status to the minor. A reduction in family size may require a corresponding reduction in the voucher family unit size.

Chapter 7 TOTAL TENANT PAYMENT

General [24 CFR Part 5, Subparts E and F; 982.153; 982.551]

MHA will use the methods as set forth in this Administrative Plan to verify and determine that family income at admission and at annual re-certification is correct. The accurate calculation of annual income and adjusted income will ensure that families are not paying more or less money for rent than their obligation under the regulation.

This chapter defines the allowable expenses and deductions to be subtracted from annual income and how the presence or absence of household members may affect the Total Tenant Payment (TTP). Income and TTP are calculated in accordance with 24 CFR Part 5, Subparts E and F, and further instructions set forth in HUD notices and Memoranda. The formula for the calculation of TTP is specific and not subject to interpretation. MHA's policies in this chapter address those areas, which allow MHA discretion to define terms and to develop standards in order to assure consistent application of the various factors that relate to the determination of TTP.

Income and Allowances [24 CFR 5.609]

The following definitions shall be applied when calculating total tenant payment, tenant rent and housing assistance payments:

- Income: includes all monetary amounts which are go to (or on behalf of) the family. For purposes of calculating the TTP, HUD defines what is to be calculated and what is to be excluded in the federal regulations. In accordance with this definition, all income, which is not specifically excluded in the regulations, is counted.
- Annual Income: defined as the gross amount of income anticipated to be received by the family during the 12 months after certification or re-certification. Gross income is the amount of income prior to any HUD allowable expenses or deductions, and does not include income which has been excluded by HUD. Annual income is used to determine whether or not applicants are within the applicable income limits.
- Adjusted Income: defined as the annual income minus any HUD allowable expenses and deductions.
- Allowable Deductions
 1. Dependent Allowance: \$480 each for family members (other than the head or spouse) who are minors, and for family members who are 18 and older who are full-time students or who are disabled.
 2. Elderly/Disabled Allowance: \$400 per family for families whose head or spouse is 62 or over or disabled.
 3. Allowable Medical Expenses: Deducted for all family members of an eligible elderly/disabled family.
 4. Child Care Expenses: Deducted for the care of children under 13 when childcare is necessary to allow an adult member to work, attend school, or actively seek employment. Cannot exceed the amount of earned income and must be reasonable based on comparative costs in the community.
 5. Allowable Disability Assistance Expenses: Deducted for attendant care or auxiliary apparatus for persons with disabilities if needed to enable the individual or an adult family member to work.

Annual income includes, but is not limited to:

1. The full amount, before any payroll deductions, or wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services.
2. The net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness are not used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight-line depreciation, as provided in IRS regulations. Any withdrawal of cash or assets from the operation of a business or profession is included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.
3. Interest, dividends, and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness are not used as deductions in determining net income. An allowance for depreciation of assets used in a business or profession may be deducted, based on straight-line depreciation, as provided in IRS regulations. Any withdrawal of cash or assets from an investment is included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income includes the greater of the actual income derived from all net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD.
4. The full amount of periodic amounts received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits, and other similar types of periodic receipts,

including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic amount. However, deferred periodic amounts from supplemental security income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts are excluded.

5. Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay. However, lump-sum additions such as insurance payments from worker's compensation are excluded.
6. Welfare Assistance.
 - a. If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income consists of:
 - 1) The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; plus
 - 2) The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family's welfare assistance is ratably reduced from the standard of need by applying a percentage, the amount calculated under this requirement is the amount resulting from one application of the percentage.
7. Periodic and determinable allowances, such as alimony and child support payments, and regular contributions or gifts received from organizations or from persons not residing in the dwelling.
8. All regular pay, special pay, and allowances of a member of the Armed Forces (special pay to a member exposed to hostile fire is excluded).

Exclusions from Income

Annual income does not include the following:

1. Income from employment of children (including foster children) under the age of 18 years.
2. Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone).
3. Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses except as noted further in this chapter.
4. Amounts received by the family that is specifically for, or in reimbursement of, the cost of medical expenses for any family member.
5. Income of a live-in aide.
6. The full amount of student financial assistance paid directly to the student or to the educational institution.
7. The special pay to a family member serving in the Armed Forces who is exposed to hostile fire.
8. The amounts received from the following programs:
 - a. Amounts received under training programs funded by HUD;
 - b. Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-Sufficiency (PASS);
 - c. Amounts received by a participant in other publicly assisted programs that are specifically for or in reimbursement of out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and that are made solely to allow participation in a specific program;
 - d. Amounts received under a resident service stipend. A resident service stipend is a modest amount (not to exceed \$200 per month) received by a resident for performing a service for a housing authority or owner, on a part-time basis, that enhances the quality of life in the development. Such service may include but are not limited to fire patrol, hall monitoring, lawn maintenance, and resident initiative coordination. No resident may receive more than one such stipend during the same period of time;
 - e. Incremental earnings and benefits resulting to any family member from participation in qualifying state or local employment training programs (including training programs not affiliated with a local government) and training of a family member as resident manager staff. Amounts excluded by this provision must be received under employment training programs with clearly defined goals and objectives and are excluded only for the period during which the family member participates in the employment training program;

- f. Reparation payments paid by a foreign government pursuant to claims filed under the laws of that government by persons who were persecuted during the Nazi era;
- g. Earnings in excess of \$480 for each full-time student 18 years and older (excluding the head of household and spouse);
- h. Adoption assistance payments in excess of \$480 per adopted child;
- i. Deferred periodic amounts from Supplemental Security Income and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts;
- j. Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit;
- k. Amounts paid by a state agency to a family member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep the developmentally disabled family member at home; or
- l. Amounts specifically excluded by any other Federal statute from consideration as income for purposes of determining eligibility or benefits. These exclusions include:
 - 1) The value of the allotment of food stamps;
 - 2) Payments to volunteers under the Domestic Services Act of 1973;
 - 3) Payments received under the Alaska Native Claims Settlement Act;
 - 4) Income from sub marginal land of the U.S. that is held in trust for certain Indian tribes;
 - 5) Payments made under HHS's Low-Income Energy Assistance Program;
 - 6) Payments received under the Job Training Partnership Act;
 - 7) Income from the disposition of funds of the Grand River Band of Ottawa Indians;
 - 8) The first \$2000 per capital received from judgment funds awarded for certain Indian claims;
 - 9) Amount of scholarships awarded under Title IV including Work Study;
 - 10) Payments received under the Older Americans Act of 1965;
 - 11) Payments from Agent Orange Settlement;
 - 12) Payments received under the Maine Indian Claims Act;
 - 13) The value of child care under the Child Care and Development Block Grant Act of 1990;
 - 14) Earned income tax credit refund payments;
 - 15) Payments for living expenses under the AmeriCorps program.

Disallowance of Earned Income from Rent Determinations for Person with Disabilities [24 CFR 5.617; 982.201(b) (3)]

The annual income for qualified disabled families may not be increased as a result of increases in earned income of a family member who is a person with disabilities beginning on the date on which the increase in earned income begins and continuing for a cumulative 12-month period. After the disabled family receives 12 cumulative months of the full exclusion, annual income will include a phase-in of half the earned income excluded from annual income.

A disabled family qualified for the earned income exclusion is a disabled family that is receiving tenant-based rental assistance under the Housing Choice Voucher program, and:

- Whose annual income increases as a result of employment of a family member who is a person with disabilities and who was previously unemployed for one or more years prior to employment;
- Whose annual income increases as a result of increased earnings by a family member who is a person with disabilities during participation in any economic self-sufficiency or other job training program; or
- Who's annual income increases, as a result of new employment or increased earnings of a family member who is a person with disabilities, during or within six months after receiving assistance, benefits, or services under any state program for TANF provided that the total amount over a six-month period is at least \$500.

The HUD definition of "previously unemployed" includes a person with disabilities who has earned in the previous 12 months no more than the equivalent earnings for working 10 hours per week for 50 weeks at the minimum wage. Minimum wage is the prevailing minimum wage in the state or locality.

The HUD definition of economic self-sufficiency program is any program designed to encourage, assist, train or facilitate economic independence of assisted families or to provide work for such families. Such programs may include job training, employment counseling, work placement, basic skills training, education, English proficiency, workfare, financial or household management, apprenticeship, or any other program necessary to ready a participant to work (such as substance abuse or mental health treatment).

Amounts to be excluded are any earned income increases of a family member who is a person with disabilities during participation in an economic self-sufficiency or job training program and not increases that occur after participation, unless the training provides assistance, training or mentoring after employment.

The amount of TANF received in the six-month period includes monthly income and such benefits and services as one-time payments, wage subsidies and transportation assistance.

The amount that is subject to the disallowance is the amount of incremental increase in income of a family member who is a person with disabilities. The incremental increase in income is calculated by comparing the amount of the disabled family member's income before the beginning of qualifying employment or increase in earned income to the amount of such income after the beginning of employment or increase in earned income.

Exclusions of Income shall be calculated as follows:

- **Initial 12-Month Exclusion:** during the cumulative 12-month period beginning on the date a member who is a person with disabilities of a qualified family is first employed or the family first experiences an increase in annual income attributable to the employment, MHA will exclude from annual income of a qualified family any increase in income of the family member who is a person with disabilities as a result of employment over the prior income of that family member.
- **Second 12-Month Exclusion and Phase-In:** during the second cumulative 12-month period after the expiration of the initial cumulative 12-month period referred to above, MHA must exclude from annual income of a qualified family 50% of any increase in income of a family member who is a person with disabilities as a result of employment over income of that family member prior to the beginning of such employment.
- **Maximum Four-Year Allowance:** the earned income disallowance is limited to a lifetime 48-month period for each family member who is a person with disabilities. For each family member who is a person with disabilities, the disallowance only applies for a maximum of 12 months of full exclusion of incremental increase, and a maximum of 12 months of phase-in exclusion during the 48-month period starting from the date of the initial exclusion. If the period of increased income does not last for 12 consecutive months, the disallowance period may be resumed at any time within the 48-month period, and continued until the disallowance has been applied for a total of 12 months of each disallowance (the initial 12-month full exclusion and the second 12-month phase-in exclusion).
- **Applicability to Child Care and Disability Assistance Expense Deductions:** the amount deducted for child care and disability assistance expenses necessary to permit employment shall not exceed the amount of employment income that is included in annual income. Therefore, for disabled families entitled to the earned income disallowance, the amounts of the full and phase-in exclusions from income shall not be used in determining the cap for child care and disability assistance expense deductions.
- **Tracking System:** MHA will maintain a tracking system to ensure correct application of the earned income disallowance.

No earned income disallowance will be applied after the 48-month period following the initial date the exclusion was applied.

Minimum Rent [24 CFR 5.630]

Minimum rent refers to the Total Tenant Payment and includes the combined amount a family pays toward rent and/or utilities when it is applied. The established minimum rent for all voucher holders is \$50.00.

A family may request an exception to the minimum rent based on financial hardship, which is defined as follows:

- The family has lost eligibility or is awaiting an eligibility determination for Federal, State, or local financial assistance;
- The family would be evicted as a result of the imposition of the minimum rent requirement;
- The income of the family has decreased because of changed circumstances, including: loss of employment through no fault of their own, death in the family, and other circumstances as determined by MHA or HUD.

MHA will notify all families subject to minimum rents of their right to request a minimum rent hardship exception. This notification will be included in the change of rent notice issued by MHA at each re-certification of income. “Subject to minimum rent” means the minimum rent was the greatest figure in the calculation of the greatest of 30% of monthly adjusted income, 10% of monthly income or minimum rent.

Requests for minimum rent hardship exception must be made in writing within 10 days from the date of notification of rent and must include documentation as proof of financial hardship. MHA will use its standard verification procedures to verify circumstances, which have resulted in financial hardship.

Suspension of Minimum Rent

MHA will grant the minimum rent exception to all families who request it, effective the first of the following month. The minimum rent will be suspended until MHA determines whether the hardship is covered by statute, temporary, or long-term.

“Suspension” means that MHA must not use the minimum rent calculation until MHA has made this decision. During the minimum rent suspension period, the family will not be required to pay a minimum rent and the housing assistance payment will be increased accordingly. If MHA determines the minimum rent is not covered by statute, MHA will impose a minimum rent including payment for minimum rent from the time of suspension.

Temporary and long-term are defined as follows:

- ***Temporary Hardship*** – If MHA determines that the hardship is temporary, a minimum rent will not be imposed for a period of up to 90 days from the date of the family’s request. At the end of the temporary suspension period, a minimum rent will be imposed retroactively to the time of suspension.
- ***Long-Term Duration Hardship*** – If it is determined that there is a qualifying long-term financial hardship; MHA must exempt the family from the minimum rent requirements for as long as the hardship continues. The exemption from minimum rent shall apply from the first day of the month following the family’s request for exemption.

Definition of Temporarily/Permanently Absent [24 CFR 982.54(d) (10), 982.551]

It is the responsibility of the head of household to report changes in family composition. MHA will evaluate absences from the unit using this policy.

MHA will compute all applicable income of every family member who is on the lease, including those who are temporarily absent. In addition, MHA will count the income of the spouse or the head of household if that person is temporarily absent, even if that person is not on the lease.

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.

- **Temporarily Absent:** defined as away from the unit for more than 30 days.
- **Permanently Absent:** defined as away from the unit for 180 consecutive days except as otherwise provided in this chapter.
- **Medical Absence:** defined as any family member that leaves the household to enter a facility such as hospital, nursing home, or rehabilitation center. MHA will seek advice from a reliable medical source as to the likelihood and timing of their return. If the verification indicates that the family member will be

permanently confined to a nursing home, the family member will be considered permanently absent. If the verification indicates that the family member will return in less than 180 consecutive days, the family member will not be considered permanently absent. If the person who is determined to be permanently absent is the sole member of the household, assistance will be terminated in accordance with the "Absence of Entire Family" policy.

- Absence Due to Full-Time Student Status: A student (other than head of household or spouse) who attends school away from home but lives with the family during school recesses may, at the family's choice, be considered either temporarily or permanently absent. If the family decides that the member is permanently absent, income of that member will not be included in total household income, the member will not be included on the lease, and the member will not be included for determination of voucher size.
- Absence Due to Incarceration: If the sole member is incarcerated for more than 180 consecutive days, s/he will be considered permanently absent. Any member of the household, other than the sole member, will be considered permanently absent if s/he is incarcerated for three (3) consecutive months. MHA will determine if the reason for incarceration is for drug-related or violent criminal activity. Appropriate action regarding assistance will be taken in accordance with the provisions in this plan.
- Absence of Children Due to Placement in Foster Care: If the family includes a child or children temporarily absent from the home due to placement in foster care, MHA will determine from the appropriate agency when the child/children will be returned to the home. If the time period is to be greater than six (6) months from the date of removal of the child/ran, the voucher size will be reduced. If all children are removed from the home permanently, the voucher size will be reduced in accordance with the subsidy amounts.
- Absence of Entire Family: Defined as situations when the family is absent from the unit, but has not moved out of the unit. "Absence" means that no family member is residing in the unit. In order to determine if the family is absent from the unit, MHA may write letters to the family at the unit, telephone the family at the unit, interview neighbors and landlords, verify if utilities are in service, and check with the post office. Families are required to both notify MHA before they move out of a unit and to give MHA information about any family absence from the unit.
 1. Families must notify MHA at least 30 days before moving out of the unit or no less than 15 days after leaving the unit if they are going to be absent from the unit for more than 30 consecutive days.
 2. If it is determined that the family is absent from the unit, MHA will continue assistance payments for the period of time estimated that the family will be absent but not more than three months provided that the family gave proper notice to MHA. If the family did not provide proper notice, then assistance will be terminated at the end of the month following 30 days after notification of absence.
- Caretaker for Children: Defined as a person placed in an assisted unit by an appropriate certified service agency that is acting as the legal guardian for children on the lease agreement. The following criteria will apply to these situations:
 1. If an appropriate agency has determined that another adult is to be brought into the assisted unit to care for the children for an indefinite period, MHA will treat that adult as a visitor for the first 120 days.
 2. If by the end of 120 days court-awarded custody or legal guardianship has been awarded to the caretaker, the voucher will be transferred to the caretaker.
 3. If the appropriate agency cannot confirm the guardianship status of the caretaker, MHA will transfer the voucher to the caretaker on a temporary basis with the condition that the caretaker must release the voucher if the original parent(s) are awarded custody at a later date.
- Absence Due to Court Order: If a member of the household is subject to a court order that restricts him/her from the home for more than three (3) months, the person will be considered permanently absent.

Visitors

Any adult not included on the HUD-50058 who has been in the unit more than fourteen (14) consecutive days without MHA approval, or a total of fourteen (14) days in a 12-month period, will be considered to be living in the unit as an unauthorized household member.

Statements from neighbors and/or the landlord will be considered in making the determination. Use of the unit address as a visitor's current residence for any purpose that is not explicitly temporary shall be construed as permanent residence.

The burden of proof that the individual is a visitor rests on the family. MHA may request lease agreements, utility bills or other such documentation identifying an address other than the assisted unit as the permanent residence of the individual in question. In the absence of such proof, the individual will be considered an unauthorized member of the household and MHA will terminate assistance since prior approval was not requested for the addition.

Minors and college students who were part of the family but who now live away from home during the school year and are no longer on the lease may visit for up to 120 days per year without being considered a household member.

In a joint custody arrangement, if the minor is in the household less than 51 days per year, the minor will be considered to be an eligible visitor and is not a family member.

Reporting Changes in Family Composition

Reporting changes in family composition is a basic family obligation under the voucher agreement between MHA and the assisted family. The family obligations require approval to add any other family member as an occupant of the unit and to inform MHA of the birth, adoption, or court-awarded custody of a child within 15 days of move-in.

The family must request prior approval from MHA of additional household members in writing. In addition, the family must comply with the terms of their lease agreement with the owner, which may require the family to obtain prior written approval from the owner when there are changes in family composition other than birth, adoption, or court-awarded custody. An interim re-examination will be conducted for any additions to the household.

If the family does not obtain prior written approval, any person the family has permitted to move in will be considered an unauthorized household member.

Averaging Income

When annual income cannot be anticipated for a full twelve months, MHA will average known sources of income that vary to compute an annual income. Therefore, an interim re-certification will not be completed when circumstances change. If there are bonuses or overtime which the employer cannot anticipate for the next twelve months, bonuses and overtime received the previous year will be used.

Minimum Income

There is no minimum income requirement for participation in the Section 8 program. However, families who report zero income will be required to complete a written survival statement every sixty to ninety days. Regular contributions and gifts will be considered as income, including payment of utilities or any other bills by any other individual or organization.

If the family's expenses exceed their know income, MHA will make inquiry of the head of household as to the nature of the family's accessible resources and will use all available resources to determine if the family has unreported income.

Income of Person Permanently Confined to Nursing Home [24 CFR 982.54(d) (10)]

If a family member is permanently confined to a hospital or nursing home and there is a family member left in the household, MHA will calculate the income by using the following methodology and use the income figure which would result in a lower payment by the family:

- The income of the family member confined will be included and corresponding out-of-pocket medical expenses will be deducted; or

- The income of the family member confined will not be included and corresponding out-of-pocket medical expenses will not be deducted.

Regular Contributions and Gifts [24 CFR 5.609]

Regular contributions and gifts to the household are counted as income for calculation of the Total Tenant Payment and Tenant Rent. Any contribution or gift received every three months or more frequently will be considered regular unless such amount is less than \$100 on an annual basis. This includes utility and rent payments made on behalf of the family by an outside source and any other cash or non-cash contributions.

Alimony and Child Support [24 CFR 5.609]

Regular alimony and child support payments are counted as income for calculation of Total Tenant Payment and Tenant Rent. If the amount of child support or alimony received is less than the amount awarded by the court, MHA will use the amount awarded by the court unless the family can verify that they are not receiving the full amount and verification is provided as follows:

- Verification from the agency responsible for enforcement or collection;
- Documentation of child support or alimony collection action filed through a child support enforcement/collection agency, or collection action filed through an attorney.

Lump-Sum Receipts [24 CFR 5.609]

Lump-sum payments caused by delays in processing periodic payments such as unemployment or welfare assistance are counted as income. Deferred periodic payments, which have accumulated due to a dispute, are also counted as income.

In order to determine amount of retroactive tenant rent that the family owes as a result of the lump-sum receipt, MHA will use a calculation method, which calculates retroactively or prospectively depending on the circumstances.

- Prospective Calculation Method: If the payment is reported on a timely basis (as required under interim reporting requirements), the calculation will be done prospectively and will result in an interim adjustment calculation as follows: the entire lump-sum payment will be added to the annual income at the time of the interim examination and total tenant payment and tenant rent will be calculated accordingly.
- Retroactive Calculation Method: If the payment is not reported on a timely basis, MHA will go back to the date the lump-sum payment was received, or to the date of admission, whichever is closer, and determine the amount of income for each certification period, including the lump-sum, and recalculate the tenant rent for each certification period to determine the amount due to MHA. The family will then be required to pay this amount to MHA in full from the lump-sum proceeds. Failure to make payment will result in termination of assistance.
- Attorney Fees: The family's attorney fees may be deducted from lump-sum payments when computing annual income if the attorney's efforts have recovered a lump-sum compensation, and the recovery paid to the family does not include an additional amount in full satisfaction of the attorney fees.

Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains, and settlement for personal or property losses are not included in income but are included as assets. Lump-sum payments from Social Security or SSI are excluded from income, but any amount remaining will be considered an asset.

Contributions to Retirement Funds

While an individual is employed, contributions to company retirement/pension funds count as assets if the family can access the funds without retiring or terminating employment. After retirement or termination of employment, any amount the employee elects to receive as a lump sum is counted as a lump-sum payment as described above.

Assets Disposed of for Less Than Fair Market Value [24 CFR 5.603(d) (3)]

MHA will count assets disposed of for less than fair market value during the two years preceding certification or re-examination by including the difference between the market value and the actual payment received when calculating total assets if the fair market value of such assets is greater than \$1,000.

Assets disposed of as a result of foreclosure or bankruptcy will not be considered to be assets disposed of for less than fair market value. Assets disposed of as a result of a divorce or separation will also not be considered assets disposed of for less than fair market value.

Child Care Expenses

Child care expenses for children under 13 may be deducted from annual income if they enable an adult to work or attend school full time, or to actively seek employment. However, child care expenses will not be allowed as a deduction if there is an adult household member capable of caring for the child who can provide the child care.

Examples of adult household members who would be considered *unable* to care for a child include the abuser in a documented child abuse situation or a person with disabilities or older person unable to take care of a small child, as verified by a reliable knowledgeable source.

A child care deduction will only be provided based on the following guidelines:

- **Child Care to Work:** the maximum child care expense allowed must be less than the amount earned by the person enabled to work. The “person enabled to work” will be the adult member of the household who earns the least amount of income from working.
- **Child Care for School:** the number of hours claimed for child care may not exceed the number of hours the family member is attending school, including reasonable travel time to and from school.
- **Amount of Expense:** MHA will survey the local care providers in the community and collect data to serve as a guideline. If the hourly rate materially exceeds the guideline, MHA will calculate the allowance using the guideline.
- **Reimbursement:** child care expense cannot be reimbursable from any other source. If a divorce decree provides for joint payment of child care, expenses will be prorated accordingly unless the assisted family provides adequate documentation as described previously.

Medical Expenses [24 CFR 5.609(a) (2), 5.603]

Elderly and disabled households are entitled to deductions for allowable medical expenses. If the household qualifies for a medical deduction then the medical expenses of all household members are an allowable deduction.

Allowable expenses include but are not limited to insurance premiums, hospital or doctor payments, and prescription medications. Nonprescription medications, acupuncture, acupressure, herbal medicines and chiropractic services will not be considered allowable medical expenses unless required by signed physician statement. The IRS Publication 502 will govern the final determination as to whether a particular medical expense is permitted or prohibited as an allowable deduction under the Section 8 programs.

For any family that is not an elderly or disabled family but has a member (other than the head or spouse) who is a person with a disability, disability assistance expenses in excess of 3% of annual income will be allowed. This allowance may not exceed the employment income received by family members who are 18 years of age or older as a result of assistance to the person with disabilities.

Pro-ration of Assistance for “Mixed” Families [24 CFR 5.520]

A “mixed” family is one that includes at least one U.S. citizen or eligible immigrant and any number of ineligible members. Housing assistance will be prorated for mixed families based on the following calculation.

The total housing assistance shall be calculated based on income, assets, allowances and deductions for all household members. The percent of eligible household members is determined by dividing the number of U.S. citizens or eligible immigrants in the household by the total number of household members. The total amount of

housing assistance is then multiplied by the percent of the eligible household members. This is the amount of housing assistance that will be paid on behalf of a mixed family.

Income Changes Resulting from Welfare Program Requirements

MHA will not reduce the rental contribution for families whose welfare assistance is reduced specifically because of:

1. Fraud by a family member in connection with the welfare program; or
2. Failure to participate in an economic self-sufficiency program; or
3. Noncompliance with a work activities requirement.

However, MHA will reduce the rental contribution if the welfare assistance reduction is a result of:

1. The expiration of a lifetime limit on receiving benefits; or
2. A situation where a family member has not complied with other welfare agency requirements; or
3. A situation where a family member has complied with welfare agency economic self-sufficiency or work activities requirements but cannot or has not obtained employment, such as the family member has complied with welfare program requirements but the durational time limit, such as a cap on the length of time a family can receive benefits, causes the family to lose their welfare benefits.

Imputed welfare income is the amount of annual income not actually received by a family as a result of a specified welfare benefit reduction that is included in the family's income for rental contribution and is treated as follows:

- Imputed welfare income is not included in annual income if the family was not an assisted resident at the time of sanction.
- The amount of imputed welfare income is offset by the amount of additional income a family receives that begins after the sanction was imposed.
- When additional income is at least equal to the imputed welfare income, the imputed welfare income is reduced to zero.

MHA will obtain written verification from the welfare agency stating that the family's benefits have been reduced for fraud or noncompliance with economic self-sufficiency or work activities requirements before denying the family's request for rent reduction. The welfare agency, at the request of MHA, will inform MHA of the amount and term of specified welfare benefit reduction for the family, reason for the reduction, and subsequent changes in term or amount or reduction.

Utility Allowance and Utility Reimbursement Payments [24 CFR 982.153, 982.517]

MHA will develop a utility allowance schedule which is intended to cover the cost of utilities not included in the rent to the owner. This allowance is based on the typical cost of utilities and services paid by energy-conservative households that occupy housing of similar size and type. Allowances are not based on an individual family's actual energy consumption.

The utility allowance for an individual family includes the utilities and services that are necessary in the City of Muskogee to provide housing that complies with the Federal Housing Quality Standards. No allowance will be provided for non-essential utility costs, such as telephones, cable, or satellite television. Where families provide their own range and refrigerator, MHA will include an appliance allowance as part of the total utility allowance provided to the family.

Lease agreements with tenant paid utilities will only be approved for utilities that are individually metered for the unit receiving assistance. The individual meter must only service the living space in which the family has access. The property owner must retain responsibility for any utility that is not individually metered.

MHA will review the utility allowance schedule annually. If the review finds a utility rate has changed by 10% or more since the last revision of the utility allowance schedule, the schedule will be revised to reflect the new rate. Revised utility allowances will be applied in a participant family's rent calculation at their annual re-certification.

Where the calculation on the HUD-50058 results in a utility reimbursement payment due the family, MHA will provide a Utility Reimbursement Payment (URP) to the electric company in summer months and to the gas company

in winter months (or to the electric company year-round if the rental unit is all electric). The URP will be issued including the name of the head of household and utility account number via first class mail to the utility company.

Chapter 8 VERIFICATION PROCEDURES

General [24 CFR Part 5, Subparts B, D, E and F; 982.158; 24 CFR Part 5.617]

All factors affecting eligibility for the Section 8 program and calculation of total tenant payment, tenant rent and housing assistance will be verified by MHA. MHA staff will obtain written verification from independent sources whenever possible and will document tenant files whenever third party verifications are not possible as to why third party verification was impossible to obtain.

Applicants and program participants must provide true and complete information upon request by MHA. Verification requirements are designed to maintain program integrity. This section explains the procedures and standards for verification of income, assets, allowable deductions, family status, and changes in family composition. MHA will obtain proper authorization from the family before requesting information from independent sources.

MHA will verify information related to waiting list preferences, eligibility, admission, and level of benefits prior to admission. Periodically during occupancy, items relating to eligibility, household composition, and rent determination shall be reviewed and verified.

Methods of Verification and Time Allowed [24 CFR 982.516]

All required information will be verified using three methods of verification in the following order:

- Third Party Written – this method requires a written document to be sent to the source of the verification and a written response to be received via facsimile or mail service. Hand-carried third party verifications are not acceptable. Verifications received electronically directly from the source are also considered third party written verifications.
- Third Party Oral – this method requires an authorization form signed by the applicant or participant to be sent to the source of the verification and a MHA staff member verifies by telephone the required information and records such information on the required verification forms.
- Review of Documents – this method is used for documents that are hand-carried by the applicant or participant and copied at the MHA office or reviewed by staff with the information recorded and certified by staff on the requisite forms.

Self-certification or self-declaration forms from the applicants or participants will only be accepted when third party verification cannot be obtained and must be notarized.

MHA will allow two weeks for return of third party verifications and two weeks to obtain other types of verifications before going to the next method identified above. The file must be documented as to why third party written verification was not used.

Verifications may not be more than 120 days old at the time of issuance of a voucher to a program applicant or a program participant. Therefore, a re-certification must be completed prior to issuance of a voucher for any program move in which the last re-certification was completed more than 120 days prior to issuance of the voucher.

Release of Information

All adult family members will be required to sign the HUD-9886 Release of Information/Privacy Act form. In addition, family members will be required to sign specific authorization forms when information is needed that is not covered by the HUD-9886 form. Family refusal to cooperate with the HUD-prescribed verification system will result in denial of admission or termination of assistance based on violation of the family obligation to supply any information and to sign consent forms.

Computer Matching

Where allowed by HUD and/or other state or local agencies, computer matching will be utilized to verify required information. When computer matching results in a discrepancy with other information obtained from other sources, MHA will follow up with the family and verification sources to resolve the discrepancy. If the family has unreported or underreported income, appropriate action will be taken including termination of assistance, if warranted, in accordance with other sections of this plan.

HUD Income Discrepancy Program

HUD is precluded from disclosing information from the IRS to MHA. However, if HUD receives information from federal tax return data indicating a discrepancy in the income reported by the family, HUD will notify the family of the discrepancy. The family is required to disclose this information to MHA (24 CFR 5.240). HUD's letter to the family will also notify the family that HUD has notified MHA in writing that the family has been advised to contact MHA. HUD will send MHA a list of families who have received "income discrepancy" letters.

When MHA received notification from HUD that a family has been sent an "income discrepancy" letter, MHA, after 40 days following the date of notification, will contact the tenant by mail, asking the family to promptly furnish any letter or other notice by HUD concerning the amount or verification of family income.

When the family provides the required information, MHA will verify the accuracy of the income information received from the family, review the interim re-certification policy, identify unreported income, charge retroactive rent as appropriate, and change the amount of rent or terminate assistance, based on the information.

If the participant fails to respond to MHA, MHA will ask HUD to send a second letter. After an additional 40 days, MHA will send a letter to the head of household, warning of the consequences if the family fails to contact MHA within two weeks.

If the tenant claims a letter from HUD was not received, MHA will ask HUD to send a second letter with a verified address for the tenant. After 40 days, MHA will contact the tenant family. After an additional 40 days, MHA will set up a meeting with the family to complete IRS forms 4506 and 8821.

If the tenant family fails to meet with MHA or will not sign the IRS forms, MHA will send a warning letter to the head of household, notifying the family that termination proceedings will begin within one week if the tenant fails to meet with MHA and/or sign forms.

If a tenant does receive a discrepancy letter from HUD, MHA will set up a meeting with the family. If the family fails to attend the meeting, MHA will reschedule the meeting. If the family fails to attend the second meeting, MHA will send a termination warning. The family must bring the original HUD discrepancy letter to MHA.

If a tenant disagrees with tax data contained in the HUD discrepancy letter, MHA will ask the tenant to provide documented proof that the tax data is incorrect. If the tenant does not provide documented proof, MHA will obtain proof to verify the Federal tax data using third party verification.

Items to be Verified

The following information must be verified to determine initial program eligibility, to calculate total tenant payment, tenant rent and housing assistance and at each annual re-certification of income.

- All income not specifically excluded by the regulations;
- Full-time student status including high school students who are 18 or over;
- Current assets including assets disposed of for less than fair market value in preceding two years;
- Child care expense where it allows an adult family member to be employed or to further his/her education;
- Total medical expenses of all family members in households whose head or spouse is elderly or disabled;
- Disability assistance expenses to include only those costs associated with attendant care or auxiliary apparatus for a disabled member of the family, which allow an adult family member to be employed;
- Disability for determination of allowances or deductions;
- U.S. citizenship/eligible immigration status;
- Social security numbers for all family members six years of age or older who have been issued a social security number;
- Familial/Marital status when needed for head or co-head definition;
- Verification of reduction in benefits for noncompliance.

MHA will obtain written verification from the welfare agency stating that the family's benefits have been reduced for fraud or noncompliance before denying the family's request for rent reduction.

Verification of Income, Assets, and Allowances [24 CFR 982.516]

Verification will be conducted using the following procedures:

- Employment income – verification forms request the employer to specify the dates of employment, amount and frequency of pay, date of the last pay increase, likelihood of change of employment status and effective date of any known salary increase during the next 12 months; year-to-date earnings; estimated income from overtime, tips, bonus pay expected during the next 12 months.
 1. Acceptable methods of verification include, in this order: employment verification form completed by the employer; check stubs or earnings statements which indicate the employee's gross pay, frequency of pay or year-to-date earnings; W-2 forms plus income tax return forms; income tax returns signed by the family must be used for verifying self-employment income, or income from tips and other gratuities.
 2. Applicants and program participants may be requested to sign an authorization for release of information from the IRS for further verification of income.
 3. In cases where there are questions about the validity of information provided by the family, MHA will require the most recent federal income tax statements.
- Social Security, Pensions, Supplemental Security Income (SSI), Disability Income – acceptable methods of verification include, in this order: benefit verification form completed by agency providing the benefits; award or benefit notification letters prepared and signed by the providing agency; computer report electronically obtained or in hard copy.
- Unemployment Compensation – acceptable methods of verification include, in this order: verification form completed by the unemployment compensation agency; computer report electronically obtained or in hard copy from unemployment office stating payment dates and amounts; payment stubs.
- Welfare Payments or General Assistance – acceptable forms of verification include, in this order: on-line direct verification through computer link with OKDHS; verification form completed by payment provider; written statement from payment provider indicating the amount of grant/payment, start date of payments, and anticipated changes in payment in the next 12 months; computer-generated Notice of Action; computer-generated list of recipients from Welfare Department.
- Alimony or Child Support Payments – acceptable methods of verification include, in this order: copy of a separation or settlement agreement or a divorce decree stating amount and type of support and payment schedules; verification form completed by the child support enforcement office; a notarized letter from the person paying the support; copy of latest check and/or payment stubs from the court trustee. MHA must record the date, amount, and number of the check.
 1. If payments are irregular, the family must provide: a copy of the separation or settlement agreement, or a divorce decree stating the amount and type of support and payment schedules; a statement from the agency responsible for enforcing payments to show that the family has filed for enforcement; a notarized affidavit from the family indicating the amount(s) received; a written statement from an attorney certifying that a collection or enforcement action has been filed.
- Net Income from a Business – in order to verify the net income from a business, MHA will view IRS and financial documents from prior years and use this information to anticipate the income for the next 12 months. Acceptable methods of verification include: IRS Form 1040 including Schedule C (small business), Schedule E (rental property income), Schedule F (farm income); if accelerated depreciation was used on the tax return or financial statement, an accountant's calculation of depreciation expense, computed using straight-line depreciation rules; audited or unaudited financial statement(s) of the business; credit report or loan application; documents such as manifests, appointment books, cash books, bank statements, and receipts will be used as a guide for the prior six months (or lesser period if not in business for six months) to project income for the next 12 months. The family will be advised to maintain these documents in the future if they are not available.
- Recurring Contributions – verification form completed by the person who provides the gifts; family must furnish a notarized statement which contains the following information: the person who provides the gifts, the value of the gifts, the regularity (dates) of the gifts, and the purpose of the gifts.
- Zero Income Status – families claiming to have no income will be required to execute verification forms to determine that forms of income such as unemployment benefits, TANF, SSI are not being received by the household. MHA will also request information from the Department of Labor. A credit report will also be used if information is received that indicates the family has an unreported income source. Families claiming to have no income must complete the zero income questionnaire and certification forms, and must re-certify every 60-90 days until the household income stabilizes.

- Full-Time Student Status – only the first \$480 of the earned income of full-time students, other than head, co-head, or spouse, will be counted toward family income. Financial aid, scholarships and grants received by full-time students are not counted toward family income. Verification of full-time student status includes: written verification from the registrar’s office or other school official; school records indicating enrollment for sufficient number of credits to be considered a full-time student by the educational institution.
- Savings Account Interest Income and Dividends – acceptable methods of verification include, in this order: account statements, passbooks, certificates of deposit, or MHA verification forms completed by the financial institution; broker’s statements showing value of stocks or bonds and the earnings credited the family. Earnings can be obtained from current newspaper quotations or oral broker’s verification; IRS Form 1099 from the financial institution, provided that MHA must adjust the information to project earnings expected for the next 12 months.
- Interest Income from Mortgages or Similar Arrangements – acceptable methods of verification include, in this order: a letter from an accountant, attorney, real estate broker, the buyer, or a financial institution stating interest due for the next 12 months (a copy of the check paid by the buyer to the family is not sufficient unless a breakdown of interest and principal is shown); amortization schedule showing interest for the 12 months following the effective date of the certification or re-certification.
- Net Rental Income from Property Owned by Family – acceptable methods of verification include, in this order: IRS form 1040 with Schedule E (rental income); copies of latest rent receipts, leases, or other documentation of rent amounts; documentation of allowable operating expenses of the property, tax statements, insurance invoices, bills for reasonable maintenance and utilities, bank statements or amortization schedules showing monthly interest expense; lessee’s written statement verifying rent payments to the family and family’s self-certification as to net income realized.
- Family Assets – MHA will require information necessary to determine the current cash value of the family’s assets (the net amount the family would receive if the asset were converted to cash). Acceptable verification may include any of the following: verification forms, letters, or documents from a financial institution or broker; passbooks, checking account statements, certificates of deposit, bonds, or financial statements completed by a financial institution or broker; quotes from a stock broker or realty agent as to net amount family would receive if they liquidated securities or real estate; real estate tax statements if the approximate current market value can be deduced from assessment; financial statements for business assets; copies of closing documents showing the selling price and the distribution of the sales proceeds; appraisals of personal property held as an investment.
- Assets Disposed of for Less Than Fair Market Value (FMV) – for all certifications and re-certifications, MHA will obtain the family’s certification as to whether any member has disposed of assets for less than fair market value during the two years preceding the effective date of the certification or re-certification. If the family certifies they have disposed of assets for less than fair market value, verification is required that shows: (a) all assets disposed of for less than FMV, (b) the date they were disposed of, (c) the amount the family received, and (d) the market value of the assets at the time of disposition. Third party verification will be obtained wherever possible.
- Child Care Expenses – written verification from the person who receives the payments is required. In the event the child care provider is not a business but is an individual, the written verification must be notarized. Verifications must specify the child care provider’s name, address, telephone number, the names of the children cared for, the number of hours the child care occurs, the rate of pay, and the typical yearly amount paid, including school and vacation periods. MHA will also request verification as to whether the certifying individual is a licensed child care provider and advise the provider that such income may be reported to other sources including the IRS.
- Medical Expenses – all expense claims will be verified by one or more of the methods: written verification by a doctor, hospital or clinic personnel, dentist, pharmacist, of (a) the anticipated medical costs to be incurred by the family and regular payments due on medical bills; and (b) extent to which those expenses will be reimbursed by insurance or a government agency; written confirmation by the insurance company or employer of health insurance premiums to be paid by the family; written confirmation from the Social Security Administration of Medicare premiums to be paid by the family over the next 12 months.
- Assistance to Persons with Disabilities [24 CFR 5.611(c)] – written certification from a reliable, knowledgeable professional that the person with disabilities requires the services of an attendant and/or the use of auxiliary apparatus to permit him/her to be employed or to function sufficiently independently to enable another family member to be employed. Family’s certification as to whether they receive

reimbursement for any of the expenses of disability assistance and the amount of any reimbursement received.

1. Attendant Care: attendant's written certification of amount received from the family, frequency of receipt, and hours of care provided. Certification of family and attendant and/or copies of cancelled checks family used to make payments.
2. Auxiliary Apparatus: receipts for purchase or proof of monthly payments and maintenance expenses for auxiliary apparatus. In the case where the person with disabilities is employed, a statement from the employer that the auxiliary apparatus is necessary for employment.

Verifying Non-Financial Factors [24 CFR 5.617(b) (2)]

In order to prevent program abuse, MHA will require applicants to furnish verification of legal identity for all family members. The following documents will be considered acceptable verification of legal identity for adults. If a document submitted by a family is illegible or otherwise questionable, more than one of these documents may be required: certificate of birth, naturalization papers, church-issued baptismal certificate, and U. S. military discharge (DD 214), or U.S. passport.

Documents considered acceptable for the verification of legal identity for minors may be one or more of the following: certificate of birth, adoption papers, or custody agreements.

Familial Relationships

Certification will normally be considered sufficient verification of family relationships. In cases where reasonable doubt exists, the family may be asked to provide verification. Verification of divorce status will be a certified copy of the divorce decree, signed by a court officer. Verification of a separation may be a copy of court-ordered maintenance or other legal records. Verification of marriage status is a marriage certificate.

Verification of Permanent Absence of Family Member

If the family reports an adult member who was formerly a member of the household permanently absent, the following information must be presented as verification prior to removing any household member from the assisted household: legal evidence of divorce action; evidence of legal separation; order of protection/restraining order obtained by one family member against another; lease or rental agreement showing the individual listed as the member of another household; a document from a court or correctional facility stating how long they will be incarcerated.

Verification of Disability

Verification of disability must be receipt of SSI or SSA disability payments under Section 223 of the Social Security Act of 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001(7)) or verified by appropriate diagnostician such as physician, psychiatrist, psychologist, therapist, rehab specialist, or licensed social worker, using the HUD language as the verification format.

Verification of Social Security Numbers [24 CFR 5.216]

Social security numbers must be provided as a condition of eligibility for all family members age six and over if they have been issued a number. Verification of social security numbers will be done through a social security card issued by the Social Security Administration. If a family member cannot produce a social security card, only the following documents showing his or her social security number may be used for verification: driver's license; identification card issued by a Federal, State, or local agency; identification card issued by a medical insurance company or provider (including Medicare and Medicaid); an identification card issued by an employer or trade union; an identification card issued by a medical insurance company; earnings statements or payroll stubs; IRS Form 1099; benefit award letter from government agencies. The family is also required to certify in writing that the document(s) submitted in lieu of the social security card information provided is/are complete and accurate.

New family members ages six and older will be required to produce their social security card or provide the substitute documentation described above together with their certification that the substitute information provided is complete and accurate. This information is to be provided at the time the change in family composition is reported.

If an applicant or participant is able to disclose the social security number but cannot meet the documentation requirements, the applicant or participant must sign a certification to that effect provided by MHA. The applicant/participant or family member will have an additional thirty (30) days to provide proof of the social security number. If they fail to provide this documentation, the family's assistance will be terminated.

In the case of an individual at least 62 years of age, MHA may grant an extension for an additional 60 days to a total of 120 days. If, at the end of this time, the elderly individual has not provided documentation, the family's assistance will be terminated. If the family member states they have not been issued a number, the family member will be required to sign a certification to this effect.

Verification of Citizenship

Prior to issuance of a voucher, all citizens and nationals will be required to sign a declaration of citizenship/immigration status (Declaration of Section 214 form). Eligible non-citizens must provide a copy of their original INS documentation.

Family members who do not claim to be citizens, nationals or eligible non-citizens, 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 the household. If MHA determines that a family member has knowingly permitted an ineligible non-citizen (other than any ineligible non-citizens listed on the lease) to permanently reside in the assisted unit, the family's assistance will be terminated as an unauthorized member. Such family will not be eligible for readmission to the Section 8 program for a period of 24 months from the date of termination.

Chapter 9 APPROVAL OF TENANCY AND CONTRACT EXECUTION

General [24 CFR 982.302]

MHA's program operations are designed to utilize available resources in a manner that is efficient and provides eligible families timely assistance based on the number of units that have been budgeted. Program objectives include maximizing HUD funds by providing assistance to as many eligible families and for as many eligible units as the budget will allow.

After families are issued a voucher, they may search for a unit anywhere within the designated jurisdiction. 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 contract with MHA. This chapter defines the types of eligible housing, MHA's

policies which pertain to initial inspections, lease requirements, owner disapproval, and the processing of Requests for Tenancy Approval.

Request for Tenancy Approval [24 CFR 982.302, 982.305(b)]

The Request for Tenancy Approval (RFTA) must be submitted by the family during the term of the voucher. The family must submit the RFTA in the form and manner required by MHA as follows:

- All corresponding blanks on the RFTA form must be fully completed and legible, including the age of the building and the most recent rent charged;
- The form must be signed by both the owner and voucher holder;
- The RFTA addendum (Owner-Payee Record and W-9) must be completed indicating the owner's federal tax identification number or social security number, the census tract of the unit and other requested information;
- The family may not submit more than one RFTA at a time.

MHA will review the RFTA documents to determine whether or not they are approvable based on the following criteria:

- The unit is an eligible type of housing under the program;
- The rent to owner plus tenant paid utilities does not exceed the applicable payment standard for the bedroom size of the voucher issued to the family; or the rent requested meets the affordability test (does not exceed 40% of the household's monthly adjusted income); and,
- The rent is reasonable in comparison to unassisted like units in the same location.

If MHA cannot approve the RFTA based on any of the above, MHA staff will contact the applicant and the owner to advise if the unit is not eligible or if the rent is not affordable, and give the applicant and owner the opportunity to negotiate rents within terms that would be approvable under the program requirements. If the owner and applicant are unable to reach acceptable terms, the voucher holder will have the remaining period of time on their voucher to locate an acceptable unit. The voucher time will not be suspended or "tolled" during this period.

Eligible Types of Housing [24 CFR 982.353]

Any of the following types of housing are eligible to be considered for assistance under the Housing Choice Voucher Program:

- All structure types: single family, duplex, multi-family, low rise or high rise;
- Manufactured homes where the assisted family leases the mobile home and the pad;
- Manufactured homes where the assisted family owns the mobile home and leases the pad;
- Group homes or shared housing;
- Congregate and Assisted Living facilities (only the shelter rent is assisted);
- Single Room Occupancy facilities;
- Units owned (but not subsidized) by MHA;
- Units being purchased by the assisted family in accordance with the Section 8 Homeownership criteria;

- A cooperative housing development in which the family owns shares and would still be considered a lease arrangement under the voucher program.

Lease Review [24 CFR 982.308]

The family and owner must submit a standard form lease commonly used in the City of Muskogee and that is used for the owner's unassisted tenants at the premises. MHA provides a sample lease to all voucher families to allow them to become familiar with proper lease language. The terms and conditions of the lease must be consistent with state and local law. The lease must specify the rent to the owner (which cannot differ from the amount approved by MHA), what utilities and appliances are to be supplied by the owner, and what utilities and appliances are to be supplied by the family.

The initial term of the lease agreement must be for a minimum of 12 months. Owners may elect to execute a lease for an indefinite extension of the initial term (the endless lease), which will allow the owner the ability to terminate tenancy during the lease only by instituting a court action. However, owners may elect fixed, definite extensions of the initial lease, such as year-to-year. This option allows the owner to terminate tenancy without cause at the end of the initial term or any subsequent term.

The HUD-prescribed tenancy addendum, which is attached to the Housing Assistance Payments Contract, as Part C, will always take precedence over any other terms and conditions in the owner's lease with the tenant. House rules of the owner may be attached to the lease as an addendum, provided they do not violate any fair housing provisions and do not conflict with the HUD tenancy addendum.

Actions Before Lease Term

All of the following must always be completed before the beginning of the initial term of the lease for a unit: the unit has been inspected and meets all requirements of the federal Housing Quality Standards; the landlord and the tenant have executed the lease, the rent on the lease agreement is consistent with the rent approved by MHA, and includes the HUD-prescribed tenancy addendum; and, MHA has approved leasing of the unit in accordance with program requirements.

Rent Reasonableness

MHA will not approve an initial rent or a rent increase in any of the tenant-based programs without determining that the rent amount is reasonable. Reasonableness is determined prior to the initial lease and at the following times:

1. Before any increase in rent to owner is approved;
2. If 60 days before the contract anniversary date there is a 5% decrease in the published FMR as compared to the previous FMR; and
3. If MHA or HUD directs that reasonableness be re-determined.

Comparability

In making a rent reasonableness determination, MHA will compare the rent for the unit to the rent of comparable units in the same or comparable neighborhoods. MHA will consider the location, quality, size, number of bedrooms, age, amenities, housing services, maintenance and utilities of the unit and the comparable units.

Owners must certify the rents charged for other units. By accepting housing assistance payment each month, the owner is certifying that the rent to owner is not more than the rent charged by the owner for comparable unassisted units in the premises.

Separate Agreements

Families and owners will be advised of the prohibition of illegal side payments for additional rent, or for items normally included in the rent of unassisted families, or for items not shown on the approved lease. However, owners and families may execute separate agreements for services, appliances (other than range and refrigerator) and other items that are not included in the lease if the agreement is in writing and approved by MHA.

The family is not liable under the lease for unpaid charges for items covered by separate agreements and nonpayment of these agreements cannot be cause for eviction. Any appliances, services or other items, which are routinely provided to unassisted families as part of the lease (such as air conditioning, dishwasher or garage) or are permanently installed in the unit, cannot be put under separate agreement and must be included in the lease. MHA will only approve a separate agreement if the family has the option of not utilizing the service, appliance, or other item.

Information to Owners [24 CFR 982.307) b), 982.54(d) (7)]

Upon written request from a prospective owner, MHA will provide the following information about a program applicant and/or participant. However, if the household was admitted to the Section 8 program under the witness protection program no information will be provided.

- Current address as reflected in the file;
- Former address if reflected in the file.

MHA will inform owners that it is the responsibility of the landlord to determine the suitability of prospective tenants. Owners will be encouraged to screen applicants for rent payment history, payment of utility bills, eviction history, respecting the rights of other residents, damage to units, drug-related criminal activity or other criminal activity that is a threat to the health, safety or property of others, and compliance with other essential conditions of tenancy. A statement of MHA's policy on release of information to prospective landlords will be included in the briefing session for applicant families.

Contract Execution Process [24 CFR 982.305(c)]

The Housing Assistance Payments Contract will be prepared by MHA upon approval of the RFTA and a passing HQS inspection indicating that the unit is in compliance with all Federal Housing Quality Standards. Owners will be required to sign the HAP contract for all units placed under contract.

Owners will be required to provide proof of ownership for the assisted unit in a form acceptable to MHA. The HAP contract will be executed in the manner indicated on the proof of ownership. If the owner has assigned an agent to represent the owner, then appropriate documentation must be provided prior to execution of the HAP contract.

Housing assistance is retroactive to the date the unit passed inspection or the lease effective date, whichever is later.

Chapter 10 HOUSING QUALITY STANDARDS AND INSPECTIONS

General [24 CFR 982.401]

The Housing Quality Standards (HQS) are federal standards established by HUD that serve to measure the minimum quality of housing acceptable in the Section 8 housing programs. HQS standards are utilized to inspect housing units at initial occupancy and during the term of the Housing Assistance Payments contract. HQS standards apply to the building and premises, as well as the unit. Newly leased units must pass the HQS inspection before the beginning date of the HAP contract. MHA will inspect each unit under contract at least annually. MHA will also maintain a quality control inspection program, which will re-inspect a minimum of 10% of all inspections on an annual basis to assure consistency of HQS.

This chapter describes MHA’s procedures for performing HQS and other types of inspections, and standards for the timeliness of repairs. It also explains the responsibilities of the owner and family, and the consequences of non-compliance with HQS requirements for both families and owners.

Guidelines/Types of Inspections [24 CFR 982.401(a), 982.405]

MHA performs all aspects of the inspection process, with the exception of properties owned by Greater Muskogee Community Foundation (GMCF). HQS inspections for all GMCF properties will be performed by the Muskogee City Inspector’s office. All inspections will be completed in accordance with the policies set forth in this administrative plan.

Efforts will be made at all times to encourage owners to provide housing above HQS minimum standards. However, MHA will not promote any additional acceptability criteria, which is likely to adversely restrict housing choice.

If the tenant is responsible for supply the stove and/or the refrigerator, MHA will conduct the initial inspection but determine it is inconclusive if the stove and/or refrigerator are not present in the unit at the time of the inspection. In this circumstance, the tenant must contact the inspector to schedule a re-inspection when the appliances are physically in the unit.

The following types of inspections will be conducted as required:

- Annual – an inspection of a property conducted prior to its re-certification date;
- Re-Inspection – an inspection of a property which failed its annual or initial inspection;
- 24-Hour Re-Inspection – an inspection of a property which had a failing item considered a 24-hour emergency situation;
- Initial – an inspection of a property which the tenant has selected, has submitted an RFTA, and is requesting approval of a new unit;
- Complaint – an inspection on a property which has been requested by the resident or other involved party due to perceived problems with the property;
- Courtesy – an inspection requested on a property which is not yet a part of the HAP program but is being considered, by the landlord, for participation in the program;
- Abatement Cure – an inspection on a property where abatement has commenced but is still within the thirty-day window prior to termination;
- Re-Instatement Inspection – an inspection in which the contract was terminated but a determination has been made to re-instate the contract;
- Quality Assurance – 10% re-inspection by a supervisor of units previously inspected;
- Quality Assurance Re-Inspection – a re-inspection of a unit which failed the original Quality Assurance inspection;

Timing of HQS Inspection

Inspections will be conducted in accordance with the following timeframes:

Type of Inspection	To Be Scheduled	To Be Completed
Initial	Within three working days of the approved RFTA	Within five working days of the approved RFTA
Annual	90 days prior to anniversary date	60 days prior to anniversary date
Compliant	Within one working day from the received complaint	Within two working days from the received complaint
Courtesy	Within three working days of the received	Within seven working days of the

	request	received request
Annual Re-Inspection	Upon notification by owner that repairs are completed but not later than 30 days prior to the anniversary date	Within fifteen calendar days prior to the anniversary date
Other Re-Inspection	Within two working days from the date of notification that the unit is ready for re-inspection	Within five working days from the date of notification that the unit is ready for re-inspection
Abatement Cure	Within two working days from the date of notification that the unit is ready for re-inspection. Notice must be received at least 15 days prior to termination.	Within five working days from the date of notification that the unit is ready for re-inspection.

The family must allow the MHA inspection of the unit at reasonable times and after reasonable notice.

Reasonable hours to conduct an inspection are between 8:00 a.m. and 5:00 p.m. Notice will be provided to the family and the owner via first class mail a minimum of fifteen (15) days prior to the first attempt for an inspection for any unit currently occupied by a voucher holder. All other inspections will be coordinated with the owner and/or family based on the type of inspection. The family and/or owner will be notified by mail or by posted notice on the main entrance of the unit of a scheduled re-inspection.

Two attempts will be made for all inspection types. If access to the unit cannot be obtained on the second attempt, the unit will be considered to be in non-compliance with HQS standards and appropriate action will be taken based on the inspection type. Responsibility for access for annual inspections and any related required re-inspections is the responsibility of the assisted household and failure to provide access is a violation of the family obligations under the voucher contract. Access for all other inspection types is the responsibility of the owner.

Inability of MHA to obtain access to a unit under HAP contract for required inspections will result in abatement of the HAP payment to the landlord and issuance of a termination notice to the assisted household. Inability to obtain access for other inspections will result in denial of approval of that unit for program participation.

The landlord must correct all HQS deficiencies which cause a unit to fail, unless it is a fail item for which the tenant is responsible.

Performance and Acceptability Criteria [24 CFR 982.401]

This section states performance and acceptability criteria for these key aspects of the following housing quality standards:

A. Sanitary Facilities

1. The dwelling unit must include sanitary facilities located in the unit. The sanitary facilities must be in proper operating condition and adequate for personal cleanliness and the disposal of human waste. The sanitary facilities must be usable in privacy.
2. The bathroom must be located in a separate private room and have a flush toilet in proper operating condition.
3. The dwelling unit must have a fixed basin in proper operating condition, with a sink trap and hot and cold running water.
4. The dwelling unit must have a shower or tub in proper operating condition with hot and cold running water.
5. The facilities must utilize an approvable public or private disposal system (including a locally approvable septic system).

B. Food Preparation and Refuse Disposal

1. The dwelling unit must have suitable space and equipment to store, prepare, and serve foods in a sanitary manner.
2. There must be adequate facilities and services for the sanitary disposal of food wastes and refuse, including facilities for temporary storage where necessary (e.g. garbage cans).
3. The dwelling unit must have an oven, a stove or range, and a refrigerator of appropriate size for the family. All of the equipment must be in proper operating condition. Either the owner or the

family may supply the equipment. A microwave oven may be substituted for an owner-supplied oven and stove or range if the tenant agrees and microwave ovens are furnished instead of an oven and stove or range to both subsidized and unsubsidized tenants in the building or premises.

4. The dwelling unit must have a kitchen sink in proper operating condition, with a sink trap and hot and cold running water. The sink must drain into an approvable public or private system.
 5. The dwelling unit must have space for the storage, preparation, and serving of food.
 6. There must be facilities and services for the sanitary disposal of food waste and refuse, including temporary storage facilities where necessary (i.e. garbage cans).
- C. Space and Security
1. The dwelling unit must provide adequate space and security for the family.
 2. At a minimum, the dwelling unit must have a living room, a kitchen area, and a bathroom.
 3. The dwelling unit must have at least one bedroom or living/sleeping room for each two persons. Children of the opposite sex, other than very young children, may not be required to occupy the same bedroom or living/sleeping room.
 4. Dwelling unit windows that are accessible from the outside, such as basement, first floor, and fire escape windows, must be lockable (such as window units with sash pins or sash locks, and combination windows with latches). Windows that are nailed shut are acceptable only if these windows are not needed for ventilation or as an alternate exit in case of fire.
 5. The exterior doors of the dwelling unit must be lockable. Exterior doors are doors by which someone can enter or exit the dwelling unit.
- D. Thermal Environment
1. The dwelling unit must have and be capable of maintaining a thermal environment healthy for the human body.
 2. There must be a safe system for heating the dwelling unit (and a safe cooling system, where present). The system must be in proper operating condition. The system must be able to provide adequate heat (and cooling, if applicable), either directly or indirectly, to each room, in order to assure a healthy living environment appropriate to the climate.
 3. The dwelling unit must not contain unvented room heaters that burn gas, oil, or kerosene. Electric heaters are acceptable.
- E. Illumination and Electricity
1. Each room must have adequate natural or artificial illumination to permit normal indoor activities and to support the health and safety of the occupants. The dwelling unit must have sufficient electrical sources so occupants can use essential electrical appliances. The electrical fixtures and wiring must ensure safety from fire.
 2. There must be at least one window in the living room and in each sleeping room
 3. The kitchen area and the bathroom must have a permanent ceiling or wall light fixture in proper operating condition. The kitchen area must also have at least one electrical outlet in proper operating condition.
 4. The living room and each bedroom must have at least two electrical outlets in proper operating condition. Permanent overhead or wall-mounted light fixtures may count as one of the required electrical outlets.
- F. Structure and Materials
1. The dwelling unit must be structurally sound. The structure must not present any threat to the health and safety of the occupants and must protect the occupants from the environment.
 2. Ceilings, walls, and floors must not have any serious defects such as severe buckling or leaning, large holes, loose surface materials, severe bulging, missing parts, or other serious damage.
 3. The roof must be structurally sound and weather tight.
 4. The exterior wall structure and surface must not have any serious defects such as serious leaning, buckling, sagging, large holes, or defects that may result in air infiltration or vermin infestation.
 5. The condition and equipment of interior and exterior stairs, halls, porches, walkways, etc. must not present a danger of tripping and falling. For example, broken or missing steps or loose boards are unacceptable.
 6. Elevators must be working and safe.
- G. Interior Air Quality

1. The dwelling unit must be free of pollutants in the air at levels that threaten the health of the occupants.
2. The dwelling unit must be free from dangerous levels of air pollution from carbon monoxide, sewer gas, fuel gas, dust, and other harmful pollutants.
3. There must be adequate air circulation in the dwelling unit.
4. Bathroom areas must have one window that can be opened or other adequate exhaust ventilation.
5. Any room used for sleeping must have at least one window. If the window is designed to be opened, the window must work.

H. Water Supply

1. The water supply must be free from contamination.
2. The dwelling unit must be served by an approvable public or private water supply that is sanitary and free from contamination.

I. Lead-Based Paint

1. Definitions

- a. Chewable surface: protruding painted surfaces up to five feet from the floor or ground that are readily accessible to children under six years of age; for example, protruding corners, window sills and frames, doors and frames, and other protruding woodwork.
- b. Component: an element of a residential structure identified by type and location, such as a bedroom wall, an exterior window sill, a baseboard in a living room, a kitchen floor, an interior window sill in a bathroom, a porch floor, stair treads in a common stairwell, or an exterior wall.
- c. Defective Paint Surface: a surface on which the paint is cracking, scaling, chipping, peeling, or loose.
- d. Elevated Blood Level (EBL): excessive absorption of lead. Excessive absorption is a confirmed concentration of lead in whole blood of 20 ug/dl (micrograms of lead per deciliter) for a single test or of 15-19 ug/dl in two consecutive tests 3-4 months apart.
- e. HEPA: a high efficiency particle accumulator as used in lead abatement vacuum cleaners.
- f. Lead-Based Paint: a paint surface, whether or not defective, identified as having a lead content greater than or equal to one milligram per centimeter squared (mg/cm^2), or 0.5% by weight or 5000 parts per million (ppm).

2. The purpose of this paragraph of this Section is to implement Section 302 of the Lead-Based Paint Poisoning Prevention Act, 42 U.S.C. 4822, by establishing procedures to eliminate as far as practicable the hazards of lead-based paint poisoning for units assisted under this part. This paragraph is issued under 24 CFR 35.24(b) (4) and supersedes, for all housing to which it applies, the requirements of subpart C of 24 CFR part 35.
3. The requirements of this paragraph of this Section do not apply to zero-bedroom units, units that are certified by a qualified inspector to be free of lead-based paint, or units designated exclusively for the elderly. The requirements of subpart A of 24 CFR part 35 apply to all units constructed prior to 1978 covered by a HAP contract under part 982.

4. If a dwelling unit constructed before 1978 is occupied by a family that includes a child under the age of six years, the initial and each periodic inspection (as required under this part) must include a visual inspection for defective paint surfaces. If defective paint surfaces are found, such surfaces must be treated in accordance with paragraph 12 of this section.
5. MHA may exempt from such treatment defective paint surfaces that are found in a report by a qualified lead-based paint inspector not to be lead-based paint, as defined in paragraph 1. (f) of this section. For purposes of this section, a qualified lead-based paint inspector is a state or local health or housing agency, a lead-based paint inspector certified or regulated by a state or local health or housing agency, or an organization recognized by HUD.
6. Treatment of defective paint surfaces required under this section must be completed within 30 calendar days of MHA notification to the owner. When weather conditions prevent treatment of the defective paint conditions on exterior surfaces within the 30-day period, treatment as required by paragraph 12 of this section may be delayed for a reasonable time.
7. The requirements in this paragraph apply to:

- a. all painted interior surfaces within the unit (including ceilings but excluding furniture);
 - b. the entrance and hallway providing access to a unit in a multi-unit building; and
 - c. exterior surfaces up to five feet from the floor or ground that are readily accessible to children under six years of age (including walls, stairs, decks, porches, railings, windows and doors, but excluding outbuildings such as garages and sheds).
8. In addition to the requirements of paragraph 4 of this section, for a dwelling unit constructed before 1978 that is occupied by a family with a child under the age of six years with an identified EBL condition, the initial and each periodic inspection (as required under this part) must include a test for lead-based paint on chewable surfaces. Testing is not required if previous testing of chewable surfaces is negative for lead-based paint or if the chewable surfaces have already been treated.
9. Testing must be conducted by a state or local health or housing agency, an inspector certified or regulated by a state or local health or housing agency, or an organization recognized by HUD. Lead content must be tested by using an X-ray fluorescence analyzer (XRF) or by laboratory analysis of paint samples. Where lead-based paint on chewable surfaces is identified, treatment of the paint surface in accordance with paragraph 12 of this section is required, and treatment shall be completed within the time limits in paragraph "Time Standards for Repairs" in this section.
10. The requirements in paragraph 8 of this section apply to all protruding painted surfaces up to five feet from the floor or ground that are readily accessible to children under six years of age:
- a. within the unit;
 - b. the entrance and hallway providing access to a unit in a multi-unit building; and
 - c. exterior surfaces (including walls, stairs, porches, decks, railings, windows and doors, but excluding outbuildings such as garages and sheds).
11. In lieu of the procedures set forth in paragraph 8 of this section, MHA may, at its discretion, waive the testing requirement and require the owner to treat all interior and exterior chewable surfaces in accordance with the methods set out in paragraph 12 of this section.
12. Treatment of defective paint surfaces and chewable surfaces must consist of covering or removal of the paint in accordance with the following requirements:
- a. A defective paint surface shall be treated if the total area of defective paint on a component is:
 - (1) More than 10 square feet on an exterior wall;
 - (2) More than 2 square feet on an interior or exterior component with a large surface area, excluding exterior walls and including, but not limited to, ceilings, floors, doors, and interior walls;
 - (3) More than 10% of the total surface area on an interior or exterior component with a small surface area, including but not limited to window sills, baseboards, and trim.
- B. Acceptable methods of treatment are the following: removal by wet scraping, wet sanding, chemical stripping on or off site, replacing painted components, scraping with infra-red or coil type heat gun with temperatures below 1100 degrees, HEPA vacuum sanding, HEPA vacuum needle gun, contained hydroblasting or high pressure wash with HEPA vacuum, and abrasive sandblasting with HEPA vacuum. Surfaces must be covered with durable materials with joint edges sealed and caulked as needed to prevent the escape of lead contaminated dust.
- C. Prohibited methods of removal are the following: open flame burning or torching, machine sanding or grinding without a HEPA exhaust, uncontained hydroblasting or high pressure wash, and dry scraping except around electrical outlets or except when treating defective paint spots no more than two square feet in any one interior room or space (hallway, pantry, etc.) or totaling no more than twenty square feet on exterior surfaces.
- D. During exterior treatment, soil and playground equipment must be protected from contamination.
- E. All treatment procedures must be concluded with a thorough cleaning of all surfaces in the room or area of treatment to remove fine dust particles. Cleanup must be accomplished by

wet washing surfaces with a lead solubilizing detergent such as trisodium phosphate or an equivalent solution.

F. Waste and debris must be disposed of in accordance with all applicable Federal, State, and local laws.

13. The owner must take appropriate action to protect residents and their belongings from hazards associated with treatment procedures. Residents must not enter spaces undergoing treatment until cleanup is completed. Personal belongings that are in work areas must be relocated or otherwise protected from contamination.
14. Prior to execution of the HAP contract, the owner must inform MHA and the family of any knowledge of the presence of lead-based paint on the surfaces of the residential unit.
15. MHA must attempt to obtain annually from local health agencies the names and addresses of children with identified EBLs and must annually match this information with the names and addresses of participants under this part. If a match occurs, MHA must determine whether local health officials have tested the unit for lead-based paint. If the unit has lead-based paint, MHA must require the owner to treat the lead-based paint. If the owner does not complete the corrective actions required by this section, the family must be issued a voucher to move.
16. MHA must keep a copy of each inspection report for at least three years. If a dwelling unit requires testing, or if the dwelling unit requires treatment of chewable surfaces based on the testing, MHA must keep the test results indefinitely, and, if applicable, the owner certification and treatment. The records must indicate which chewable surfaces in the dwelling units have been tested and which chewable surfaces were tested or tested and treated in accordance with the standards prescribed in this section, such chewable surfaces do not have to be tested or treated at any subsequent time.
17. The dwelling unit must be able to be used and maintained without unauthorized use of other private properties. The building must provide an alternate means of exit in case of fire (such as fire stairs or egress through windows).

J. Access

1. The dwelling unit must be able to be used and maintained without unauthorized use of other private properties. The building must provide an alternate means of exit in case of fire (such as fire stairs or egress through windows).

K. Site and Neighborhood

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

L. Sanitary Condition

1. The dwelling unit and its equipment must be in sanitary condition.
2. The dwelling unit and its equipment must be free of vermin and rodent infestation.

M. Smoke Detectors

1. Except as provided in paragraph 2 below in this section, each dwelling unit must have at least one battery-operated or hard-wired smoke detector, in proper operating condition, on each level of the dwelling unit, including basements but excepting crawl spaces and unfinished attics. Smoke detectors must be installed in accordance with and meet the requirements of the National Fire Protection Association Standard (NFPA) 74 (or its successor standards). If the dwelling unit is occupied by any hearing-impaired person, smoke detectors must have an alarm system designed for hearing-impaired persons as specified in NFPA 74 (or its successor).
2. For units assisted prior to April 24, 1993, owners who installed battery-operated or hard-wired smoke detectors prior to April 24, 1993 in compliance with HUD's smoke detector requirements, including the regulations published on July 30, 1992 (57 FR 33846), will not be required to subsequently comply with any additional requirements mandated by NFPA 74 (i.e., the owner would not be required to install a smoke detector in a basement not used for living purposes, nor would the owner be required to change the location of the smoke detectors that have already been installed on the other floors of the unit).

Exceptions to the HQS Acceptability Criteria

MHA will utilize the acceptability criteria as outlined above with applicable state and local codes. Additionally, MHA has received HUD approval to require the following additional criteria:

- In each room, there will be at least one exterior window that can be opened and that contains a screen if no central heat/air unit is present.
- Owners will be required to scrape peeling paint and repaint all surfaces cited for peeling paint with two coats of non-lead paint. An extension may be granted as a severe weather-related item as defined.
- Adequate heat shall be considered to be 68 degrees.
- In units where the tenant must pay for utilities, each unit must have separate metering device(s) for measuring utility consumption.
- A ¾" overflow pipe must be present on the hot water heater safety valves and installed down to within six inches of the floor.

Time Standards for Repairs

The owner must correct emergency items which endanger the family's health or safety within 24 hours from the initial inspection. Non-emergency repairs must be made within thirty (30) days for all other inspections. If a unit fails to comply with HQS at an initial inspection or re-inspection, the applicant will be notified to continue their search for housing within the time frame remaining on the voucher. If a unit fails to comply with HQS at any other inspection, actions will be taken as described below.

Repair of refrigerators, range and oven, or a major plumbing fixture supplied by the owner must be abated within 72 hours.

At the sole discretion of MHA, extensions of up to 30 days may be granted to permit an owner to complete repairs if the owner has made a good faith effort to initiate repairs. If repairs are not completed within 60 days after the initial inspection date, MHA will abate the HAP and cancel the HAP contract for noncompliance. Appropriate extensions will be granted if a severe weather condition exists for such items as exterior painting and outside concrete work for porches, steps, and sidewalks.

Modifications

MHA will strictly use the federal Housing Quality Standards for acceptance of units under the Housing Choice Voucher Program. Exceptions to the HQS standards will only be considered to assure compliance with applicable historic preservation standards as required by the City of Muskogee. Any modifications or adaptations to a unit to permit a reasonable accommodation for a person with a disability must meet all applicable HQS requirements.

Emergency Repair Items [24 CFR 982.404(a)]

The following items shall be defined as emergency and must be corrected within 24 hours of the initial inspection:

- Lack of an operable smoke detector;
- Ceiling damage reflecting imminent danger of falling;
- Major plumbing leaks or flooding;
- Natural gas leaks or fumes;
- Electrical problems which could result in shock or fire;
- No heat when outside temperature is below 40 degrees Fahrenheit and temperature inside the unit is below 62 degrees Fahrenheit;
- Utilities not in service;
- No running hot water;
- Broken glass where someone could be injured or allow weather elements into the unit;

- Obstacle which prevents tenant's entrance or exit;
- Lack of operable toilet;
- Broken lock(s) on first floor doors or windows;
- Security risks such as broken doors or windows that would allow intrusion;
- Other conditions with pose an immediate threat to health or safety.

If the emergency repair item(s) are not corrected in the time period required and the owner is responsible for the repair, the housing assistance payment will be abated in accordance with the procedures outlined further in this plan.

If the emergency repair item(s) are not corrected in the time period required and the assisted household caused the damage, a notice of pending termination will be issued to the family in accordance with the termination procedures outlined further in this plan.

Abatement and Contract Termination

Failure for a unit under contract to pass a re-inspection will result in abatement of the Housing Assistance Payment. Abatement means that a daily pro-ration of the Housing Assistance Payment will be deducted from any future payments for each day that the unit is not in compliance with the HQS standards. A notice of abatement will be sent to the owner informing them that abatement will commence effective the first day of the month following the date of notification of abatement. The abatement period will not extend beyond 7 **14** days.

If the owner has not made the required repairs during the abatement period, the Housing Assistance Payments contract will be terminated in accordance with the provisions in the contract. The assisted family will be notified of the termination and will be advised to secure program move documents to commence search for a new housing unit. Once a termination notice has been issued, the HAP contract will not be re-instated even if the landlord proceeds to make repairs.

Determination of Responsibility for Repairs [24 CFR 982.404, 982.54(d) (14)]

The following HQS deficiencies are the responsibility of the family:

- Tenant-paid utilities not in service;
- Failure to provide or maintain tenant-supplied appliances;
- Documented damage to the unit or premises caused by a household member or guest which is obvious as beyond normal wear and tear;
- Placement of large items of trash or inoperable vehicles anywhere on the assisted unit premises;
- Failure to maintain lawn and surrounding areas if a single-family structure.

"Normal wear and tear" is defined as items which cannot be charged against the tenant security deposit under state law or court practice.

All other HQS violations shall be the responsibility of the owner including vermin infestation even if caused by the family's living habits. However, if such infestation is serious and repeated, it may be considered a lease violation and the owner may take appropriate action in accordance with the lease. If the family is responsible for deficiencies but the owner carries out the repairs, the owner will be encouraged to bill the family for the cost of the repairs and the family's file will be noted. If the repairs are made while the family is in occupancy, the owner will be advised to bill the full amount of the repairs. If the repairs are made upon vacating the unit, then the owner will be advised to bill any amount in excess of the collected security deposit.

Consequences if Family is Responsible [24 CFR 982.404(b)]

If emergency or non-emergency violations of HQS are determined to be the responsibility of the family, MHA will require the family to make any repair(s) or corrections within 24 hours for emergency items and within 30 days for non-emergency items. If the repair(s) or correction(s) are not made in this time period, MHA will terminate assistance to the family after providing an opportunity for an informal hearing. The owner's rent will not be abated for items which are the family's responsibility.

If the tenant is responsible and corrections are not made, the HAP contract will terminate when assistance is terminated.

Chapter 11 RENT AND PAYMENT STANDARDS

General [24 CFR 982.502, 982.503, 982.504, 982.505]

It is MHA's responsibility to ensure that Payment Standards are sufficient to assure maximum program utilization, to provide program participants and applicants with adequate housing choice, and to assure that rents charged by owners at the time of initial lease-up and at each annual re-certification are reasonable based upon unassisted comparable units in the rental market. This chapter explains MHA's procedures for determination of rent reasonableness, payments to owners, adjustments to the Payment Standards, and rent adjustments.

Initial Rent to Owner

MHA will review the following items to determine if the rent requested by the owner meets the program requirements as follows:

- The requested rent plus the cost of tenant-paid utilities (calculated on the most recent program utility allowance schedule) cannot exceed the applicable payment standard; or
- Total tenant payment cannot exceed 40% of the assisted family's monthly adjusted income.
- The rent to owner must be reasonable in comparison to rent for other comparable unassisted units.

Making Payments to Owners [24 CFR 982.451]

Once the HAP contract is executed, MHA will commence processing payments to the landlord. A lease amendment will be completed for all assistance changes processed throughout the month. All HAP checks will be issued on or around the first of each month for active, non-suspended contracts. A mid-month HAP check run will occur on or around the 15th of each month to process any adjustments or other actions that have occurred since the previous month-end processing.

A month-end process will occur on or around the 26th day of each month to process all housing assistance payments for the first of the following month. A HAP register and detailed reconciliation process will be used each month as a basis for monitoring the accuracy and timeliness of payments.

Payment will be made on a master basis for all units under contract with a single property owner. Payments for different properties will only be processed if the owner provides a separate federal tax identification number. All payments will be mail via U.S. Postal Service mails to the property owner and the itemization of payments will be printed on the check stub or a worksheet and mailed to the owner with the payment.

Rent is due on the first day of the month but is not considered late until after the fifth day of the month. If payment is delayed by MHA beyond the fifth of the month, MHA will be responsible for payment of late fees to the owner in accordance with the late fees identified in the lease agreement but not to exceed a total of \$50.00.

MHA will not be obligated to pay any late payment penalty if HUD determines that late payment is due to factors beyond MHA's control, such as a delay in the receipt of program funds from HUD. MHA will not use any program funds for the payment of late fee penalties to the owner.

Rent Reasonableness Determinations [24 CFR 982.507]

A rent reasonableness test will be conducted to determine if the requested rent is reasonable in comparison to rent for other comparable unassisted units in the market. Rent reasonable tests will be conducted for the following:

- An initial rent requested on the RFTA form;
- Prior to any increase in the rent to owner;
- If there is a five percent decrease in the published FMR 60 days before the contract anniversary;
- If directed by HUD; and,
- Based on a need identified by MHA.

At all times during the assisted tenancy, the rent to owner may not exceed the reasonable rent as most recently determined or re-determined by MHA. The owner will be advised that by accepting each monthly housing assistance payment, s/he will be certifying that the rent to owner is not more than rent charged by the owner for comparable unassisted units in the premises. If requested, the owner must provide HANO with information on rents charged by the owner for other units in the premises or elsewhere.

Rent reasonable data will be gathered from the rental market database maintained in MHA offices via specialized computer software. MHA will conduct periodic city-wide rental surveys for rental properties advertised in the community and through other sources as available such as realtors and professional associations. The market areas for rent reasonableness are zip codes and census tracts within the City of Muskogee.

The following items will be used for rent reasonableness documentation:

- Location by zip code and census tract;
- Number of bedrooms and bathrooms;
- Other identifiable amenities;
- Type and age of structure; and
- Tenant paid utilities.

Using an automated method, a search will be conducted in the MHA rent reasonableness database to identify comparable units by the factors identified above. A minimum of two similar units will be identified and the corresponding data will be recorded on the rent reasonableness form.

This data will be compared with the requested rent for the assisted unit. If the requested rent is greater than the comparable units selected, MHA will negotiate with the owner to reach an agreed upon rent amount that meets the rent reasonable test. If the rent is less than the comparables, MHA will approve the rent increase.

Payment Standards for the Voucher Program [24 CFR 982.503]

The Payment Standard is used to calculate the housing assistance payment for a family and is based on Fair Market Rents (FMR) published by HUD on an annual basis for the City of Muskogee. MHA has established the payment standards at **110%** of the published fair market rents for all units. MHA will review the appropriateness of the Payment Standard annually when the new FMR is published. In determining whether a change is needed, MHA will consider all available resources including special requests to HUD to increase the published FMR from the 40th percentile of the area median to the 50th percentile, if warranted, to assure maximum housing choice for program applicants and participants and to encourage continued movement to areas of low poverty.

Case by case reviews of a higher payment standard will be considered as a reasonable accommodation for a family that includes a person with disabilities. If appropriate, MHA will increase the payment standard up to 110% of the FMR.

Increase in Owner Rent [24 CFR 982.308(g)]

The owner is required to notify MHA, in writing, at least 60 days before any change in the amount of the rent to owner is scheduled to go into effect. MHA will issue a notice to the owner of the upcoming anniversary date of a contract 90 to 120 days in advance of the anniversary date. An informational form will be provided to the owner to determine if he intends to renew the lease agreement with the tenant and whether there will be any changes in the lease, including any change in the rent to owner.

Any changes in the rent to owner must comply with all provisions of the rent reasonableness requirements.

Chapter 12 RE-CERTIFICATIONS

General [24 CFR 982.516]

MHA will re-examine the income and household composition of all assisted families and obtain criminal record information on all participants age 18 and over at least annually. Families will be provided accurate annual and interim rent adjustments. Re-certifications and interim examinations of income will be processed in a manner that ensures families are given reasonable notice of rent increases. This chapter defines MHA's policy for conducting annual re-certifications and coordinating annual activities. It also explains the interim reporting requirements for families, and the standards for timely reporting.

Annual Activities [24 CFR 982.516, 982.405]

There are three activities which must be completed on an annual basis as follows:

- Re-Certification of Income and Family Composition,
- HQS Inspection, and
- Determination of Rent Reasonableness for any requested rent increase.

Annual Re-Certification [24 CFR 982.516]

MHA will maintain an automated re-certification tracking system and households will be notified by mail of the date and time for scheduled appointments a minimum of 3 weeks in advance of the anniversary date of their lease and Housing Assistance Payments contract. A listing of all required documentation necessary for the annual re-certification will be provided to the family with the notification of scheduled appointment. This information includes all documentation necessary to verify income, assets, allowances and deductions along with any additions or deletions of household members.

The head of household and spouse or co-head are required to be present at the re-certification interview. If the head of household is unable to attend the interview, the appointment will be rescheduled. The family may call to request another appointment date up to ten days prior to the scheduled interview and every effort will be made to accommodate the family's request. Priority for appointment dates and times will be given to households whose head or co-head is employed full-time during normal working hours.

If the family does not appear for the re-certification interview, and has not rescheduled or made prior arrangements, the caseworker will issue a notice of termination of assistance, notifying the family of their right to an informal hearing. However, if the family schedules and maintains an appointment prior to the expiration date of the time to request a hearing, the termination action will be suspended.

If the outcome of the annual re-certification results in an increase of the tenant rent, a thirty-day notice will be mailed to the family prior to the scheduled effective date of the annual re-certification. If less than thirty days are remaining before the scheduled effective date of the annual re-certification, the tenant rent increase will be effective on the first of the month following a thirty day notice.

If there has been a misrepresentation or a material omission by the family, or if the family causes a delay in the re-examination processing, there will be a retroactive increase in rent to the scheduled effective date of the annual re-certification.

If the tenant rent decreases, it will be effective on the anniversary date. If the family causes a delay so that the processing of the re-examination is not complete by the anniversary date, the rent decrease will be effective on the first day of the month following completion of the re-examination processing by MHA.

Interim Re-Certifications [24 CFR 982.516]

Program participants are required to report all changes in household composition between annual re-certifications, within ten days of the change. This includes additions due to birth, adoption, and court-awarded custody. The family must obtain MHA approval for all additions to the household prior to adding that person to the lease agreement. If any new family member is added, an interim re-certification will be conducted to include any income of the new family member.

Participants must report an increase in income within thirty days of the change. The change will be effective the first of the month following the 30-day notice mailed to the family.

Participants may report a decrease in income between annual re-certifications. Changes in rent for interim re-certifications will be effective the first of the month following the month in which the changes were reported if it is a decrease.

An interim re-certification will be scheduled every 60-90 days for families who have reported zero income.

Income Changes Resulting from Welfare Program Requirements [24 CFR 5.615]

Decreases in income resulting from changes or discontinuance of welfare benefits will be processed as follows:

- Tenant rent will not be decreased if welfare assistance is reduced because of fraud, failure to participate in an economic self-sufficiency program, or noncompliance with a work activities requirement.

- Tenant rent will be decreased if welfare assistance is reduced because of the expiration of a lifetime limit on receiving benefits or a situation where the family has complied with welfare program requirements but cannot or has not obtained employment.

MHA has taken a proactive approach to culminating an effective working relationship with the local welfare agency for the purpose of targeting economic self-sufficiency programs throughout the community that are available to Section 8 tenant-based assisted families.

Chapter 13 PROGRAM MOVES AND PORTABILITY

General [24 CFR 982.314, 982.353, 982.355(a)]

HUD regulations permit families to move with continued assistance to another unit within MHA's jurisdiction, or to a unit outside of MHA's jurisdiction under the program portability provisions. The regulations also allow discretion to develop policies which define any limitations or restrictions on moves. This chapter defines the procedures for moves, both within and outside of MHA's jurisdiction, and the policies for restriction and limitations on moves.

Permissible Moves

Families will not be permitted to move during the initial year (12 consecutive months) of occupancy. If the family moves from the unit before the initial term of the lease ends without the owner's and MHA's approval, it will be considered a serious lease violation and subject the family to termination from the program. Assisted households will only be provided with program move documents for a voluntary move at the time of their scheduled annual re-certification process. Every effort will be made by MHA to coordinate program moves with all regularly scheduled annual activities.

Program move documents for mandatory moves may be issued at times other than annual re-certification for the following reasons:

- The Housing Assistance contract is terminated by MHA for the owner's failure to comply with HQS or other terms of the contract;
- The owner has given the family a notice to vacate, or has commenced an action to evict the family through no fault of their own;
- A household member is newly diagnosed with a disability, which requires a reasonable accommodation.

Prior to issuance of program move documents, the family must present a notice of intent to move form signed by the owner and the family indicating that the family is current with all rent payments, has caused no damages beyond ordinary wear and tear, and is otherwise in compliance with all terms and conditions of the lease agreement. Upon receipt of this form, program move documents and a program move briefing will be provided to the family by their assigned caseworker. If the scheduled annual re-certification was completed more than 120 days prior to the program move, a complete re-certification will be conducted prior to issuance of the program move briefing packet. The annual re-certification date will be changed to coincide with the lease-up date for the new assisted unit.

In accordance with HUD regulations, no notice requirement may exceed 60 days. The family is required to give MHA a copy of the notice to terminate the lease at the same time it gives the notice to the landlord. A family's failure to provide a copy of the lease termination notice to MHA will be considered a violation of Family Obligations and may cause the family to be terminated from the program.

Portability [24 CFR 982.353]

Portability applies to families moving out of or into MHA's jurisdiction within the United States and its territories from another geographic location. Within the limitations of the regulations and this policy, a participant family has the right to receive tenant-based voucher assistance to lease a unit anywhere in the United States where a public housing authority operates a tenant-based assistance program. However, an applicant must reside within the jurisdiction of the Muskogee Housing Authority for one year prior to exercising the portability option. The family must be income eligible under the income limits of the jurisdiction to which they intend to port during the initial 12-month period after admission to the program.

If a family requests portability, the location where they intend to port must be identified in the request. MHA will contact the "receiving" housing authority and advise them of the family's intent. A voucher and corresponding portability documents will be issued to the family.

MHA will absorb all incoming portable families provided there is funding available. An MHA voucher will be issued to the incoming family for the period of time remaining on the voucher issued by the initial housing authority. MHA will notify the initial housing authority of the action to absorb or bill the voucher. All incoming voucher holders must attend a new admissions program briefing.

MHA will not permit families to exercise portability if the family is in violation of any family obligations under their Housing Choice Voucher; if the family owes any money to MHA; or if the family has vacated the assisted unit in violation of the lease agreement.

When a family requests portability to another agency, MHA will send a portability information form to the receiving housing authority for guidance on whether the receiving agency will bill MHA or absorb the tenant. If the receiving agency responds that they will absorb the tenant, the HUD-required portability documents for that tenant's file will immediately be sent to the receiving agency. If the receiving agency responds that they will bill MHA, then MHA will compare the payment standard for the receiving agency with the current MHA payment standard; if the receiving agency's payment standard is higher than the MHA payment standard, the family's portability request will be denied and the family will be notified in writing of the reason for denial.

Families may only move to a jurisdiction where a Section 8 Program is being administered. Families participating in the voucher program will not be allowed to move more than once in any 12-month period and under no circumstances will MHA allow a participant to improperly break a lease. Under extraordinary circumstances, MHA may consider allowing more than one move in a 12-month period.

If a family has moved out of their assisted unit in violation of the lease, MHA will not issue a voucher and will terminate assistance in compliance with the chapter regarding terminations.

Billing Procedures

The receiving housing authority is responsible for billing MHA for 100% of the Housing Assistance Payment and 80% of the Administrative Fee (at MHA's rate) for each "Portability" voucher leased as of the first day of the month. MHA will not issue payment until an invoice is received by the receiving housing authority, including the HUD 52665 and HUD 50058. Payment beyond year one will only continue if MHA receives the HUD 50058 form indicating that an annual re-certification has been completed in accordance with program requirements.

Chapter 14 CONTRACT TERMINATIONS

General [24 CFR 982.311, 982.314]

The Housing Assistance Payments (HAP) contract is the contract between the owner and MHA, which defines the responsibilities of both parties. This chapter describes the circumstances under which the contract can be terminated by MHA and by the owner, and the policies and procedures for such terminations.

Contract Termination [24 CFR 982.311]

The term of the HAP contract is the same as the term of the lease. The HAP contract may be terminated by MHA, or by the owner, or may terminate automatically if the tenant vacates the contract unit. No future subsidy payments on behalf of the family will be made to the owner after the month in which the contract is terminated. However, the owner may retain the housing assistance payment for the month in which the unit was vacated.

If the family continues to occupy the unit after the Section 8 contract is terminated, the family is responsible for the total amount of rent due to the owner.

After a contract termination, if the family meets the criteria for a program move, the family may lease-up in another unit. The contract for the new unit may begin during the month in which the family vacated the previous unit and prorated housing assistance will be paid from the effective date of the new contract.

Termination of Tenancy by the Owner: Evictions [24 CFR 982.310, 982.455]

If the owner wishes to terminate the lease, the owner is required to provide proper notice as stated in the lease. During the term of the lease, the owner may not terminate the tenancy except for the following grounds:

- Serious or repeated violations of the lease, 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;
- Other good cause because of something the family did or failed to do.

The owner must provide the tenant a written notice specifying the grounds for termination of tenancy, at or before the commencement of the eviction action. The notice may be included in, or may be combined with, any owner eviction notice to the tenant. The owner eviction notice means a notice to vacate, or a complaint, or other initial pleading used under State or local law to commence an eviction action.

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 tenant and the tenant has vacated the assisted unit. By receipt of the housing assistance payment, the owner certifies that the tenant is still in the unit, the rent is reasonable, and s/he is in compliance with the contract.

If an eviction is not due to a serious or repeated violation of the lease, and if MHA has no other grounds for termination of assistance, MHA will issue a program move packet so that the family can move with continued assistance.

Termination of the Contract by MHA [24 CFR 982.404(a), 982.453, 982.454, 982.552(a) (3)]

The HAP contract terminates automatically when the family vacates the unit regardless of cause. The HAP contract will also terminate if the assistance to the family is terminated; funding is no longer available under the ACC contract with HUD; or 180 days have passed since the last housing assistance payment to the owner.

Notification will be provided to the owner and the tenant in accordance with the requirements of the HAP contract when action is taken by MHA to terminate the contract. The effective termination date will be the end of the month following the month in which the notification was provided to the owner.

Insufficient Funding [24 CFR 982.454]

A PHA may terminate HAP contracts if the PHA determines, in accordance with HUD requirements, that funding under the consolidated ACC is insufficient to support continued assistance for families in the program.

The Muskogee Housing Authority will determine whether there is sufficient funding to pay for currently assisted families. If the MHA determines there is a shortage of funding, prior to terminating any HAP contracts, the MHA will determine if any other actions can be taken to reduce program costs. If after implementing all reasonable cost cutting measures there is not enough funding available to provide continued assistance for current participants, the MHA will terminate HAP contracts as a last resort.

The MHA will terminate the minimum number needed in order to reduce HAP costs to a level within the MHA's annual budget authority. If the MHA must terminate HAP contracts due to insufficient funding, the MHA will do so in accordance with the following criteria and instructions:

The MHA will apply a First In, First Out system whereby the authority will terminate families according to the date of the family's admission to the program, beginning with those who have been receiving assistance the longest. The MHA's application of the First In, First Out methodology is designed to protect the elderly and persons with disabilities from the effects of insufficient funding. In the case of insufficient funding, households will be terminated in the following order:

1. Non-elderly, non-disabled single member families
2. Non-elderly, non-disabled families with no children under the age of 18
3. Non-elderly, non-disabled families with children under the age of 18

4. Elderly and disabled families

Terminated families may re-apply to the waiting list as long as it is open. Those families will be given the live/work preference along with any other applicable preference at application time. Also, those families will automatically be placed on the public housing waiting lists with a preference point.

Chapter 15 DENIAL OR TERMINATION OF ASSISTANCE

General [24 CFR 982.4, 982.54, 982.552, 982.553]

MHA will deny or terminate assistance for a family because of the family's action or failure to act. Families are provided with a written description of the Family Obligations under the program, the grounds under which MHA can deny or terminate assistance, and procedures for informal hearings. This chapter describes when MHA is required to deny or terminate assistance, and the policies for the denial of a new commitment of assistance and the grounds for termination of assistance under an outstanding HAP contract.

Denial/Termination [24 CFR 982.54, 982.552, 982.553]

If denial or termination is based upon behavior from a disability, MHA will delay the denial or termination in order to determine if there is an accommodation which would negate the behavior resulting from the disability.

Denial of assistance for an applicant may include any or all of the following:

- Denial for placement on the waiting list;
- Denying a voucher or withdrawing a voucher;
- Refusing to enter into a HAP contract or approve tenancy;
- Refusing to process or provide assistance under portability procedures.

Termination of assistance for a participant may include any or all of the following:

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

Mandatory Denial and Termination [24 CFR 982.552(b) (10) (d)]

In accordance with Federal regulations, MHA must deny assistance to applicants and terminate assistance for participants for the following reasons:

- If any member of the family fails to sign and submit HUD or MHA required consent forms for obtaining information;
- If no member of the family is a U.S. citizen or eligible immigrant;
- If the family is under contract and 180 days have elapsed since the last housing assistance payment was made;
- Persons convicted of manufacturing or producing methamphetamine in violation of any Federal or State law;
- A participant family is evicted from housing assisted under the program for serious violation of the lease;
- Any household member is currently engaging in illegal use of a drug;
- A household member's illegal drug use or a pattern of illegal drug use may threaten the health, safety, or right to peaceful enjoyment of the premises by other residents;
- A member of the household is subject to a lifetime registration requirement under a State sex offender registration program.

Grounds for Denial or Termination of Assistance [24 CFR 982.442(c)]

In addition to the above mandatory reasons for denial and/or termination of assistance, MHA will deny program assistance to an applicant or terminate assistance to a participant for any of the following reasons:

- The family violates any family obligation under the program as listed in 24 CFR 982.551;
- If any member of the family commits fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program;
- The family currently owes rent or other amounts to MHA or to another housing authority in connection with Section 8 or public housing assistance under the 1937 Act;
- The family has not reimbursed any housing authority for amounts paid to an owner under a HAP contract for rent, damages to the unit, or other amounts owed by the family under the lease;
- The family has engaged in or threatened abusive or violent behavior toward MHA personnel;
 1. “Abusive or violent behavior toward MHA personnel” includes verbal as well as physical abuse or violence. Use of expletives that are generally considered insulting, racial epithets, or other language, written or oral, that is customarily used to insult or intimidate, may be cause for termination or denial.
 2. “Threatening” refers to oral or written threats or physical gestures that communicate intent to abuse or commit violence.
 3. Actual physical abuse or violence will always be cause for termination.
- A member of the family’s drug or alcohol abuse interferes with the health, safety or peaceful enjoyment of other project residents;
- If any member of the family commits drug-related criminal activity, or violent criminal activity.

“**Drug**” means a controlled substance as defined in Section 102 of the Controlled Substances Act (21 USC 802). “**Drug-related criminal activity**” is the illegal manufacture, sale, distribution, use or possession with intent to manufacture, sell, distribute, or use a controlled substance.

“**Violent criminal activity**” includes any criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force against a person or property.

“**Covered Person**” means a tenant, any member of the tenant’s household, a guest or another person under the tenant’s control.

“**Guest**” means a person temporarily staying in the unit with the consent of a tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant. The requirements of part 982 apply to a guest as so defined.

“**Other person under the tenant’s control**” means that the person, although not staying as a guest (as defined in this chapter) in the unit, or was at the time of the activity in question, on the premises because of an invitation from the tenant or other member of the household who has express or implied authority to so consent on behalf of the tenant. Absence evidence to the contrary, a person temporarily and infrequently on the premises solely for legitimate commercial purposes is not *under the tenant’s control*.

“**Engaged in or engaging in**” violent criminal activity means any act within the past three (3) years by an applicant or participant household member which involved criminal activity that has as one of its elements the use, attempted use, or threatened use of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage, which resulted in the arrest and/or conviction of the applicant, participant, or household member.

Standard for Violation: MHA will deny participation in the program to applicants and terminate assistance to participants in cases where there is reasonable cause to believe that a household member is illegally using a drug or if the person abuses alcohol in a way that may interfere with the health, safety or right to peaceful enjoyment of the premises by other residents, including cases where MHA determines that there is a pattern of illegal use of a drug or a pattern of alcohol abuse. MHA will consider the use of a controlled substance or alcohol to be a pattern if there is more than one incident during the previous 12 months.

“Engaged in or engaging in” violent criminal activity: This means any act within the past three (3) years by an applicant or participant or household member which involved criminal activity that has as one of its elements the use, or threatened use, of physical force substantial enough to cause, or be reasonably likely to cause, serious bodily injury or property damage, which resulted in the arrest and/or conviction of the applicant, participant, or household member.

The existence of the above-referenced behavior by any household member, regardless of the applicant or participant’s knowledge of the behavior, shall be grounds for denial or termination of assistance.

VIOLENCE AGAINST WOMEN ACT (VAWA)

On January 5, 2006 the “Violence Against Women and Department of Justice Reauthorization Act of 2005” (Pub. L109-162) was signed into law. Title VI of the new law adds a new housing subtitle to the Act, which protect victims of domestic violence, dating violence, sexual assault, and stalking. Under this Act, voucher individuals who are victims of these crimes will not be denied access to housing programs by the Housing Authority; will not evict victims of domestic violence related to their being abused; and victim confidentiality will be protected.

Selection from the Waiting List

An applicant or participant who is or has been a victim of domestic violence, dating violence, or stalking is not an appropriate basis for denial of program assistance or for denial of admission of an otherwise qualified applicant.

Lease Terms Regarding Termination

An incident or incidents of actual or threatened domestic violence, dating violence, or stalking will not be construed as a serious or repeated violation of the lease by the victim or threatened victim of that violence and shall not be good cause for terminating the assistance, tenancy, or occupancy rights of the victim of such violence.

Termination of Assistance/Eviction

In HAP Contract: Criminal activity directly relating to domestic violence, dating violence, or stalking engaged in by a member of a tenant’s household or any guest or other person under the tenant’s control shall not be cause for termination of tenancy occupancy rights or termination of assistance if the tenant or an immediate member of the tenant’s family is the victim or threatened victim of that domestic violence, dating violence, or stalking. The lawful occupant or tenant who engages in criminal acts of violence to family members or others must be removed from the assisted household for the victimized lawful occupants to continue to receive housing assistance. Court orders regarding rights of access or control of the property will be honored by the Housing Authority.

Owners, managers, or the Housing Authority may evict or terminate assistance for other good cause unrelated to the incident or incidents of domestic violence, provided that the victim is not subject to a “more demanding standard” than non-victims. Nothing is to prohibit termination or eviction if the owner, manager, or Housing Authority can demonstrate an actual and imminent threat to other tenants or those employed at or providing services to the property or public housing agency if that tenant is not evicted or terminated from assistance. This guidance shall not be construed to supersede any provision of Federal, State, or local law that provides greater protection than this section for victims of domestic violence, dating violence, or stalking.

Denial of Portability

The Housing Authority may not deny portable voucher assistance to a tenant who violated previous assisted lease terms solely in order to move out quickly because of the fear of domestic violence. The Housing Authority may not terminate or deny portable voucher assistance to a tenant who is otherwise in compliance with program rules moved out of a previous assisted unit in order to “protect the health and safety of an individual who is or has been the victim of domestic violence, dating violence, or stalking and who reasonably believed he or she was imminently threatened by harm from further violence if he or she remained in the assisted unit.”

Certification and Confidentiality

In order to qualify for the protections implemented in this Act and provide for the confidentiality of that certification, the individual must certify of his or her status as a victim of domestic violence, dating violence, or stalking.

Certification

An owner, manager, or Housing Authority may request that an individual certify via a HUD-approved certification form (when available) that the individual is a victim of domestic violence, dating violence, or stalking, and that the incident or incidents in question are bona fide incidents of such actual or threatened abuse and meet the requirements set forth in the aforementioned paragraphs. Such certification shall include the name of the perpetrator.

The individual shall provide such certification within 14 business days after the owner, manager, or Housing Authority requests such certification in writing. If the certification is not received within 14 business days of the administrator's written request, nothing would limit the administrator's ability to evict or terminate assistance.

Where no HUD-approved certification form is available, the individual may provide the owner, manager, or Housing Authority with documentation signed by an employee, agent, or volunteer of a victim service provider, an attorney, or a medical professional, from whom the victim has sought assistance in addressing domestic violence, dating violence, sexual assault, or stalking, or the effects of the abuse, in which the professional attests under penalty of perjury (28 USC 1746) to the professional's belief that the incident or incidents in question are bona fide incidents of abuse, and the victim of domestic violence, dating violence, or stalking has signed or attested to the documentation; OR by producing a Federal, State, tribal, or local police or court record.

Compliance with the certification requirements of this section shall not alone be sufficient to constitute evidence of an unreasonable act or omission by an owner, manager, Housing Authority, or assisted housing provider, or employee thereof.

Confidentiality

Information provided by the victim pursuant to the certification shall be retained in confidence and not entered into any shared database nor provided to any related entity except when the disclosure is consented to by the individual in writing, required for use in eviction proceedings, or otherwise required by law.

Notification of Rights and Obligations

Tenants under Section 8, owners, and managers will be notified of these rights and obligations via written notice sent via the U.S. Postal Service, and will also be posted in the public viewing area of the Section 8 office of the local housing authority.

Family Obligations [24 CFR 982.551]

All obligations of the family are explicitly stated on the Housing Choice Voucher form which serves as the contractual document between MHA and program participants. These obligations are discussed in detail with program participants at the mandatory briefing sessions prior to admission to the program. Violation of any of these family obligations will be grounds for termination of assistance.

Notice of Termination of Assistance

MHA will provide a written notice of intent to terminate housing assistance, which will include the following information:

- The family obligation that has been violated;
- The specific action(s) which occurred in violation of the family obligation;
- The effective date of the proposed termination;
- The family's right, if they disagree, to request an Informal Hearing to be held prior to termination of assistance; and
- The date by which a request for an informal hearing must be received by the MHA.

The Muskogee Housing Authority will simultaneously provide written notice of the contract termination to the owner so that it will coincide with the Termination of Assistance. The Notice to the owner will not include any details regarding the reason for termination of assistance.

Required Evidence

MHA will pursue fact-finding efforts as needed to obtain evidence for termination of assistance. Pending termination actions will be based on the following rules of evidence:

- *Preponderance of 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. The intent is not to prove criminal liability, but to establish that the act(s) occurred. Preponderance of 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, DHS verifications, and employer verifications. 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.

Confidentiality of Criminal Records

MHA will make every reasonable effort to ensure that any criminal record received is maintained confidentially, not misused or improperly disseminated, and destroyed once the purpose for which it was requested is accomplished. Public records (such as court records or documents) may be maintained in the tenant file.

Housing Authority Discretion [24 CFR 982.552(c)]

In deciding whether to deny or terminate assistance because of action or failure to act by members of the family, MHA will consider all of the circumstances in each case, including the seriousness of the case. MHA will use its discretion in reviewing the extent of participation or culpability of individual family members and the length of time since the violation occurred. MHA will also review the family's more recent history and record of compliance and the effects that denial or termination of assistance may have on other family members who were not involved in the action or failure to act.

Lease Violations

The following criteria will be used to decide if a serious or repeated violation of the lease will result in termination of assistance:

- If the owner terminates tenancy through court action for serious or repeated violation of the lease;
- If the owner notifies the family of termination of tenancy for serious or repeated lease violations, and the family moves from the unit prior to the completion of court action, and there are police reports, neighborhood complaints, or other third party information, that has been verified by MHA.
- Nonpayment of rent will always be considered a serious violation of the lease.

Notification of Eviction

If the family requests program move documents and an eviction is pending, MHA will not issue program move papers. However, if the program move papers are issued because MHA was not informed of the pending eviction, a new tenancy will not be approved. The voucher will be withdrawn until such time that a determination is made as to the household's violation of family obligations.

Proposed Additions to the Family

MHA may deny a family's request to add additional family members who are:

- Persons who have been evicted from public housing;
- Persons who have previously violated a family obligation listed in 24 CFR 982.51 of the HUD regulations;

- Persons who have been part of a family whose assistance has been terminated under the Section 8 Program;
- Persons who commit drug-related criminal activity or violent criminal activity;
- Persons who commit fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program;
- Persons who currently owe rent or other amounts to MHA or to another Public Housing Agency in connection with Section 8 or public housing assistance under the 1937 Act; or
- Persons who have engaged in or threatened abusive or violent behavior toward Public Housing Agency personnel.

Limitation on Profit-Making Activity in Unit

Families are encouraged to use the assisted unit for legal profit-making ventures provided that the owner and MHA have approved such use at the time of initial lease-up and such use is in compliance with all State and local laws and ordinances. However, if the business activity 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 will be considered a violation of the family obligations and appropriate action will be taken.

Missed Appointments and Deadlines

It is a Family Obligation to supply information, documentation, and certification as needed for MHA to fulfill its responsibilities. MHA schedules appointments and sets deadlines in order to obtain the required information. The Family Obligations also require that the family allow MHA to inspect the unit, and appointments are made for this purpose.

An applicant or participant who fails to keep an appointment, or to supply information required by a deadline without notifying MHA may be sent a Notice of Denial or Termination of Assistance for failure to provide required information, or for failure to allow MHA to inspect the unit.

The family will be given information about the requirement to keep appointments and the number of times appointments will be rescheduled, as specified in this Plan. Appointments will be scheduled and time requirements will be imposed for the following events and circumstances: Eligibility for Admissions, Verification Procedures, Voucher Issuance and Briefings, Housing Quality Standards and Inspections, Re-certifications, and Appeals.

The only acceptable reasons for missing appointments or failing to provide information by deadlines are medical emergencies, as approved by MHA, and incarceration or other official detainment.

Procedure When Appointments are Missed or Information Not Provided

For most purposes of this Plan, the family will be given two opportunities (i.e. the original appointment and one make-up appointment) before being issued a notice of termination or denial for breach of a family obligation.

After issuance of the termination notice, if the family offers to correct the breach within the time allowed requesting a hearing, the notice will be rescinded if the family offers to cure and the family does not have a history of non-compliance.

Chapter 16 OWNER PROHIBITIONS AND RESTRICTIONS

General [24 CFR 982.54, 982.306, 982.453]

It is the policy of MHA to recruit owners to participate in the voucher program. MHA will provide owners with prompt and professional service in order to attract an adequate supply of available housing for rent under the Section 8 program. Federal regulations define when MHA must prohibit an owner from participating in the program, and when MHA has the discretion to disapprove or otherwise restrict the participation of owners in certain categories. This Chapter describes the criteria for owner disapproval, and the various penalties for owner violations.

Disapproval of Owner [24 CFR 982.306, 982.54(d) (8)]

Owners participate in the Section 8 program at will and do not have a right of participation. For purposes of this section, “owner” includes a principal, management agent, or any other party acting on behalf of the owner.

MHA will prohibit the participation of property owners for any of the following reasons:

- The owner has been disbarred, suspended, or subject to a limited denial of participation under 24 CFR part 24;
- An administrative or judicial action has been instituted against the owner for violation of the Fair Housing Act or other federal equal opportunity requirements and such action is pending investigation and/or resolution;
- A court or administrative agency has determined that the owner has violated the Fair Housing Act or other equal opportunity requirements;
- The owner has violated obligations under a housing assistance payments contract under Section 8 of the 1937 Act (42 U.S.C. 1437f);
- The owner has committed fraud, bribery, or any other corrupt or criminal act in connection with any federal housing program;
- The owner has engaged in drug-related criminal activity or any violent criminal activity;
- The owner has a history or practice of non-compliance with HQS for units leased under the Section 8 programs or any other federal housing program;
- The owner has a history or practice of failing to terminate tenancy of tenants of units assisted under Section 8 or any other federally assisted housing program for activity by the tenant, any member of the household, a guest or another person under the control of any member of the household that:
 1. Threatens the right to peaceful enjoyment of the premises by other residents;
 2. Threatens the health or safety of other residents, or of owner employees or other persons engaged in management of the housing;
 3. 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;
 4. Is involved in drug-related criminal activity or violent criminal activity.
- The owner has not paid State or local real estate taxes, fines, or assessments.
- The owner has failed to comply with regulations, the mortgage or note, or the regulatory agreement for projects with mortgages insured by HUD or loans made by HUD.

Restriction of Immediate Family Members

MHA is prohibited from approving a Housing Assistance Contract with an owner that is the parent, child, grandparent, grandchild, sister or brother of any member of the household to be assisted. However, this provision may be waived as a reasonable accommodation for a family member who is a person with a disability, provided that the assisted household has made reasonable efforts to locate other suitable housing and has been unsuccessful.

In cases where the owner and tenant bear the same last name, MHA will require the family and owner to certify whether they are related to each other in any way. Failure to disclose relationship will be considered fraud and grounds for termination of tenancy and prohibition of future program participation by the owner.

Owner Restrictions and Penalties [24 CFR 982.453]

If an owner has committed fraud or abuse or is guilty of frequent or serious contract violations, MHA will restrict the owner from future participation in the program for a period of time commensurate with the seriousness of the offense. MHA may also terminate any additional Housing Assistance Contracts with the owner.

Before imposing a penalty against an owner, 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.

Proof of Ownership

Landlords will be required to provide proof of ownership prior to execution of a Housing Assistance Contract. Acceptable documentation may include a Real Estate Act of Sale; the property deed or title; tax receipt; or other acceptable legal documentation. Utility bills, insurance documents, or other such documents will not be considered sufficient evidence of ownership.

The Housing Assistance Payments contract will be executed in the format as indicated on the proof of ownership. Ownership by more than one individual will require execution of all parties or appropriate legal documentation such as power of attorney, which designates a single individual to act on behalf of all owners.

Designation of such a management agent or other payee will be approved with appropriate legal documentation signed and notarized by all owners of the property.

MHA will approve the assignment and transfer of a HAP contract to a new owner at the request of an owner of record. The change of ownership will be processed upon written request accompanied by appropriate documentation showing the transfer of title and recorded deed or a last will and testament identifying an executor, along with a death certificate for the owner of record.

Chapter 17 OWNER OR FAMILY DEBTS

General [24 CFR 982.552]

This chapter describes MHA's policies for the recovery of monies, which have been overpaid for families, and to owners. It describes the methods that will be utilized for collection of monies and the guidelines for different types of debts. It is MHA's policy to meet the informational needs of owners and families, and to communicate the program rules in order to avoid owner and family debts. Before a debt is assessed against a family or owner, the file must contain documentation to support MHA's claim that the debt is owed. The file must further contain written documentation of the method of calculation, in a clear format for review by the owner, the family, or other interested parties.

When families or owners owe money to MHA, then MHA will make every effort to collect it. MHA will use a variety of collection tools to recover debts including, but not limited to, Requests for lump-sum payments, civil suits, payment agreements, abatements, reductions in HAP to owner, collection agencies, credit bureaus, referrals to federal prosecutors and investigators, and income tax set-off programs.

Payment Agreement For Families [24 CFR 982.552 (c) (v-vii)]

A Payment Agreement as used in the Plan is a document entered into between MHA and a person who owes a debt to MHA. It is similar to a promissory note, but contains more details regarding the nature of the debt, the terms of payment, any special provisions of the agreement, and the remedies available to MHA upon default of the agreement.

MHA will not enter into a payment agreement for any of the following reasons:

- If the family already has a payment agreement in place;
- If MHA determines that the family committed program fraud;
- If MHA determines that the debt amount is larger than can be paid back by the family within one year.

The following terms will guide the execution of a repayment agreement with a program participant.

- The maximum amount for which MHA will enter into a repayment agreement with a family is not to exceed the difference between tenant rent and 50% of monthly adjusted income.
- The maximum length of time MHA will enter into a repayment agreement with a family is for 12 months.

Payment Agreements – Late Payments

A payment will be considered to be in arrears if the payment has not been received by the close of the business day on which the payment was due. If the due date is on a weekend or holiday, the due date will be at the close of the next business day.

If the family's payment agreement is in arrears, and the family has not contacted or made arrangements with MHA, then MHA will require the family to pay the balance in full or terminate the housing assistance.

If the family requests a move to another unit and has a payment agreement in place and the payment agreement is not in arrears, the family will be required to pay the balance in full prior to the issuance of a voucher.

If the family requests a move to another unit and is in arrears on a payment agreement for the payment of an owner claim, the family will be required to pay the balance in full, or be terminated from the program.

Debts Due to Misrepresentation/Non-Reporting of Information [24 CFR 982.163]

HUD's definition of program fraud and abuse is a single act or pattern of actions that "constitutes false statement, omission, or concealment of a substantive fact, made with intent to deceive or mislead, and that results in payment of Section 8 program funds in violation of Section 8 program requirements."

Family Error/Late Reporting

Families who owe money to MHA due to the family's failure to report increases in income will be required to repay in accordance with the guidelines in the Payment Agreement Section of this Chapter.

Program Fraud

Families who owe money to MHA due to program fraud will be required to repay in accordance with the guidelines in the Payment Agreement Section of this Chapter. If a family owes an amount, which equals or exceeds \$2500 as a result of program fraud, the case will be referred to the U.S. Attorney General. Where appropriate, MHA will refer the case for criminal prosecution. For amounts under \$2500, MHA will file a small courts claim.

Owner Debts to MHA [24 CFR 982.453(b)]

If MHA determines that the owner has retained housing assistance payments the owner is not entitled to, MHA may reclaim the amounts from future housing assistance or claim payments owed the owner for any units under contract.

If future housing assistance or claim payments are insufficient to reclaim the amounts owed, MHA will require the owner to pay the amount in full within 30 days, pursue collections through the local court system, and restrict the owner from future participation.

Writing Off Debts

Debts owed to the Section 8 program from program participants or owners will be reviewed each year jointly with the Section 8 staff and the Finance staff to determine if such debts are valid and collectible. Debts will be written off if:

- The debtor's whereabouts are unknown and the debt is more than three (3) years old;
- A determination is made that the debtor is judgment proof;
- The debtor is deceased;
- The debtor is confined to an institution indefinitely or for more than three (3) years;
- The amount is less than \$100 and the debtor cannot be located.

Chapter 18 COMPLAINTS AND APPEALS

General [24 CFR 982.554; 982.555]

The informal hearing requirements defined in HUD regulations are applicable to participating families who disagree with an action, decision, or inaction of MHA. This chapter describes the policies, procedures, and standards to be used when families disagree with an MHA decision. The procedures and requirements are explained for preference denial meetings, informal reviews, and hearings. It is the policy of MHA to ensure that all families have the benefit of all protections due to them under the law.

General Complaints

MHA will respond promptly to complaints from families, owners, employees, and members of the public. All complaints will be documented. However, MHA does not require that complaints regarding HQS violations be put in writing. HQS complaints may be reported by telephone.

Complaints from families: If a family disagrees with an action or inaction of MHA or the owner, the family must first contact their caseworker. If a complaint is not resolved, it will be referred to a Supervisor.

Complaints from owners: If an owner disagrees with an action or inaction of MHA or a family, the owner must also contact the assigned caseworker. If the complaint is not resolved, it will be referred to a Supervisor.

Complaints from staff: If a staff person reports an owner or family either violating or not complying with program rules, the complaint will be referred to their assigned supervisor.

Complaints from the general public: Complaints or referrals from persons in the community in regard to MHA, a family, or an owner will be referred to an assigned supervisor.

Informal Review Procedures For Applicants [24 CFR 982.54(d)(12), 982.554]

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 citizenship or eligible immigration status, the applicant is entitled to an informal hearing.

When MHA determines that an applicant is ineligible for the program, the family must be notified of their ineligibility in writing. The notice must contain:

- The reason(s) they are ineligible;
- The procedure for requesting a review if the applicant does not agree with the decision, and
- The time limit for requesting a review.

When denying admission for criminal activity as shown by a criminal record, MHA will provide the subject of the record and the applicant with a copy of the criminal record upon which the decision to deny was based.

MHA must provide applicants with the opportunity for an informal review of decisions denying the following actions:

- Listing on or removal from the waiting list
- Issuance of a voucher
- Participation in the program, and
- Assistance under portability procedures.

Informal reviews are not required and will not be provided for established policies and procedures and MHA determinations such as:

- Discretionary administrative determinations by MHA
- General policy issues or class grievances
- A determination of the family unit size under MHA subsidy standards
- Refusal to extend or suspend a voucher
- An MHA determination not to grant approval of the tenancy
- Determination that the unit is not in compliance with HQS
- Determination that the unit is not in accordance with HQS due to family size or composition

Procedure for Review

A request for an informal review must be received in writing by the close of the business day, no later than 10 days from the date of MHA's notification of denial of assistance. The informal review will be scheduled within 15 days from the date the request is received.

The person who made or approved the decision under review, not a subordinate of such person can conduct the informal review. All reviews will be conducted by a departmental supervisor other than the person who rendered the original decision.

In order to expedite the review and provide improved service to customers, MHA will encourage the review to be conducted by telephone if acceptable to the applicant. The applicant will be given the option of presenting oral or written objections to the decision. Both MHA and the family may present evidence and witnesses. The family may use an attorney or other representative to assist them at their own expense.

A notice of the review findings will be provided in writing to the applicant within 10 days after the review. It shall include the decision of the review officer, and an explanation of the reasons for the decision.

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

Informal Hearing Procedures [24 CFR 982.555(a-f), 982.54(d)(13)]

Hearing procedures will be provided to families in their briefing packet at the time of issuance of the voucher.

When MHA makes a decision regarding the eligibility and/or the amount of assistance, applicants and participants must be notified in writing. MHA will give the family prompt notice of such determinations, which will include:

- The proposed action or decision of MHA
- The date the proposed action or decision will take place
- The family's right to an explanation of the basis for MHA's decision
- The procedures for requesting a hearing if the family disputes the action or decision
- The time limit for requesting the hearing.

When terminating assistance for criminal activity as shown by a criminal record, MHA will provide the subject of the record and the tenant/participant with a copy of the criminal record upon which the decision to terminate was based.

MHA will provide participants with the opportunity for an informal hearing for decisions related to any of the following determinations. The opportunity for an informal hearing will be provided before termination of assistance.

- Determination of the family's annual or adjusted income and the computation of the housing assistance payment;
- Appropriate utility allowance used from the schedule;
- Family unit size determination under MHA subsidy standards;
- Determination to terminate assistance for any reason; and
- Determinations to terminate a family's FSS contract, withhold supportive services, or propose forfeiture of the family's escrow account.

Informal hearings are not required for established policies and procedures and MHA determinations such as:

- Discretionary administrative determinations by MHA
 - General policy issues or class grievances
 - Establishment of the MHA schedule of utility allowances for families in the program
 - An MHA determination not to approve an extension or suspension of a voucher term
 - An MHA determination not to approve a unit or lease
 - An MHA determination that an assisted unit is not in compliance with HQS (MHA must provide hearing for family breach of HQS because that is a family obligation determination)
-
- An MHA determination that the unit is not in accordance with HQS because of the family size
 - An MHA determination to exercise or not exercise any right or remedy against the owner under a HAP contract.

Notification of Hearing

It is MHA's objective to resolve disputes at the lowest level possible, and to make every effort to avoid the most severe remedies. However, if this is not possible, MHA will ensure that applicants and participants will receive all of the protections and rights afforded by the law and the regulations.

A request for an informal hearing must be received within 10 days from the date of the letter informing program participants of the proposed action to be taken by MHA. MHA will schedule a conference with the participant to determine if the issue can be resolved without the need for a hearing. If after the conference, the participant wishes to proceed with a hearing, they must notify MHA within 10 days from the date of issuance of the settlement conference letter.

When MHA receives a request for an informal hearing, a hearing shall be scheduled within 30 days. The notification of hearing will contain:

- The date and time of the hearing;
- The location where the hearing will be held;
- The family's right to bring evidence, witnesses, legal or other representation at the family's expense;
- The right to view any documents or evidence in the possession of MHA upon which MHA based the proposed action, and, at the family's expense, to obtain a copy of such documents prior to the hearing;
- A notice to the family that MHA will request a copy of any documents or evidence the family will use at the hearing.

Requests for documents or evidence must be received by either party no later than 15 days before the scheduled hearing date.

Hearing Procedures

After a hearing date is agreed to, the family may request to reschedule only upon showing "good cause," which is defined as an unavoidable conflict which seriously affects the health, safety, or welfare of the family.

If a family does not appear at a scheduled hearing and has not rescheduled the hearing in advance, the family must contact MHA within 24 hours, excluding weekends and holidays. MHA will reschedule the hearing only if the family can show good cause for the failure to appear.

Families have the right to:

- Present written or oral objections to MHA's determination;
- Examine the documents in the file which are the basis for MHA's action, and all documents submitted to the Hearing Officer;
- Copy any relevant documents at their expense;
- Present any information or witnesses pertinent to the issue of the hearing;
- Request that MHA staff be available or present at the hearing to answer questions pertinent to the case; and
- Be represented by legal counsel, advocate, or designated representative at their own expense.

If the family requests copies of documents relevant to the hearing, MHA will make the copies for the family and assess a charge of \$0.25 per copy. In no case will the family be allowed to remove the file from the MHA office.

In addition to other rights contained in this Chapter, MHA has a right to:

- Present evidence and any information pertinent to the issue of the hearing;
- Be notified if the family intends to be represented by legal counsel, advocate, or another party;
- Examine and copy any documents to be used by the family prior to the hearing;
- Have its attorney present; and
- Have staff persons and other witnesses familiar with the case present.

The informal hearing shall be conducted by the Hearing Officer appointed by MHA who is neither the person who made or approved the decision, nor a subordinate of that person. MHA may appoint hearing officers who are managers from other departments in the government of the jurisdiction or are professional mediators or arbitrators, employed by the county Bar Association or a mediation, dispute resolution, or arbitration service.

The hearing shall concern only the issues for which the family has received the opportunity for hearing. Evidence presented at the hearing may be considered without regard to admissibility under the rules of evidence applicable to judicial proceedings.

No documents may be presented which have not been provided to the other party before the hearing if requested by the other party. "Documents" include records and regulations.

The Hearing Officer may ask the family for additional information and/or might adjourn the hearing in order to reconvene at a later date, before reaching a decision.

If the family misses an appointment or deadline ordered by the Hearing Officer, the action of MHA shall take effect and another hearing will not be granted.

The Hearing Officer will determine whether the action, inaction, or decision of MHA is legal in accordance with HUD regulations and this Administrative Plan based upon the evidence and testimony provided at the hearing. Factual determination relating to the individual circumstances of the family will be based on a preponderance of the evidence presented at the hearing.

A notice of the hearing findings shall be provided in writing to MHA and the family within 10 days and shall include:

- A clear summary of the decision and reasons for the decision;
- If the decision involves money owed, the amount owed;
- The date the decision goes into effect.

MHA is not bound by hearing decision:

- Which concern matters in which MHA is not required to provide an opportunity for a hearing;

- Which conflict with or contradict HUD regulations or requirements;
- Which conflict with or contradict Federal, State, or local laws; or
- Which exceed the authority of the person conducting the hearing.

MHA shall send a letter to the participant if it determines MHA is not bound by the Hearing Officer's determination within 10 days. The letter shall include MHA's reasons for the decision.

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

Provisions for "Restrictions On Assistance to Non-Citizens" [24 CFR Part 5, Subpart E]

Assistance to the family may not be delayed, denied, or terminated on the basis of immigration status at any time prior to the receipt of the decision on the INS appeal. Assistance to a family may not be terminated or denied while and MHA hearing is pending but assistance to an applicant may be delayed pending the MHA hearing.

INS Determination of Ineligibility

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

If the family appeals to the INS, 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.

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

After receipt of a request for an informal hearing, the hearing is conducted as described in this chapter for both participants and applicants. 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;
- Defer termination if the family is a participant and qualifies for deferral;
- Terminate the participant if the family does not qualify for deferral.

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

All other complaints related to eligible citizen/immigrant status shall be handled as follows:

- If any family member fails to provide documentation or certification as required by the regulations, that member is treated as ineligible. If all family members fail to provide the required documentation or certification, the family will be denied or terminated for failure to provide.
- Participants whose termination is carried out after temporary deferral may not request a hearing since they had an opportunity for a hearing prior to the termination.
- Participants 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 described above) are entitled to a hearing based on the right to a hearing regarding determinations of tenant rent and Total Tenant 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.

Mitigating Circumstances for Individuals with Disabilities [24 CFR 982.204, 982.552(c)]

When applicants are denied placement on the waiting list, or MHA is terminating assistance, the family will be informed that presence of a disability may be considered as a mitigating circumstance during the informal review process. Such circumstances shall be considered when making the final determination of the review or hearing.

Considering Circumstances

MHA may impose, as a condition of continued assistance for other family members, a requirement that family members who participated in or were culpable for the action or failure will not reside in the unit. MHA may permit the other members of a participant family to continue receiving assistance.

If MHA seeks to terminate assistance because of illegal use, or possession for personal use, of a controlled substance, or pattern of abuse of alcohol, such use or possession or pattern of abuse must have occurred within one year before the date that MHA provides notice to the family of MHA's determination to deny or terminate assistance. In determining whether to terminate for these reasons, MHA will consider evidence of whether the household member:

1. Has successfully completed a supervised, certified drug or alcohol rehabilitation program (as applicable) and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol;
2. Has otherwise been rehabilitated successfully and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol; or
3. Is participating in a supervised, certified drug or alcohol rehabilitation program and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol.

Chapter 19

SPECIAL HOUSING TYPES

General [24 CFR 982.601]

MHA will permit the use of all types of special housing arrangements in the Housing Choice Voucher Program. Special housing arrangements include such housing alternatives as shared housing, congregate housing, assisted living, cooperative housing, and other housing choices that meet the needs of program participants. Families may choose whether to rent housing that qualifies as a special housing type or to rent other eligible housing in accordance with requirements of the program.

MHA will not set aside any program funding from the Housing Choice Voucher Program for use in special housing types. However, MAH will administer any vouchers it may receive from HUD as the result of a national set-aside for special program types.

Single Room Occupancy [24 CFR 982.602]

Single Room Occupancy (SRO) refers to a housing unit that generally lacks a kitchen and may have a shared bathroom. A single person may use a Housing Choice Voucher to reside in an SRO housing unit.

A separate lease and housing assistance payment contract will be executed for each assisted person residing in an SRO. The payment standard used for an SRO unit is 75% of the zero bedroom payment standard as determined annually by MHA. While an assisted person resides in SRO housing, the SRO payment standard must be used to calculate the housing assistance payment.

The utility allowance for an assisted person residing in SRO housing is 75 percent of the zero bedroom utility allowance. MHA will ensure that all SRO units approved for the program are in compliance with all of the Housing Quality Standards for SROs as regulated in 24 CFR 982.605.

Congregate Housing [24 CFR 982.606]

Congregate housing normally refers to a housing unit located in a home or building that shares a central kitchen facility. The facility may have shared bathrooms or may offer individual bathroom facilities for each living unit. A warm-up kitchen with a small counter and microwave may also be included in the unit.

An elderly person or a person with disabilities may use their Housing voucher to reside in a congregate housing unit. MHA may also approve a family member or live-in aide to reside with the elderly person or person with disabilities. MHA will 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.

A separate lease and HAP contract will be executed for each assisted family residing in a congregate housing unit. Unless there is a live-in aide, the payment standard for a family that resides in a congregate housing unit is the zero-bedroom payment standard on the MHA payment standard schedule. However, if there are two or more rooms in the unit (not including kitchen or sanitary facilities), the payment standard for a family that resides in a congregate housing unit is the one bedroom payment standard amount.

MHA will ensure that all congregate housing units approved for the program are in compliance with all of the Housing Quality Standards for congregate housing as regulated in 24 CFR 982.609.

Group Homes [24 CFR 982.610, 982.612]

A group home is defined as a facility that is licensed, certified, or otherwise approved in writing by the State, or the State's licensing department for the exclusive residential use of two to twelve persons who are elderly or persons with disabilities. It is more common to see group homes used for persons with disabilities than for elderly persons.

An elderly person or a person with disabilities may use their Housing Choice Voucher to reside in a State-approved group home. If approved by MHA, a live-in aide may reside with a person with disabilities. 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. However, MHA will not approve assistance for a person to live in a group home if file documentation indicates that the person is in need of continual medical or nursing care.

Except for a live-in aide, all residents of a group home must be elderly persons or persons with disabilities. No more than twelve persons may reside in a group home. This limit covers all persons who reside in the unit, including assisted and unassisted residents and any live-in aide.

There will be a separate HAP contract and lease for each assisted person living in a group home. For a group home the term “pro-rata portion” means that which is derived by dividing the number of persons in the assisted household by the total number of residents (assisted and unassisted) residing in the group home. The number of persons in the assisted household equals one assisted person plus any MHA-approved live-in aide.

The rent to owner for an assisted person may not exceed the pro-rata portion of the reasonable rent for the group home. The reasonable rent for a group home is determined in accordance with 24 CFR 982.507. In determining reasonable rent MHA will consider whether sanitary facilities, and facilities for food preparation and service, are common facilities or private.

Unless there is a live-in aide, the family unit size will be determined as a zero bedroom. If there is a live-in aide, the live-in aide will be counted in determining the family unit size.

The payment standard for a person who resides in a group home is the lower of the payment standard for the family unit size; or the pro-rata portion of the payment standard amount on the MHA payment standard schedule for the group home size (total number of bedrooms in the group home).

The utility allowance for each assisted person residing in a group home is the pro-rata portion of the utility allowance for the group home unit size. MHA will ensure that all group home units approved for the program are in compliance with all of the Housing Quality Standards for group homes as regulated in 24 CFR 982.614.

Shared Housing [24 CFR 982.615]

Shared housing is a single housing unit occupied by more than one household. The unit normally consists of both common space for shared use by both households and separate private space (sleeping and bath quarters) for each household. An assisted family may use their Voucher to reside in shared housing. In shared housing, an assisted family may share a unit with another resident or residents of a unit. The unit may be a house or an apartment.

MHA may approve a live-in aide to reside with a family in order to care for a person with a disability. 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. Other persons who are assisted or not assisted under the tenant-based program may reside in a shared housing unit.

The owner of a shared housing unit may also reside in the unit. A resident owner may enter into a HAP contract with MHA. However, housing assistance may not be paid on behalf of an owner. MHA will not approve assistance for a person or family that is related by blood or marriage to a resident owner. There will be a separate housing assistance payment contract and lease for each assisted family residing in a shared housing unit.

For shared housing, the term “pro-rata portion” means the ratio derived by dividing the number of bedrooms in the private space available for occupancy by a family by the total number of bedrooms in the unit. For example, for a family entitled to occupy three bedrooms in a five bedroom unit, the ratio would be 3/5.

The rent to owner for the family may not exceed the pro-rata portion of the reasonable rent for the shared housing dwelling unit.

For a family that resides in a shared housing unit, the payment standard is the lower of the payment standard amount on the MHA payment standard schedule for the family unit size or the pro-rata portion of the payment standard amount on the PHA payment standard for the shared housing unit size.

The utility allowance for an assisted family living in shared housing is the pro-rata portion of the utility allowance for the shared housing unit. MHA will ensure that all shared housing units approved for the program are in compliance with all of the Housing Quality Standards for shared housing as regulated in 24 CFR 982.618.

Cooperative Housing [24 CFR 982.619]

A cooperative refers to a type of housing in which an individual has an ownership interest, normally shares or a percentage, in the overall property. Co-ops are always designated on the ownership documents as cooperative housing and MHA will confirm that a property is so designated prior to processing a voucher under this housing arrangement.

MHA will approve a family living in cooperative housing if it is determined that assistance under the program will help maintain affordability of the cooperative unit for low-income families. MHA will not approve assistance for a family in cooperative housing until MHA has also determined that the cooperative has adopted requirements to maintain continued affordability for low-income families after transfer of a cooperative member's interest in a cooperative unit (such as a sale of the resident's share in a cooperative or corporation).

For cooperative housing, the rent to owner is the monthly carrying charge under the occupancy agreement/lease between the member and the cooperative. The carrying charge consists of the amount assessed to the member by the cooperative for occupancy of the housing. It includes the member's share of the cooperatives debt service, operating expenses, and necessary payments to cooperative reserve funds. However, the carrying charge does not include down payments or other payments to purchase the cooperative unit, or to amortize a loan to the family for this purpose. Gross rent is the carrying charge plus any tenant-paid utility.

The lease and other appropriate documents will stipulate that the monthly carrying charge is subject to Section 8 limitations on rent to owner. The payment standard is applied in accordance with standard procedures for applicability of payment standards described earlier in this plan. Utility allowances are also applied in accordance with standard procedures.

MHA will ensure that all cooperative housing units approved for the program are in compliance with all of the Housing Quality Standards outlined in the "Housing Quality Standards and Inspections" chapter, and regulated by 24 CFR 982.401.

Manufactured Homes [24 CFR 982.620]

A manufactured home is a structure that is built on a permanent chassis, is designed for use as a principal residence but is movable, is not anchored to a foundation but does have tie-downs. MHA will permit a family to lease a manufactured home and space with assistance under the program. MHA will also provide assistance for a family that owns the manufactured home and leases only the space.

A manufactured home must meet all the HQS requirements outlined in the "Housing Quality Standards and Inspections" chapter and regulated by 24 CFR 982.401. In addition, the manufactured home must meet the following requirements:

- A manufactured home must be placed on the site in a stable manner, and must be free from hazards such as sliding or wind damage.
- A tie-down device that distributes and transfers loads imposed by the unit to appropriate ground anchors to resist wind overturning and sliding must securely anchor a manufactured home.

Manufactured Home Space Rental [24 CFR 982.622]

Rent to owner for a manufactured home space will include payment for maintenance services that the owner must provide to the tenant under the lease for the space. Rent to owner does not include the cost of utilities and trash collection for the manufactured home. However, the owner may charge the family a separate fee for the cost of utilities or trash collection provided by the owner.

During the assisted tenancy, the rent to owner for the manufactured home space may not exceed a reasonable rent as determined by MHA. MHA will not approve a lease for a manufactured home space until MHA has determined that the initial rent to owner for the space is a reasonable rent. At least annually during the assisted tenancy, MHA will re-determine that the rent is reasonable.

MHA will determine whether the rent to owner for a manufactured home space is a reasonable rent in comparison to rents for other comparable manufactured home spaces. MHA will consider the size and location of the space and any services and maintenance provided by the owner in accordance with the lease.

By accepting each monthly housing assistance payment from MHA, the owner of the manufactured home space certifies that the rent to owner for the space is not more than rent charged by the owner for unassisted rental of comparable spaces in the same manufactured home park or elsewhere. If requested by MHA, the owner must provide MHA information on rents for other manufactured home space.

The FMR for a manufactured home space will be determined by HUD and published annually. The initial rent to owner for leasing a manufactured home space may not exceed the published FMR for a manufactured home space. The FMR for rental of a manufactured home space is generally 40% of the published FMR for a two-bedroom unit.

During the term of a voucher tenancy, the amount of the monthly housing assistance payment for a family will equal the lesser of:

- The payment standard minus the total tenant payment; or
- The rent paid for rental of the real property on which the manufactured home owned by the family is located (the space rent) minus the total tenant payment.

- The space rent is the sum of the following as determined by MHA:
 - Rent to owner for the manufactured home space;
 - Owner maintenance and management charges for the space;
 - The utility allowance for tenant paid utilities.

Utility allowances for manufactured home space will not be applied to cover the cost of digging a well or installation of a septic system.

Intellectual Property Rights

No program receipts may be used to indemnify contractors or subcontractors of MHA against costs associated with any judgment of infringement of intellectual property rights.

MHA Owned Housing

Units owned by MHA and not receiving subsidy under any other program are eligible housing units for Housing Choice Voucher holders. In order to comply with federal regulations, MHA will do the following:

- A. MHA will make available through the briefing process both orally and in writing the availability of MHA owned units (notification will also include other properties owned/managed by the private sector).
- B. MHA will obtain the services of an independent entity to perform the following MHA functions:
 1. Determine rent reasonableness for the unit. The independent entity will communicate the rent reasonableness determination to the family and MHA.
 2. To assist the family in negotiating the rent.
 3. To inspect the unit for compliance with HQS.
 4. MHA will gain HUD approval for the independent agency/agencies utilized to perform the above functions.
 5. MHA will compensate the independent agency/agencies from our ongoing administrative fee income.
 6. MHA, or the independent agency/agencies will not charge the family any fee or charge for the services provided by the independent agency.

PROGRAM INTEGRITY

General [24 CFR 792.101 to 792.204, 982.54]

The U.S. Department of Housing and Urban Development conservatively estimates that 200 million dollars is paid annually to program participants who falsify or omit material facts in order to gain more rental assistance than they are entitled to under the law. HUD further estimates that 12% of all HUD-assisted families are either totally ineligible, or are receiving benefits which exceed their legal entitlement.

MHA is committed to assuring that the proper level of benefits is paid to all participating families and that housing resources reach only income-eligible families so that program integrity can be maintained. MHA will take all steps necessary to prevent fraud, waste, and mismanagement so that program resources are utilized judiciously. This chapter outlines MHA's policies for the prevention, detection, and investigation of program fraud and abuse.

Criteria for Investigation of Suspected Abuse and Fraud

Under no circumstances will MHA undertake an inquiry or an audit of a participating family arbitrarily. MHA's expectation is that participating families will comply with HUD requirements, provisions of the voucher, and other program rules. MHA staff will make every effort (formally and informally) to orient and educate all families in order to avoid unintentional violations. However, MHA has a responsibility to HUD, the community, and to eligible families in need of housing assistance, to monitor participants and owners for compliance and, when indicators of possible abuse come to the MHA's attention, to investigate such claims.

MHA will initiate an investigation of a participating family only in the event of one or more of the following circumstances:

Referrals, Complaints, or Tips: MHA will follow up on referrals from other agencies, companies or persons which are received by mail, by telephone, or in person, which allege that a family is in non-compliance with, or otherwise violating the family obligations or any other program rules. Such follow-up will be made providing that the referral contains at least one item of information that is independently verifiable. A copy of the allegation and MHA's response will be retained in the family file.

Internal File Review: A follow up will be made if MHA staff discovers (as a function of a certification or re-certification, an interim re-determination, or a quality control review) information or facts which conflict with previous file data, MHA's knowledge of the family, or is discrepant with statements made by the family.

Verification of Documentation: A follow up will be made if MHA received independent verification or documentation, which conflicts with representations in the family's file (such as public record information or credit bureau reports, reports from other agencies).

Steps To Prevent Program Abuse and Fraud

MHA management and staff will utilize various methods and practices (listed below) to prevent program abuse, non-compliance, and willful violations of program rules by applicants and participating families. This policy objective is to establish confidence and trust in the management by emphasizing education as the primary means to obtain compliance by families.

Program Orientation Session (Briefing) – Mandatory orientation sessions will be conducted by the MHA staff for all prospective program participants prior to or on issuance of a voucher. At the conclusion of all Program Orientation Sessions, the family representative will be required to sign a Program Briefing Statement to confirm that all rules and pertinent regulations were explained to them.

Resident Counseling – MHA will routinely provide participant counseling as a part of every re-certification interview in order to clarify any confusion pertaining to program rules and requirements.

Review and Explanation of Forms – MHA staff will explain all required forms and review the contents of all (re)certification documents prior to signature.

Use of Instructive Signs and Warnings – Instructive Signs will be conspicuously posted in common areas and interview areas to reinforce compliance with program rules and to warn about penalties for fraud and abuse.

Participant certification – All family representatives will be required to sign a "Participant Certification" form as contained in HUD's Participant Integrity Program Manual.

Steps to Detect Program Abuse and Fraud

The MHA staff will maintain a high level of awareness to indicators of possible abuse and fraud by assisted families.

Quality Control File Reviews – Prior to initial certification, and at the completion of all subsequent re-certifications, 10% of participant files will be reviewed by a supervisor. Such reviews shall include, but are not limited to:

- Assurance that verification of all income and deductions is present.
- Changes in reported social security numbers or dates of birth.
- Authenticity of file documents.
- Ratio between reported income and expenditures.
- Review of signatures for consistency with previously signed file documentation.
- All forms are correctly dated and signed.

Observation – MHA Management and Occupancy Staff, including inspection personnel, will maintain high awareness of circumstances which may indicate program abuse or fraud, such as unauthorized persons residing in the household and unreported income.

Daily Police Reports – may be reviewed by management and staff.

Oklahoma Employment Security Commission – inquiries to State Wage and Employment record-keeping agencies as authorized under Public Law 100-628, the Stewart B. McKinley Homeless Assistance Amendments Act of 1988, may be made annually in order to detect unreported wages or unemployment compensation benefits.

Oklahoma DHS – inquiries may be made with property authorization by the participant at the time of eligibility determination, at every annual and interim re-certification, when the MHA receives an allegation wherein unreported income sources are disclosed, and when a participant's expenditures exceed his/her reported income, and no plausible explanation is given.

Handling of Allegations of Possible Abuse and Fraud

The MHA staff will encourage all participating families to report suspected abuse to their assigned caseworker. The caseworker will be responsible for conducting a preliminary review of allegations to determine their validity. All such referrals, as well as referrals from community members and other agencies, will be thoroughly documented and placed in the participant's file.

All allegations, complaints and tips will be carefully evaluated in order to determine if they warrant follow up. MHA will not follow up on allegations which are vague or otherwise non-specific. Caseworkers will be responsible for referring cases to their assigned supervisor if it is determined to be a valid allegation and supervisors will be responsible for following up or referring the case to the Inspector General. They will only review allegations which contain one or more independently verifiable facts.

File Review – An internal file review will be conducted to determine if the subject of the allegation is a client of MHA and, if so, to determine whether or not the information reported has been previously disclosed by the family. It will then be determined if MHA is the most appropriate authority to do a follow up (more so than police or social services). Any file documentation of past behavior as well as corroborating complaints will be evaluated.

Conclusion of Preliminary Review – If at the conclusion of the preliminary file review there is/are fact(s) contained in the allegation which conflict with file data, and the fact(s) are independently verifiable, MHA will initiate an investigation to determine if the allegation is true or false.

Investigation of Allegations of Abuse and Fraud

If MHA determines that an allegation should be referred, the caseworker will complete the fraud complaint form and forward the file to the Section 8 Programs Director for action. The steps taken will depend upon the nature of the allegation and may include, but are not limited to, the items listed below. In all cases, MHA will secure the written authorization from the program participant for the release of information.

Credit Bureau Inquiries – In cases involving previously unreported income sources, a CBI inquiry may be made to determine if there is financial activity that conflicts with the unreported income of the family.

Verification of Credit – In cases where the financial activity conflicts with file data, a Verification of Credit form may be mailed to the creditor in order to determine the unreported income source.

Employers and Ex-Employers – Employers or ex-employers may be contacted to verify wages which may have been previously undisclosed or misreported.

Neighbors/Witnesses – Neighbors and/or other witnesses may be interviewed who are believed to have direct or indirect knowledge of facts pertaining to MHA’s review.

Other Agencies – Investigators, caseworkers, or representatives of other benefit agencies may be contacted.

Public Records – If relevant, MHA will review public records kept in any jurisdictional courthouse. Examples of public records which may be checked are real estate, marriage, divorce, uniform commercial codes financing statements, voter registration, judgments, court or police records, state wage records, utility records and postal records.

Interviews with Head of Household or Family Members – MHA will discuss the allegation (or details thereof) with the Head of Household or family members by scheduling an appointment at the MHA office. The MHA staff person who conducts the interview will maintain a high standard of courtesy and professionalism. Under no circumstances will management tolerate inflammatory language, accusation, or any unprofessional conduct or language. If possible, an additional staff person will attend such interviews.

Documents, Evidence and Statements Obtained by MHA

Documents and other evidence obtained by MHA during the course of an investigation will be considered “work product” and will be kept in a separate “work file”. The participant’s file and the work file shall be kept in a locked file cabinet. Such cases under review will not be discussed among MHA staff unless they are involved in the process, or have information, which may assist in the investigation.

Conclusion of the Investigative Review

At the conclusion of the investigative review, the reviewer will report the findings to the Section 8 Program Director. It will then be determined whether a violation has occurred, a violation has not occurred, or if the facts are inconclusive.

Evaluation of the Findings

If it is determined that a program violation has occurred, MHA will review the facts to determine:

- The type of violation (procedural, non-compliance, fraud);
- Whether the violation was intentional or unintentional;
- What amount of money (if any) is owed by the family;
- If the family is eligible for continued occupancy.

Action Procedures for Violations Which Have Been Documented

Once a program violation has been documented, MHA will propose the most appropriate remedy based upon the type and severity of the violation.

1. **Procedural Non-Compliance** – This category applies when the family “fails to” observe a procedure or requirement of MHA, but does not misrepresent a material fact, and there is no retroactive assistance payments owed by the family.

Warning Notice to the Family: in such cases a notice will be sent to the family, which contains the following:

- A description of the non-compliance and the procedure, policy, or obligation which was violated;
 - The date by which the violation must be corrected, or the procedure complied with;
 - The action which will be taken by MHA if the procedure or obligation is not complied with by the date specified by MHA; and
 - The consequences of repeated (similar) violations.
2. **Procedural Non-Compliance – Overpaid Assistance** – When the family owes money to MHA for failure to report changes in income or assets, MHA will issue a Notification of Overpayment of Assistance. This Notice will contain the following:

- A description of the violation and the date(s);
- Any amounts owed to MHA;
- A ten (10) day response period; and
- The right to disagree and to request an informal hearing with instructions for the request of such hearing.

Participant Fails to Comply with MHA's Notice. If the participant fails to comply with MHA's notice, and a family obligation has been violated, the MHA will initiate terminations of assistance.

Participant Complies with MHA's Notice. When a family complies with MHA's notice, the staff person responsible will meet with him/her to discuss and explain the Family Obligation or Program Rule which was violated. The staff person will prepare a Notice Review Memo with one copy retained in the family's file and one copy given to the family.

3. **Intentional Misrepresentations.** When a participant falsifies, misstates, omits or otherwise misrepresents a material fact which results (or would have resulted) in an overpayment of housing assistance by MHA, then MHA will evaluate whether or not the participant had knowledge that his/her actions were wrong, and the participant willfully violated the family obligations or the law.

Knowledge that the action or inaction was wrong. This will be evaluated by determining if the participant was made aware of program requirements and prohibitions. The participant's signature on various certifications, briefing statement, personal declaration, and Things You Should Know are adequate to establish knowledge of wrong-doing.

The participant willfully violated the law. Any of the following circumstances will be considered adequate to demonstrate willful intent:

- (1) an admission by the participant of misrepresentation;
- (2) the act was done repeatedly;
- (3) If a false name or social security number was used;
- (4) If there were admissions to others of the illegal action or omission;
- (5) That the participant omitted material facts which were known to him/her (e.g. employment of self or other household member);
- (6) That the participant falsified, forged, or altered documents;
- (7) That the participant uttered and certified to statements at an interim (re)determination which were later independently verified to be false.

Dispositions of Cases Involving Misrepresentations

In all cases of misrepresentations involving efforts to recover monies owed, MHA may pursue, depending upon its evaluation of the criteria stated above, one or more of the following actions:

- (a) Criminal Prosecution: If MHA has established criminal intent and the case meets the criteria for prosecution, MHA will notify HUD's Regional Inspector General and terminate rental assistance.
- (b) Administrative Remedies: MHA will terminate assistance and execute an administrative repayment agreement in accordance the MHA's repayment policy.

The Case Conference for Serious Violations and Misrepresentations

When MHA has established that material representation(s) have occurred, a Case Conference will be scheduled with the family representative and an MHA staff person who is most knowledgeable about the circumstances of the case.

This conference will take place prior to any proposed action by MHA. The purpose of such conference is to review the information and evidence obtained by MHA with the participant, and to provide the participant an opportunity to explain any document findings which conflict with representations in the family's file. Any documents or mitigating circumstances presented by the family will be taken into consideration by MHA. The family will be given ten (10) days from the date of the conference to furnish any mitigating evidence.

A secondary purpose of the Participant Conference is to assist MHA in determining the course of action most appropriate for the case. Prior to the final determination of the proposed action, MHA will consider:

- The duration of the violation and number of false statements;
- The family's ability to understand the rules;
- The family's willingness to cooperate, and to accept responsibility for his/her actions;
- The amount of money involved;
- The family's past history;
- Whether or not criminal intent has been established;
- The number of false statements.

Notification to Participant of Proposed Action

MHA will notify the family of the proposed action no later than 15 days after the case conference by certified mail.

Overpayments to Owners

If a landlord has been overpaid as a result of fraud, misrepresentation or violation of the Contract, MHA may terminate the Contract and will make every effort to recover any overpayments. Payments otherwise due to the owner may be deducted from other contracts in order to repay MHA or the tenant, as applicable.

Chapter 21
SECTION 8 MANAGEMENT ASSESSMENT PROGRAM

General [24 CFR 985]

The U.S. Department of Housing and Urban Development implemented the Section 8 Management Assessment Program (SEMAP) on October 13, 1998 to serve as a management tool for objectively measuring program compliance, identifying management capabilities and deficiencies, as well as improving risk assessment for potential program problems. SEMAP also provides local housing authorities with a structured self-assessment system for evaluating the tenant-based rental assistance programs.

Performance Indicators

The following performance indicators have been established to help meet HUD’s overall goal of getting the right Section 8 families in the right units at the right cost. Effective delivery of rental assistance and the family self-sufficiency goals is also measured. The individual indicators and their assigned points are presented below.

Performance Indicator	Total Points Possible
1. Selection from the Waiting List	15
2. Rent Reasonableness	20
3. Adjusted Income	20
4. Utility Allowance	5
5. HQS Quality Control	5
6. HQS Enforcement	10
7. Expanding Housing Opportunity	5
8. Payment Standards	5
9. Annual Reexaminations	10
10. Tenant Rent Calculations	5
11. PreContract HQS Inspections	5
12. Annual Inspections	10
13. Lease-Up	20
14. FSS Escrowing and % of Families with Escrow Balance	5
15. Deconcentration Bonus	5
Total Points Possible	150
High Performer 90+%, Standard Performer 61-89%, Troubled <= 60%	

Certification Period

MHA is required to submit a certification to HUD by March 1 of each year for the period from January 1st through December 31st (MHA’s fiscal year).

The SEMAP Certification Process

The certification for each of the performance indicators is supported by documentation from the following sources:

- Family files and TenMast computer records
- Multi-Family Tenant Characteristic System (MTCS)
- Management files, marketing materials, studies and surveys

Family Files and TenMast Computer Records

A random sample of family files and TenMast computer records along with management files, marketing materials, studies and surveys were reviewed to support the following SEMAP indicators:

1. Selection from the Waiting List
2. Rent Reasonableness
3. Adjusted Income
4. Utility Allowance
5. HQS Quality Control
6. HQS Enforcement
7. Expanding Housing Opportunity
8. Payment Standards
15. Deconcentration Bonus

MTCS Data

The Multi-Tenant Characteristic System (MTCS) is a computerized tracking and monitoring system used by HUD to track family data in both the Section 8 and Public Housing programs. Family information is electronically submitted to MTCS upon completion of a HUD 50058 Family Report.

The following SEMAP indicators are evaluated based on information from the MTCS database:

9. Annual Reexaminations
10. Tenant Rent Calculations
11. PreContract HQS Inspections
12. Annual Inspections
13. Lease-Up
14. FSS Escrowing and % of Families with Escrow Balance

Summary by Indicator

Indicator 1: Selection from the Waiting List

The purpose of this indicator is to determine whether the local housing agency has written admission policies in its Administrative Plan and to confirm whether the agency follows their admission policies when selecting applicants from the waiting list. The Administrative Plan must be formally adopted by the Housing Authority and must be submitted to HUD.

Verification Process

HUD will rate this indicator on the SEMAP certification. An agency can earn either all or none of the 15 points for this indicator. To earn all 15 points, the review must confirm that the agency has written admission policies in its Administrative Plan and at least 98% of the families in the sample were selected from the waiting list in accordance with these policies and met the selection criteria that determined their places on the waiting list and their order of selection.

Indicator 2: Rent Reasonableness

The purpose of this indicator is to determine whether the housing agency has implemented a written, reasonable method for determining and documenting the rent charged for each unit leased. The method used must ensure that the rent charged is reasonable based on current rents for comparable unassisted units at the time of initial leasing, when there is any increase in the rent to owner, and at the HAP contract anniversary if there is a 5% decrease in the published FMR in effect 60 days before the HAP contract anniversary.

Verification Process

This indicator will be rated by HUD on MHA's certification. An agency can earn a maximum of 20 points for this indicator if the review confirms that:

- MHA has a reasonable method it follows to determine reasonable rent which considers location, size, type, quality, and age of the units, and the amenities, housing services, and maintenance and utilities provided by the owner, and
- A random sample of tenant files demonstrates that the rent reasonable system was used and documented in 98% of the files sampled for initial lease-up, any rent increase to owner, and if there is a 5% decrease in the published FMR in effect 60 days prior to the HAP contract anniversary.

Fifteen points can be earned if the review confirms that the above criterion is met in 80-97% of the units sampled for the review. Zero points are earned if the rent reasonableness method is used and documented in less than 80% of the random sample files that are reviewed.

Indicator 3: Adjusted Income

The purpose of this indicator is to determine whether the housing agency has verified and correctly determined adjusted annual income for each assisted family at the time of admission and at annual reexamination.

Verification Process

This indicator will be rated by HUD on the SEMAP certification. An agency can earn a maximum of 20 points for this indicator if the review confirms that based on a random sample in at least 90% of the families:

- MHA obtains third-party verification of reported family income, the value of assets totaling more than \$5000, expenses related to deductions from annual income and other factors that affect the determination of adjusted income, and/or the MHA documents in tenant files why third-party verification was not available;
- MHA properly attributes and calculates allowances for any medical, child care, and/or disability assistance expenses; and
- MHA uses the appropriate utility allowance to determine gross rent for the unit leased.

Fifteen points can be earned if the review confirms that the above criteria are met in 80-89% of the files sampled for the review. Zero points are earned if adjusted income determinations are correct and properly documented in less than 80% of the random sample files reviewed.

Indicator #4 – Utility Allowance Schedule

The objective of this indicator is to determine whether MHA maintains an up-to-date utility allowance schedule in accordance with HUD program regulations (24 CFR 982.517).

Verification Process

This indicator will be rated by HUD on the SEMAP certification. An agency can earn a maximum of 5 points for this indicator if the review confirms that MHA reviewed utility rate data within the last 12 months, and adjusted its utility allowance schedule if there has been a change of 10 percent or more in a utility rate since the last time the utility allowance schedule was revised.

Indicator #5 – HQS Quality Control

The purpose of this indicator is to determine whether an MHA supervisor or other qualified person re-inspects a sample of the units under contract during the last completed MHA fiscal year. The quality control inspection process tests consistency in adherence to the Housing Quality Standards and also helps to determine if inspectors require additional training.

Verification Process

This indicator will be rated by HUD on the SEMAP certification. An agency can earn a maximum of 5 points for this indicator, if the review confirms that:

- A sample of assisted units were quality control inspected based on the sample size required for the number of units under contract.
- The sample represents units recently inspected (HQS inspections performed during the 3 months preceding the quality control inspection).
- The sample represents a cross-section of inspectors and neighborhoods.

Indicator #6 – HQS Enforcement

The purpose of this indicator is to test the Housing Authority's ability to insure that life-threatening HQS deficiencies are corrected within 24 hours from the date of inspection and that all other HQS deficiencies are corrected no more than 30 calendar days from the date of the inspection or any HA-approved extension. The indicator also tests whether the Authority has appropriately abated the rent to owner no later than the first of the month following the specified correction period, and if not corrected termination of the HAP contract. This indicator also measures the response of the HA for family caused defects, and whether or not the Authority takes prompt and vigorous action to enforce the family obligations.

Verification Process

This indicator will be rated by HUD on the SEMAP certification. An agency can earn a maximum of 10 points for this indicator if the review confirms that based on a random sample:

- 100% of life-threatening emergencies were completed within 24 hours.
- 98% of all other cited HQS deficiencies were corrected within no more than 30 days or any HA approved extension.
- If deficiencies were not corrected within the required time frame, the HAP payment was abated no later than the first of the month following the correction period or the HAP contract was terminated or for family caused defects took prompt and vigorous action to enforce the family obligations.

Indicator #7 – Expanding Housing Opportunities

The purpose of this indicator is to determine whether the housing agency has adopted and implemented a written policy to encourage participation by owners with units located outside areas of poverty or minority concentration; informs rental voucher holders of the full range of areas where they may lease units both inside and outside of the MHA jurisdiction; and supplies a list of landlords and other parties who are willing to lease units or help families find units, including units outside areas of poverty or minority concentration.

Verification Process

This indicator will be rated by HUD on the SEMAP certification. An agency can earn a maximum of 5 points for this indicator if the review confirms that:

- MHA has a written policy to encourage participation by owners of units outside areas of poverty or minority concentration, MHA clearly delineates areas in its jurisdiction that are considered areas of poverty or minority concentration, and which includes the actions MHA will take to encourage owner participation.
- MHA encouraged participation by owners outside areas of poverty and minority participation.
- MHA prepared maps that show various areas, both within and outside of its jurisdiction.
- MHA's information packet for voucher holders contains either a list of owners who are willing to lease, or properties available for lease, under the rental voucher or certificate programs, or a list of other organizations that will help families find units and the list includes properties or organizations that operate outside areas of poverty or minority concentration.
- MHA's information packet includes an explanation of how portability works and includes a list of neighboring housing authorities with the name, address, and telephone number of a portability contact at each.
- MHA has analyzed whether rental voucher holders have experienced difficulties in finding housing outside areas of poverty or minority concentration and, if such difficulties have been found, MHA documentation

shows that MHA has analyzed whether it is appropriate to seek approval of area exception rents in any part of its jurisdiction and has sought HUD approval of exception rents when necessary.

Indicator #8 – Payment Standards

The purpose of this indicator is to determine whether MHA has verified and correctly determined adjusted annual income for each assisted family at the time of admission and annual reexamination.

Verification Process:

This indicator will be verified by HUD through the use of payment standard information submitted to HUD on the SEMAP certification form and MTCS gross rents and FMR data. An agency can earn a maximum of 5 points for this indicator if:

- At least 98% of the families newly leased in the voucher program, excluding over-FMR families, have initial gross rents at or below the applicable FMR or approved exception rent limit, and
- That MHA has adopted payment standards which do not exceed the applicable FMR, or approved exception rent limit and which are not less than 90% of the current FMR, unless approved by HUD.

Zero points are earned if the random sample demonstrates that more than 2% of the files sampled have gross rents that exceed the applicable FMR, or HUD-approved exception rent limits, or the MHA rental voucher program payment standard.

Indicator #9 – Annual Re-Certifications

The purpose of this indicator is to determine whether the housing agency completes an annual re-examination for each participating family at least every 12 months.

Verification Process

This indicator will be verified by MTCS reports showing the percentage of re-examinations that are more than 2 months overdue. An agency can earn a maximum of 10 points for this indicator if the MTCS report confirms that fewer than 5% of all MHA reexaminations are more than 2 months overdue. Five points can be earned if the report confirms that 5-10% of all MHA reexaminations are more than 2 months overdue. Zero points are earned if more than 10% of all MHA reexaminations are more than 2 months overdue.

Indicator #10 – Correct Tenant Rent Calculations

The purpose of this indicator is to determine whether the housing agency correctly calculates the family's share of the rent to owner in the rental voucher program.

Verification Process

This indicator will be verified by the MTCS reports. The reports will demonstrate the percent of tenant rent and family's share of the rent to owner calculations that are incorrect based on data sent to HUD on the HUD-50058 form.

An agency can earn a maximum of 5 points for this indicator if the MTCS report confirms that 2% or fewer of all MHA tenant rent and family's share of rent to owner calculations are incorrect. Zero points will be awarded if more than 2% of all MHA tenant rent and family's share of rent to owner calculations are incorrect.

Indicator #11 – Pre-Contract HQS Inspections

The purpose of this indicator is to determine whether newly leased units passed HQS inspection on or before the beginning date of the assisted lease and HAP contract.

Verification Process

This indicator will be verified by the MTCS report which shows the percent of newly leased units where the beginning date of the assistance contract is before the date the unit passed HQS inspection. If 98 to 99% of newly leased units passed HQS inspection before the beginning of the HAP contract, then MHA will receive 5 points. If fewer than 98% passed inspection prior to execution of the contract, then MHA will receive zero points.

Indicator #12 – Annual HQS Inspections

The purpose of this indicator is to determine whether the housing agency inspects each unit under contract at least annually.

Verification Process

This indicator will be verified by the MTCS report, which shows the percent of HQS inspections that are more than 2 months passed due date. It should be noted that the 2-month allowance is provided to accommodate a possible lag in the housing agency's electronic submission and not in the completion of the inspection MHA will receive 10 points if fewer than 5% of the annual inspections are not more than two months late, 5 points if 5%-10% are more than two months late, and zero points if more than 10% of annual inspections are more than two months late.

Indicator #13 – Lease-Up

The purpose of this indicator is to determine whether the housing agency entered into HAP contracts for the number of units under budget for the last fiscal year.

Verification Process

This indicator will be verified by the percent of units leased during the last completed MHA fiscal year as determined by taking unit-months under HAP contract as shown on MHA's latest approved year-end operating statement, dividing that result by 12, and then dividing that result by the number of units budgeted as shown on the MHA's approved budget for the same fiscal year.

An agency can earn a maximum of 20 points for this indicator if the percent of units leased during the last fiscal year was 98% or more. Fifteen points will be awarded if 95-98% of the units were leased during the last fiscal year. Zero points will be awarded if less than 95% if the units were leased during the last fiscal year.

Indicator #14- Family Self-Sufficiency

The purpose of this indicator is to determine whether the MHA has enrolled families in the FSS program as required, and the extent of MHA's progress in supporting FSS by measuring the percent of current FSS participants with FSS progress reports entered in MTCS that have had increases in earned income which resulted in escrow account balances.

Verification Process

HUD will verify this indicator through the MTCS report that shows the number of families currently enrolled in FSS. This number is divided by the number of mandatory FSS slots based on funding reserved for MHA through the second to last completed Federal Fiscal Year, or based on a reduced number of mandatory slots under a HUD-approved exception. An MTCS report also shows the percent of FSS families with FSS progress reports who have escrow account balances. HUD also uses information reported on the SEMAP certification by initial PHA's concerning FSS families enrolled in their FSS programs but who have moved.

Indicator #15 – Deconcentration

The purpose of this indicator is to determine what percentage of Section 8 families with children who live in and who have moved during the reporting period, moved to low-poverty census tracts in the MHA's principal operating area.

Verification Process

This indicator will be verified by the PHA data submitted for the de-concentration bonus and the latest independent auditor annual audit report.

Required Action Plan

An operational improvement plan is required for any PHA deemed substandard under the Section 8 Management Assessment Program. Upon HUD's confirmation of a substandard score the PHA must prepare a detailed action plan identifying the tasks necessary to improve each failed indicator. HUD may also require an action plan for any individual indicator that does not reach a passing score even if the overall rating of the PHA is standard.

Chapter 22 HOMEOWNERSHIP

General [24 CFR 982.625]

The Muskogee Housing Authority will provide current Housing Choice Voucher participants with the option of participating in a Homeownership Program in accordance with the provisions set forth in the final rule issued on October 12, 2000 by the U.S. Department of Housing and Urban Development, the plan set forth herein and any

future notices issued by HUD. This plan was adopted by the Muskogee Housing Authority's Board of Commissioners on March 8, 2001.

Program Size

The Muskogee Housing Authority Homeownership Program size shall be limited to five (5) new families successfully closing on a home the first year and five (5) new families successfully closing on a home each new year, subject to change at the discretion of the Muskogee Housing Authority and providing necessary program funding is available.

Eligibility Criteria

The following are the initial eligibility requirements. The MHA will verify the following information. If the family meets these requirements, the MHA will then consider the individual eligible to participate. Passing this screening process and/or participation in the MHAHOP program **will not** guarantee the individual will be able to purchase a home.

- Must be a current participant of the Section 8 Rental Assistance Program or a current voucher holder to participate in the Section 8 Rental Assistance Program.
- Must have a record of good rental history, and must be current with all rent and utility payments.
- Must be determined eligible to participate in the Muskogee Housing Authority programs (i.e. income and family composition and other standard requirements) of the Section 8 Rental Assistance Program or the Public Housing Family Self-Sufficiency Program.

AND

- Must be in good standing with any and all applicable MHA programs in which they are participating (required or voluntary) and have no outstanding debts to the MHA.
- Must have a minimum gross monthly income of the Federal minimum hourly wage rate times 2000 hours, except in the case of an elderly or disabled person. Verification must not be more than 120 days old. Once an individual is in a home under the MHAHOP program, there is no minimum income (except in the case of an elderly or disabled family, the MHA shall not count any welfare assistance received by the family in determining annual income under this section).
- Must complete a preliminary credit screening process with acceptable passing criteria as determined by the MHA.
- Must obtain certification of having completed a Homebuyer's Class. The MHA will make available all known classes and schedules for appropriate referrals to clients. Topics covered in Homebuyer's Class include, but are not limited to: Mortgage Education, Credit & Credit Repair, Debt Management, Home Maintenance, Budgeting and Money Management.
- Must be a first-time homebuyer as described in the 24 CFR 982.627.
- Must not have defaulted on a mortgage to purchase a home under any homeownership option.
- Except for cooperative members who have acquired cooperative membership shares prior to commencement of homeownership assistance, no family member has an 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 the CFR 24 982.631.
- Must have at least one adult family member, who will be purchasing the property, employed at least thirty (30) hours per week, **and** has been working at least thirty (30) hours per week for the past twelve (12) months. This does not mean a person must be with the same company for one year. However, there must not be a break of more than thirty (30) days in the hours worked. Employment requirement does not apply to the elderly or disabled. Verification must not be older than 120 days.

The disregard of welfare assistance income under the preceding paragraph only affects the determination of minimum annual income used to determine if a family initially qualifies for commencement of homeownership assistance in accordance with this section, but does not affect:

- A. The determination of income eligibility for admission to the voucher program;
- B. Calculation of the amount of the family's total tenant payment (gross family contribution); or,
- C. Calculation of the amount of homeownership assistance payments on behalf of the family.

In the case of an elderly family or a disabled family, welfare assistance shall be counted in determining annual income.

If the family defaults on a mortgage, the MHA may or may not allow continued assistance under the Section 8 Rental Assistance program. Determination shall be made through the MHA grievance policy.

Waiting List / Selection Criteria

The MHA will first select participants from its current Section 8 Family Self-Sufficiency Program to participate in the MHAHOP program. If there are not Section 8 Family Self-Sufficiency individuals eligible for or desiring to participate in the MHAHOP program, participants will be selected from the general Section 8 Program.

For each category (Section 8 Family Self-Sufficiency and general Section 8), slots will be filled on a first-come, first-served basis. All requests to participate in the MHAHOP program will be date stamped along with the time of day received. Participants shall be selected based on the date and time the request to participate was received by the MHA for each pool.

The MHA shall revise its current Section 8 Rental Briefings to include information regarding the homeownership program, its eligibility requirements, and how to notify the MHA of interest to participate in the MHAHOP.

Agreement and Expirations

Once an individual has been determined eligible to participate in the MHAHOP based on the eligibility criteria and completion of required homeownership counseling, a MHAHOP agreement between the client and the MHA will be executed and issued to the participant indicating the deadline for completion. The agreement will state family and public housing authority requirements and will provide the family 90 days to secure financing, close, and relocate to the new home. If the participant fails to meet the deadline, the family may be issued a regular voucher under the Section 8 Rental Assistance Program and re-apply for the MHAHOP program at a later date as determined by the family. The family may also request an extension of the agreement for up to an additional 90 days. The extension is subject to review **and** must be approved by the Muskogee Housing Authority **prior to the expiration of the original Certificate to Participate.**

Financing / Refinancing

The MHA will assist the MHAHOP program participant in selecting a lender and with the application submission process to the lender.

The MHAHOP participant will be required to obtain all financing for the purchase of the home. However, the MHA will make referrals to appropriate agencies to determine if additional financial assistance is available. Other agencies include, but are not limited to, the City HOME program and Habitat for Humanity, if available. Financing of the home must be insured or guaranteed by the State or Federal government. Financing must also comply with

secondary mortgage market underwriting requirements or comply with generally accepted private sector underwriting standards. Seller financing will be considered only on a case-by-case approval by the MHA.

The MHA may disapprove any financing, refinancing, or financing for improvements or repairs if the MHA determines the debt is unaffordable or lender or loan terms do not meet MHA requirements.

MHAHOP participants may utilize any Family Self-Sufficiency Escrow Funds they may have accumulated without any penalties.

The MHA **will not** be responsible for any financing or become a co-signer for any purchases, refinancing, or any other debts.

“Balloon” payments are not acceptable. Variable interest rates are not acceptable.

MHAHOP participants will be responsible for the payment of all services required for the securing of financing as well as all costs involved in the actual purchase of the home to include, but not limited to, a home inspection by a licensed inspector.

A Lease-Purchase Agreement shall not be approved.

A minimum of 3% down payment is required. Of this 3%, the family must provide at least 1% and the family shall be required to submit verification of the availability of the 1%.

Eligible Units for Purchase

All properties being purchased under this program must:

- Pass an HQS inspection conducted by the MHA.
- Pass an independent home inspection conducted by a **certified and qualified professional inspector** selected by the family. The 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 report on property conditions including the life expectancy of major items such as heating and air conditioning units, appliances, plumbing, and roofing materials. The inspector must provide a written report to the family and to the MHA. The MHA may refuse the property for homeownership assistance based on the results of the inspection even though the property may pass minimum HQS standards and otherwise be eligible for assistance under the Section 8 Rental Assistance Program.
- Be under construction or already existing at the time the MHA issued a Certificate to Participate on the MHAHOP program.
- Be a one-unit property or a single dwelling unit in a cooperative or condominium. Examples of an ineligible property are a duplex, triplex, or four-plex.
- Meet any other requirements specified by the lender.

Contract of Sale Requirements

The Contract of Sale must satisfy the following:

- Must meet the requirements of the lender.
- Must specify the price and any other terms of sale by the seller to the purchaser.
- Provide that the purchaser will arrange for a pre-purchase home inspection.
- Provide that the purchaser will not be obligated to purchase the unit unless the inspection is satisfactory to the purchaser and the MHA.

- Provide that the purchaser is not obligated to pay for any necessary repairs.
- Contain certification from the seller that the seller has not been disbarred, suspended, or subject to a limited denial or participation in any HUD program.

Monthly Homeownership Assistance Payments

Homeownership assistance will be paid **only** during the time the family occupies the property and complies with all regular Section 8 Rental Assistance program requirements of the voucher program.

Payments will be mailed to a draft account in the name of the lender; in the even the lender does not approve such arrangements, payment will be made to the participant.

The homeownership assistance payment shall be the lower of:

1. The payment standard minus the total tenant payment; or
2. The family's monthly homeownership expenses minus the total tenant payment.

Homeownership expenses are Principal and Interest, Mortgage Insurance, Homeowner Insurance, Property Taxes, and, where applicable, Cooperative or Condominium Operating Fees as established by the cooperative association. Other allowable homeownership expenses include expenses for "reasonable accommodations" to the elderly and disabled.

The payment standard is the standard according to the family unit voucher size or the payment standard for the size of the home, whichever is lower.

If the home is located in a HUD exception rent area, the MHA will use the standard according to the exception rent.

Annual re-certification of the family composition and income will remain a requirement as defined by the Section 8 Administrative Policy regarding rental assistance programs. In addition, passing an annual HQS inspection will remain a requirement of the property. However, any repairs necessary to meet HQS will be the responsibility of the family.

All income eligibility and family composition requirements under the Section 8 Rental Assistance Program shall apply to participants of the MHAHOP.

If the family fails to fulfill the Section 8 Rental Assistance annual re-certification requirements or the property fails to pass HQS upon a re-inspection, all homeownership assistance will be discontinued with a 30-day notice to the family and the lender. In addition, the family will also be removed from any and all Section 8 Programs.

Homeownership assistance payments will automatically stop 180 calendar days after 30% of the family's adjusted gross income equals or exceeds the Fair Market Rent (FMR) for which they are certified. The lender will be notified at least 30 days prior to the family being discontinued under the MHAHOP.

Maximum Term for Homeownership Assistance

Homeownership assistance payments will continue so long as the family and the property continue to meet the program requirements, but not to exceed the following:

- Fifteen (15) years from the date of the commencement of homeownership assistance payments if the initial mortgage has a term of twenty (20) years or longer.
- In all other cases, the maximum will be ten (10) years.

The ten and fifteen year limitations do not apply to the elderly or disabled. However, if an elderly or disabled family becomes no longer classified as an elderly or disabled family, the maximum time shall be counted from the date the

individual was certified to participate in the MHAHOP program and not from the date they were reclassified. In any event, an elderly or disabled family shall be provided at least six (6) months of homeownership assistance.

This time period is cumulative for the family, regardless of the number of homes or jurisdictions.

Family Obligations

Before commencement of homeownership assistance, the family must execute a MHAHOP agreement to participate.

Homeownership assistance may only be paid while the family is residing in the home.

If the family moves out of the home, the MHA will not continue homeownership assistance after the month in which the family moved out. The MHA will not seek reimbursement for this monthly payment. In the case of a “skip,” the lender will be notified by the MHA within ten (10) days of the MHA’s knowledge of such activity.

In order to continue to receive homeownership assistance, a family must comply with the following obligations in addition to the requirements for reporting family composition and income changes under the Section 8 Rental Assistance Program:

- The family must attend at least eight (4) hours of additional post-homeownership counseling annually.
- The family may not sublet or lease any part, or all, of the dwelling.
- The family must comply with the terms of any mortgage securing debt incurred to purchase the home, and any refinancing of such debt (see Financing, Chapter 5).
- The family must live in the unit as their principal residence as long as the family is receiving homeownership assistance.
- All family members to reside in the home must be approved by the MHA.
- The family may grant a mortgage on the home for debt incurred to finance purchase of the home or any financing of such debt only by obtaining prior authorization from the MHA (See Financing, Chapter 5).
- The family must obtain housing counseling for selling a home prior to executing an agreement with any realtor or buyer for the sale of the home.
- The family must provide the MHA with a copy of confirmation letter if or when lenders change, such as when a mortgage is sold/transferred. This letter must be received within ten (10) days from the date the family received notification to insure payments are issued with correct names.
- Upon death of a family member who holds, in whole or in part, title to the home or ownership of cooperative membership shares for the home, homeownership assistance may continue pending settlement of the decedent’s executor or legal representative, so long as the home is solely occupied by remaining family members.
- The family must insure that all repairs are made to the dwelling in order to meet minimum HQS standards, which will be inspected annually.
- The family must supply all requested information to the MHA within the time frames specified.
- The family must notify the MHA and the lender thirty (30) days **prior** to moving out of a home.
- The family must notify the MHA if the family defaults on a mortgage or any other debt within ten (10) days of missing a payment.
- During the time the family receives homeownership assistance under this subpart, no family member residing in the home may have any ownership interest in any other residential property.
- The MHA may establish additional requirements for continuation of homeownership assistance for the family. The family must comply with any such requirements. Additional requests may include, but are not limited to, further homeownership counseling, home maintenance, debt consolidation and other credit counseling.

In addition to other required information, the family must supply any information as required by MHA or HUD concerning:

- Any mortgage or other debt incurred to purchase the home, and any refinancing of such debt (including information needed to determine whether the family has defaulted on the debt, and the nature of any such default), and information on any satisfaction of payment of the mortgage debt;
- Any sale or other transfer of any interest in the home; or

- The family's homeownership expenses.

Portability

An individual determined eligible for homeownership assistance by the initial public housing authority may purchase a unit outside of the initial public housing authority's jurisdiction, if the receiving public housing authority is administering a voucher homeownership program and is accepting new homeownership families.

MHAHOP participants are eligible to move with tenant-based rental assistance or with homeownership assistance. However, with tenant-based rental assistance, all regular voucher requirements must be met. In addition, no rental assistance payments may be made on the new rental so long as the family has any interest (name on title) in any other property. To move with continued homeownership assistance, the family will repeat all initial requirements other than homebuyer counseling and will no longer need to meet the first-time homebuyer requirements.

The head of household for the family must obtain additional housing counseling for selling a home prior to executing an agreement with any realtor or buyer for the sale of the home.

Participants shall only be permitted on move per year with homeownership assistance.

If the family defaults on a mortgage, the MHA may or may not allow continued assistance under the Section 8 Rental Assistance Program. Determination shall be made through the MHA grievance policy.

Denial or Termination

The MHA will terminate homeownership assistance for the family, and shall deny voucher rental assistance for a family for the following:

- At any time, the MHA may deny or terminate homeownership assistance in accordance with 24 CFR 982.552 (grounds for denial or termination of assistance) or 24 CFR 982.553 (crime by family members).
- Failure to comply with family obligations as described in the MHA Section 8 Administrative Plan which is inclusive of this homeownership policy and 24 CFR 982.551 or 982.633.
- Any family member 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. The MHA may, however, issue a rental voucher to the family so long as the family conveyed the title to the home, as required by HUD, to HUD or HUD's designee and the family has moved from the home within the period established or approved by HUD. For this consideration, the family must prove to the MHA that the default was unavoidable by the family (such as death, accident or serious debilitating injury to the primary wage earner; unforeseen medical expenses, etc.).

Recapture of Homeownership Assistance

The MHA shall recapture a percentage of the homeownership assistance provided to the family upon the family's sale or refinancing of the home.

Upon purchase of the home, a family receiving homeownership assistance shall execute documentation as required by HUD, and consistent with State and local law, that secures the MHA's right to recapture the homeownership assistance in accordance with this chapter. The lien securing the recapture of homeownership subsidy may be subordinated to a refinanced mortgage.

In the case of the sale of the home, the recapture shall be in an amount equaling the lesser of the amount of homeownership assistance provided to the family or the difference between the sales price and the purchase price of the home minus the costs of any capital expenditures; the cost incurred by the family in the sale of the home (such as

sales commission and closing costs); and the amount of the difference between the sales price and purchase price that is being used, upon sale, towards the purchase of a new home under the MHAHOP option any amounts that have been previously recaptured.

In the case of refinancing the home, the recapture shall be the amount equaling the lesser of the amount of homeownership assistance provided to the family as described in this chapter; or the difference between the current mortgage debt and the new mortgage debt minus the costs of any capital expenditures; the costs incurred by the family in the refinancing of the home (such as closing costs); and any amounts that have been previously recaptured as a result of refinancing.

The recapture amount shall be determined using the actual sale price of the home, unless the sale is to an identity of interest equity. In the case of an identity of interest transaction, the MHA will establish a sale price based on fair market value.

The amount of homeownership assistance subject to recapture will automatically be reduced over a ten-year period, beginning one year from the purchase date, in annual increments of 10 percent. At the end of the ten-year period, the amount of homeownership assistance subject to recapture will be zero. This recapture provision applies to each home purchased under the program.

The family must obtain housing counseling for selling a home prior to executing an agreement with any realtor or buyer or other interested party for the sale of the home.

This policy is subject to change at the time of any re-certification, at the discretion of the MHA.

Chapter 23 OTHER SPECIAL PROGRAMS

General

The U.S. Department of Housing and Urban Development periodically provides funding under the Section 8 Housing Choice Voucher Program for special programs. MHA generally will apply for these programs and if successful may have a set-aside of special use vouchers that will be administered in accordance with the provisions of the funding notification issued by HUD. The following is a summary description of the special programs currently administered by MHA. Unless otherwise stated, the general administrative requirements of these programs will be the same as stated throughout this plan.

Family Unification Program (FUP)

The Department of Housing and Urban Development (HUD) established the Family Unification Program (FUP) to assist families for whom the lack of adequate housing is a primary factor in the separation, or the threat of imminent separation, of children from their families.

MHA received an allocation of funding from HUD for this purpose. Under FUP, the state or local Public Child Welfare Agency (DHS) must enter into a written agreement with the corresponding housing authority. The DHS office would identify to the PHA families who are at risk of being separated as a result of housing issues or where the lack of adequate housing is a primary factor. MHA currently has a Memorandum of Understanding with the Muskogee County Department of Human Services.

An FUP eligible family is one that DHS has identified and certified to MHA that the lack of adequate housing is a primary factor in the imminent placement of the child(ren) in out-of-home care, or in the delay of discharge of the child(ren) from out-of-home care.

MHA will accept families certified by DHS as eligible for the Family Unification Program and determine if the family is otherwise eligible for Section 8 Rental Assistance.

Responsibilities of DHS: DHS will examine its existing caseload to identify eligible families and make referrals to MHA. DHS has agreed to commit sufficient staff resources to ensure that FUP families are identified and certified in a timely manner.

Responsibilities of MHA: Upon receipt of a DHS referral, MHA will compare the names with those of families already on the waiting list. If a match is made, the families will be added to the Family Unification Waiting list in the order of the date and time of their application receipt and selected according to turnover vacancy.

Program Turnover: Any Housing Choice Vouchers that become available as the result of a voluntary forfeiture or program termination will be held for continued referrals from DHS under the FUP Program.

Rental Assistance for Non-Elderly Persons with Disabilities (NED)

The Department of Housing and Urban Development (HUD) established the NED program to enable persons with disabilities to rent affordable housing. MHA received an allocation of funding from HUD for the NED program.

The NED program requires MHA to identify service partners and enter into Memorandums of Understanding with service providers for non-elderly persons with disabilities. Only a non-elderly person with a disability may receive a voucher under the NED program. The program requires a non-elderly adult in the household to be a person with a disability. A person with a disability is a person who:

- Has a disability as defined in Section 223 of the Social Security Act (42 USC 423); or
- Has a developmental disability as defined in Section 102 of the Developmental Disabilities Assistance and Bill of Rights Act (42 USC 6001(5)); or
- Is determined 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 such ability could be improved by more suitable housing conditions.

Eligible program applicants receive preference points which place them at the top of the waiting list for selection.

Program Turnover: Any Housing Choice Vouchers that become available as the result of a voluntary forfeiture or program termination will be held for continued placement by applicants eligible for the NED program.

Family Self-Sufficiency

The purpose of the Family Self-Sufficiency Program is to promote the development of local strategies to coordinate the use of Section 8 Housing Assistance with public and private resources and to enable families eligible to receive assistance under these programs to achieve economic independence and self-sufficiency. The objective of the FSS program is to reduce the dependency of low-income families on welfare assistance and on Section 8 Housing Assistance. Under the FSS program, families are provided opportunities for education, job training, counseling and other forms of social service assistance while receiving Section 8 housing assistance so that they may obtain the education, employment, business and social skills necessary to achieve self-sufficiency.

Minimum Program Size: The FSS program is mandatory for any PHA that has received new funding for the Housing Choice Voucher program from 1993 through 1998. The mandatory program size for the FSS program is the total number of new vouchers funded during that period unless the PHA receives a waiver from HUD for a smaller program size.

Action Plan: A HUD-approved action plan describes the policies and procedures of MHA's operation of the FSS program. The FSS Action Plan addresses those items not otherwise addressed in the Section 8 Administrative Plan that are specific to the operation of the FSS Program. The Action Plan may be updated from time to time; such changes shall be incorporated into the annual Agency Plan.

Contract of Participation: Each family that chooses to participate in the FSS Program must execute a contract of participation (COP) with MHA. The COP incorporates the individual training and services plan including specific interim and final goals, and sets forth the principal terms and conditions governing participation in the FSS program. The COP shall be prepared in the format prescribed by HUD and executed by the head of the FSS family.

Employment Obligation: The head of the FSS family is required to seek and maintain suitable employment during the term of the contract. Seek employment means that the head of the FSS family has applied for employment, attended job interviews and has otherwise followed through on employment opportunities. A determination of suitable employment shall be made by MHA based on the skills, education, job training of the head of household and the availability of job opportunities.

FSS Escrow Account: An FSS escrow account shall be established for qualified families as defined in 24 CFR 984.305. A family is eligible for an escrow contribution when there is an increase in earned income. Such escrow shall be established at the time of a re-certification based on the re-certification requirements described elsewhere in this Administrative Plan. Escrow contributions shall be credited monthly to each individual account and a statement of the account balance shall be issued at least annually following the close of MHA's fiscal year. Interest shall accrue at the actual amount paid by the financial institutions where the funds are on deposit.

Final Disbursement of Escrow Funds: Escrow funds may only be disbursed as follows:

- Upon successful completion of the Contract of Participation (COP) and graduation from the FSS program;
- Zero HAP payment for a period of six months;
- Voluntary termination of Section 8 Assistance because the family has determined that assistance is no longer needed or desired, and the family has not otherwise violated any family obligation under the Housing Choice Voucher Program, and the family is free from welfare assistance.

Interim Disbursement of Funds: Escrow funds are to be considered as a savings account for the family to achieve and remain economically self-sufficient upon satisfactory completion of the FSS Program. Therefore, MJHA will only consider requests for interim disbursement of escrow funds under the following conditions:

- The family must have received an escrow contribution for a minimum period of one year prior to the request;
- Generally, only one interim distribution of funds will be approved during the life of the COP; however, MHA may authorize additional disbursements at its sole discretion based on unforeseen emergency;
- The family must be in compliance with all family obligations under the Housing Choice Voucher;

- No request for interim disbursements will be considered until such time that the family has completed at least two of the stated interim goals in the COP and all interim goals identified through the time of the request must have been completed on schedule or in accordance with any MHA approved revisions to the schedule;
- Release of the requested funds will permit the head of the household to complete a critical interim goal in their COP;
- The head of household has researched all other available resources and provides MHS with documentation that no other resources are available to meet the required goal;
- No disbursement will exceed 50% of the individual's total escrow account balance.

If the request is for educational expenses, the participant must provide documentation that they have applied for and been denied financial aid from the educational institution and, such denial must be through no fault of the individual. Denial due to failure to make payments on student loans will require the participant to negotiate a deferral and/or settlement with the Department of Education. Denial due to grade point average will require attendance records indicating that poor grades are not related to failure to attend class and a plan for tutorial or other academic assistance.

If a request is made for payment of debts, no approval will be granted until such time that the family has attended financial counseling and developed a consolidated payment program for all outstanding debts and has satisfactorily complied with such payment plan for a period of one year.

If a request is for the purchase of a vehicle to provide needed transportation, the individual must be able to demonstrate the ability to pay the cost of gas, maintenance and insurance for the vehicle.

Requests for disbursements of funds shall be processed as follows:

1. The family must submit the request and justification for the request in writing in the format prescribed by MHA;
2. Documentation must be attached which demonstrates that the family has researched all other available resources for funding the specific goal which is to be funded by the escrow funds and has been unsuccessful in securing other resources;
3. Final disbursements require a certification by the head of the household that no individual in the household receives any federal, state, or other public assistance;
4. The FSS Coordinator will review the requests and determine if the family is in compliance with all requirements governing interim disbursement of escrows and provide a recommendation for the action to be taken;
5. The Section 8 Programs Director will review the recommendation of the FSS Coordinator and make a final determination regarding the release of funds;
6. All disbursements will be made in the form of a check and MHA reserves the right to issue such check to the applicable vendor and not the individual program participant.

HUD-Approved Housing Counseling Agency

The Muskogee Housing Authority was selected by the U.S. Department of Housing and Urban Development as a HUD-Approved Housing Counseling Agency. The program is designed to provide counseling assistance to families facing mortgage default or foreclosure. MHA staff attend training sessions to provide these families with information regarding available options to help the family make the best possible housing decision. These services are provided free of charge to the public and include credit counseling options.

Other Programs

As funding becomes available for other special programs and MHA is successful in receiving any special allocations of Housing Choice Vouchers for these special programs, they will be identified in this section of the Administrative Plan.

Chapter 24

PROJECT BASED VOUCHERS

General

This section of the Muskogee Housing Authority (MHA) Section 8 Administrative Plan describes MHA'S SECTION 8 policies related to implementation of the Project Based Voucher (PBV) program pursuant to the Final Rule published at 24 CFR 983 on October 15, 2005.

Except as otherwise noted in this chapter, or unless specifically prohibited by the PBV program regulations, the Muskogee Housing Authority's policies for the tenant-based voucher program described in the Section 8 HCV Administrative Plan will also apply to the PBV program administered by the Muskogee Housing Authority.

Equal Opportunity (24 CFR 983.8)

MHA SECTION 8 will comply with all equal opportunity requirements under federal law and regulations in its implementation of the PBV program, including the PHA Plan Certification on Civil Rights and Affirmatively Furthering Fair Housing.

Program Size (24 CFR 983.6)

The total number of PBV units will not exceed twenty percent (20%) of MHA SECTION 8 's tenant-based voucher program budget authority.

Eligible Unit Types (24 CFR 983.52)

PBV assistance may be attached to existing housing or newly constructed or rehabilitated housing. A housing unit is considered an existing unit for purposes of the PBV program, if, at the time of notice of MHA Section 8 selection, the units substantially comply with HQS.

Ineligible Unit Types (24 CFR 983.53, 983.54, 983.55)

MHA Section 8 will not attach PBV assistance to shared housing units; units on the grounds of a penal reformatory, medical, mental, or similar public or private institution; nursing homes or facilities providing continuous psychiatric, medical, nursing services, board and care, or intermediate care (except that assistance may be provided in assisted living facilities); units that are owned or controlled by an educational institution or its affiliate and are designated for occupancy by students; manufactured homes; cooperative housing; and transitional housing.

MHA Section 8 will not attach PBV assistance for a unit occupied by an owner.

MHA Section 8 will not select or enter into an agreement or HAP contract for a unit occupied by a family that is ineligible for participation in the PBV program.

MHA Section 8 will not attach PBV assistance to units in any of the following types of subsidized housing:

- A public housing unit;
- A unit subsidized with any other form of Section 8 assistance;
- A unit subsidized with any governmental rent subsidy;
- A unit subsidized with any governmental subsidy that covers all or part of the operating costs of the housing;
- A unit subsidized with Section 236 rental assistance payments (except that MHA Section 8 may attach assistance to a unit subsidized with Section 236 interest reduction payments);
- A Section 202 project for non-elderly persons with disabilities;
- A Section 811 project-based supportive housing for persons with disabilities;
- A Section 202 supportive housing for the elderly;
- A Section 101 rent supplement project;
- A unit subsidized with any form of tenant-based rental assistance;
- A unit with any other duplicative federal, state, or local housing subsidy, as determined by HUD or MHA Section 8 in accordance with HUD requirements.

Limits on Number of PBV Units in Buildings (24 CFR 983.56)

Pursuant to HUD regulations, MHA Section 8 will not provide PBV assistance for units in a building if the total number of dwelling units in the building that will receive PBV assistance during the term of the PBV HAP contract is more than 25% of the number of dwelling units (assisted or unassisted) in the building except where:

- The units are in a single-family building (one to four units);
- The units qualify as "excepted units" as defined below.

Exceptions to PBV 25% Unit Cap

"Excepted Units" are units in a multifamily building that are specifically made available for "qualifying families". Qualifying families are:

- Elderly or disabled families

Generally, MHA Section 8 does not intend to focus or limit PBV assistance to "excepted units".

Requirements Applicable to Households Residing in Excepted Units

For excepted units occupied by elderly or disabled families, MHA Section 8 will not require participation in supportive services as a requirement of program participation.

Relocation Assistance (24 CFR 983.7, URA, 49 CFR part 24)

As previously noted, MHA Section 8 will not select or enter into an agreement or HAP contract for a unit occupied by a family ineligible for participation in the PBV program.

Notwithstanding the above, any person(s) displaced as a result of implementation of the PBV program must be provided relocation assistance in accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) [42 USC 4201-4655] and implementing regulations at 49 CFR part 24. The cost of required relocation assistance must be paid with funds provided by the owner, local public funds, or funds available from other sources. MHA Section 8 may not use voucher program funds to cover relocation costs; however, MHA Section 8 may use its HCV administrative fee reserve to pay for relocation expenses after all other program administrative expenses are satisfied, and provided that payment of the relocation benefits is consistent with state and local law. Use of the administrative fee for these purposes will also be consistent with other legal and regulatory requirements, including the requirement in 24 CFR 982.155 and other official HUD issuances.

Acquisition of real property for a PBV project is also subject to the URA and 49 CFR part 24, subpart B.

Selection of PBV Owner Proposals (24 CFR 983.51)

Selection Procedures for MHA Project-Based Voucher Proposals

I. REQUIREMENTS

If the following requirements are not met, proposals will be rejected:

- a) The project under consideration must meet HUD goals for de-concentration of poverty in determining areas in which to place subsidized units pursuant to 24 CFR 983.57.
- b) Generally, no more than 25 percent of the dwelling units in each building may have project-based voucher or any other federal project-based housing assistance. The following types of housing units are exempt from the 25 percent per building cap:
 - (1) Project-Based voucher dwelling units in single family (one-to-four-unit) properties;
 - (2) Units in a multifamily building (5 or more units) set aside for elderly or disabled families; and
 - (3) Units in a multifamily building set aside for families participating in supportive services programs supplied by the owner on site or on a referral basis as specified in the Administrative Plan.

The restrictions concerning the number of subsidized units in each building apply to all types of housing selected for the project-based voucher program – existing, newly constructed, and rehabilitated housing.

- c) The proposed property must be eligible for the PBV program. The MHA will consider Rehab, New Construction, and Existing units for the PBV assistance.

The following types of units are not eligible for participation in the program:

- Owner occupied units
- Housing for which the construction/rehabilitation has started prior to Agreement execution; except for existing housing projects;
- Manufactured homes;
- Shared housing;
- Nursing homes and facilities providing continual psychiatric, medical, nursing services, board and care or intermediate care;
- Units within the grounds of penal, reformatory, medical, mental, and similar public or private institutions;
- Housing located in the Coastal Barrier Resources System designated under the Coastal Barrier Resources Act;

- Housing located in an area that has been identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, unless:
 1. The community in which the area is situated is participating in the National Flood Insurance Program; or
 2. Less than a year has passed since FEMA notification regarding such hazards; and
 3. The HA will ensure that flood insurance on the structure is obtained in compliance with Section 102(a) of the Flood Disaster Protection Act of 1973.
- College or other school dormitory
- Public Housing units owned by the MHA;
- Units subsidized by any other Section 8 assistance (tenant-based or project-based);
- A unit subsidized with any State or local rent subsidy;
- A Section 236 project or a unit subsidized with Section 236 rental assistance payments;
- A Rural Development Administration Section 515 project;
- A unit subsidized with rental assistance payments under section 521 of the Housing Act of 1949;
- Housing assisted under former Section 23 of the U.S. Housing Act of 1937 (before amendment by the HCD Act of 1974);
- A Section 221 (d)(3) project;
- A project with a Section 202 loan;
- A Section 202 project for non-elderly persons with disabilities (Section 162 assistance);
- Section 202 supportive housing
- Section 811 supportive housing
- Section 101 rent supplement projects;
- Transitional housing;
- A unit subsidized with tenant-based assistance under the HOME Program; or any unit with other duplicative Federal, State, or local housing subsidy, as determined by HUD. For this purpose, “housing subsidy” does not include welfare payments, a social security payment received by the family or a rent reduction because of a tax credit.

d) Proposed contract rents must not exceed either 110% of the established Fair Market Rents as published by HUD in the Federal Register, or the HUD approved exception rents if applicable.

e) Owners must provide a relocation plan regarding temporary displacement of existing tenants. Current occupants of units to be assisted must appear to be eligible for Section 8 assistance. Therefore, if the units to be assisted are occupied by over-income tenants, the proposal calls for a reduction in the total number of units in a fully occupied building, or if the families to be assisted are living in units which are not suitable to family size, the project generally will be rejected or partially assisted. (Rehabilitation and Existing only) Relocation provisions for minimizing displacement do not apply to Existing Housing Projects.

The project must meet Uniform Relocation Act requirements as follows:

Temporary relocation will not exceed 12 months and every tenant will be given 30 days written notice regarding any relocation along with a copy of the approved relocation plan. Tenants must be provided with alternative housing which is safe, decent and sanitary and receive reimbursement from the owner for reasonable out-of-pocket expenses incurred in connection with the temporary relocation. Such expenses include moving costs to and from temporary housing, increases in monthly housing costs and increases in utility costs.

If the owner can demonstrate that permanent displacement can be prevented by allowing over-income tenants to remain in unassisted units or ineligible tenants to be housed in a suitably sized unit in the same building or complex, the proposal may still be accepted.

Any preliminary determination of a family’s eligibility during the initial screening process will be based on unverified information provide in the owner’s proposal.

f)The owner must be able to certify that no tenant has been required to move during the past 12 months except for good cause. If the MHA has documentation that tenants have been forced to move without good cause, the proposal will be rejected. “Good Cause” includes tenant non-compliance with the lease or failure to carry out tenant obligations under any state and local landlord-tenant law. This information should be submitted with the proposal (Rehabilitation and Existing Only).

If the owner submitting the proposal has not owned the property for the last 12 months, this certification may be limited to owner's actions during ownership and with respect to acquiring the property.

g)The owner must provide acceptable evidence of site control (a copy of the deed, purchase option, contract of sale, or other documents acceptable to the MHA as proof of ownership). The MHA may reject a proposal if adequate evidence of site control is not provided.

h)Owners must submit 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. For those utilities that are not included in the rent, an estimate of the average monthly cost for each unit type for the first year of occupancy must be submitted. The MHA may reject a proposal at the initial screening stage if the proposal appears clearly unfeasible because the current rents substantially exceed the Section 8 Existing Housing Payment Standard Rent Limits.

If the owner is willing to accept lower rents, the owner may appeal the proposal rejection.

i)The owners must submit a completed HUD form number 2530 – Previous Participation Certification and resumes for all principal participants.

j)Housing to be assisted under the PBV Program must be modest in design. Amenities must be limited to those amenities, as determined by HUD, that are generally provided in unassisted, decent, safe and sanitary housing for lower income families in the market area. The use of more durable, high-quality materials to control or reduce maintenance, repair and replacement costs is not considered an excess amenity.

k) Acceptable amenities include but are not limited to range/oven, refrigerator, disposal, vent fan, carpet/drapes, laundry (coin), underground garage, and solar heat/hot water.

l) Before any property can be contracted for PBV assistance, the MHA must contract with the unit of general local government to complete and approve the environmental review required by 24 CFR Part 58.

m) All contracted housing must meet applicable accessibility requirements as set forth in Section 504 of the Rehabilitation Act of 1973 in addition to any applicable State and local standards. Moreover, all units must meet the requirements of the Fair Housing Amendment Act of 1988 pursuant to 24 CFR 100.205.

n) Properties assisted under the “Existing” PBV guidelines must conform to Section 302 of the Lead-Based Paint Poisoning Act by establishing procedures to eliminate as far as practicable the hazards of lead based paint. All painted surfaces, interior and exterior, up to five feet from the floor or ground readily accessible to children under seven years of age must be free of chipping, peeling, and loose paint.

o) Owner must certify that they have not been debarred from participating in the Section 8 Project-Based Voucher Program or any other Federal Subsidy Program.

II. New Construction Requirements

The Owner must submit to the MHA an architect's certification that the working drawings, specifications and proposed construction comply with HUD minimum property standards, local codes and ordinances, and zoning requirements.

The site must not be located in an area of minority concentration, and must not be located in a racially mixed area if the project will cause a significant increase in the proportion of minority to non-minority residents in the area. All sites must be consistent with the requirements of 24 CRF 983.57 and the MHA Administrative Plan.

III. All Owner Applications Must Contain:

a) The owner's plan for managing and maintaining the units;

- b) A description of the proposed housing, including the number of units by size, bedroom count, bathroom count, sketches of the proposed building, unit plans, listing of amenities and services, and estimated date of completion. Existing Housing Projects are excepted from provisions requiring construction plans and drawings;
- c) Identification and description of the proposed site, site plan and neighborhood, and evidence of site control;
- d) Evidence that the proposed New Construction is permitted by current zoning ordinances or regulations or evidence to indicate that the needed re-zoning is likely and will not delay the project; Existing Housing Projects are not subject to this provision;
- e) A signed certification of the owner's intention to comply with Title VI of the Civil Rights Act of 1966, Title VIII of the Civil Rights Act of 1968, E.O. 11063, E.O. 11246, Section 3 of the Housing and Urban Development Act of 1968 and all applicable Federal requirements listed in 24 CFR 983.11 including, but not limited to, the payment of not less than the prevailing wages in the locality pursuant to the Davis-Bacon Act to all laborers and mechanics employed in the construction or rehabilitation of the project; Existing Housing Projects are not subject to Federal Labor Standards;
- f) A statement from the owner certifying the number of persons, businesses, non-profit corporations occupying the property on the date of submission of the application; the number of persons displaced, temporarily relocated or moved permanently within the building complex; estimated cost of relocation payments and services; the funding source of relocation activities; and the name of the organization that will carry out the relocation activities. Existing Housing Projects are not subject to the provisions of Relocation;
- g) The identity of the owner, developer, builder, architect, management agent (and other participants), the names of officers and principal members, shareholders, investors and other parties having a substantial interest; the previous participation of each in HUD Programs on the prescribed HUD Form number 2530 and a disclosure of any possible conflict of interest by any of these parties that would be a violation of the Agreement or the Contract; and information on the qualifications and experience of the principle participants;
- h) Evidence of financing or lender interest and the proposed terms of financing;
- i) The proposed term of the Contract; and
- j) If applicable, copies of Code Enforcement Inspection Reports, and correspondence;
- k) Disclosure of Lobbying Activities;
- l) Certification of Participation in the Low Income Housing Tax Credit Program;
- m) Letter of consistency of project with local government Consolidated Plan;
- n) Design Architect's Certification (new construction only);
- o) Preliminary Construction Drawings
- p) Eligible Census Tract Certification
- q) Certification of Payments to Influence Federal Transactions;
- r) Certification Regarding Debarment and Suspension;
- s) Additional Government Funding – Form 2880;
- t) Disclosure of Lead-Based Paint Hazards;
- u) Such other information as the MHA believes necessary.

Notification of Owner Selection (24 CFR 983.51(d))

MHA will notify selected owners within 60 days of its final decision to select the owner's proposal or MHA nomination for PBV funding. MHA will maintain records of its evaluation and selection process which will be available upon request to the public. Such records will be maintained for a one year period.

Subsidy Layering (24 CFR 983.55)

MHA Section 8 will only provide PBV assistance in accordance with HUD's subsidy layering requirements at 24 CFR 4.13. MHA Section 8 will submit the necessary documentation to HUD for a subsidy layering review. MHA Section 8 will not enter into an agreement or HAP contract until HUD (or an independent entity approved by HUD) has conducted any required subsidy layering review and determined that the PBV assistance is in accordance with HUD subsidy layering requirements.

The HAP contract will contain the owners certification that the project has not received and will not receive before or during the term of the HAP contract any public assistance for acquisition, development, or operation of the housing other than assistance disclosed in the subsidy layering review in accordance with HUD requirements.

Site and Neighborhood Standards (24 CFR 983.57)

MHA Section 8 will select units or sites for PBV assistance only where MHA Section 8 has determined that housing on the site:

1. Is consistent with the goal of de-concentrating poverty and expanding housing and economic opportunities consistent with regulations and MHA's PHA Plan and Administrative Plan;
2. Will facilitate and further comply with the applicable provisions of Title VI of the Civil Rights Act and other relevant provisions as cited at 24 CFR 983.57;
3. Meets the site selection requirements described in 24 CFR 8.4(b)(5); and
4. Meets the HQS site standards at 24 CFR 982.401(1).

MHA Section 8 will limit approval of sites for PBV assistance to census tracts that have poverty concentrations of 20% or less except where MHA Section 8 determines that the PBV assistance will complement other local redevelopment activities designed to de-concentrate poverty and expand housing and economic opportunities in census tracts with poverty concentrations greater than 20%.

Existing and Rehabilitated Housing (24 CFR 983.57 (d))

MHA Section 8 will not provide PBV assistance for existing or rehabilitated housing until it has determined that the site complies with the HUD-required site and neighborhood standards. The site must:

1. Be adequate in size, exposure, and contour to accommodate the number and type of units proposed;
2. Have adequate utilities and streets available to service the site;
3. Promote a greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons;
4. Be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services equivalent to those found in neighborhoods consisting largely of unassisted similar units; and
5. Be located so that travel time and cost via public transportation or private automobile from the neighborhood to places of employment is not excessive.

New Construction Housing 24 CFR 983.57 (e)

In order to be selected for PBV assistance, a site for newly constructed housing must meet the following HUD required site and neighborhood standards:

1. The site must be adequate in size, exposure, and contour to accommodate the number and type of units proposed;
2. The site must have adequate utilities and streets available to service the site;
3. The site must not be located in an area of minority concentration unless MHA determines that sufficient, comparable opportunities exist for housing for minority families in the income range to be served by the proposed project outside areas of minority concentration or that the project is necessary to meet overriding housing needs that cannot be met in that housing market area;
4. The site must not be located in a racially mixed area if the project will cause a significant increase in the proportion of minority to non-minority residents in the area;
5. The site must promote a greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons;
6. The neighborhood must not be one that is seriously detrimental to family life or in which substandard dwellings or other undesirable conditions predominate;
7. The housing must be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services equivalent to those found in neighborhoods consisting largely of unassisted similar units; and
8. Except for housing designed for elderly persons, the housing must be located so that travel time and cost via public transportation or private automobile from the neighborhood to places of employment is not excessive.

Environmental Review (24 CFR 983.58)

MHA Section 8 activities under the PBV program will be conducted in conformance with HUD environmental regulations at 24 CFR parts 50 and 58 and at 24 CFR 983.58. The responsible entity (a unit of general local

government, a county or a state) is responsible for performing the federal environmental review under the National Environmental Policy Act of 1969. MHA will not enter into an agreement or HAP contract until it has complied with the environmental review requirements.

PHA-Owned Units (24 CFR 983.59)

MHA Section 8 will only select PHA-owned units in accordance with 24 CFR 983.51(e) which states, “A PHA-owned unit may be assisted under the PBV program ONLY IF the HUD field office of HUD-approved entity reviews the selection process and determines that the PHA-owned units were appropriately selected based on the selection procedures specified in the PHA administrative plan. Under no circumstances may PBV assistance be used with a public housing unit.”

In the case of PHA-owned units, the following program services MAY NOT be performed by the PHA, but must be performed instead by an independent entity approved by HUD.

1. Determination of rent to owner: Initial contract rents to owner must be established by the independent entity approved by HUD based on an appraisal by a licensed, state-certified appraiser; and
2. The inspection of PHA owned units must be made by the independent entity approved by HUD.

MHA Section 8 will only compensate the independent entity and appraiser from PHA ongoing administrative fee income and administrative fee reserve. MHA will not use other program receipts to compensate the independent entity and appraiser for their services.

Dwelling Unit Standards (24 CFR 983.101)

The housing quality standards (HQS) for MHA’s tenant-based program, including those for special housing types, generally apply to the PBV program. HQS requirements for shared housing, cooperative housing, manufactured home space rental, and the homeownership option do not apply because these housing types are not assisted under the PBV program.

The physical condition standards at 24 CFR 5.703 will not apply to the PBV program.

The lead-based paint requirements for the tenant-based voucher program will not apply to the PBV program. Instead, the Lead-based Paint Poisoning Prevention Act (42 USC 4821-4846), the Residential Lead-based Paint Hazard Reduction Act of 1992 (42 USC 4851-4856), and implementing regulations at 24 CFR part 35, subparts A, B, H, and R, apply to the PBV program.

In addition to mandatory HQS standards, MHA Section 8 may also identify the need for any special features on a case-by-case basis depending on the intended occupancy of the PBV project. MHA Section 8 will specify any special design standards or additional requirements in the agreement to enter into a HAP contract, and the HAP contract itself.

Accessibility (24 CFR 983.102)

Housing provided with PBV assistance must comply with the program accessibility requirements of Section 504 of the Rehabilitation Act of 1973 (29 USC 794) and implementing regulations at 24 CFR part 8. MHA Section 8 will ensure that the percentage of accessible dwelling units complies with the requirements of section 504 of the Rehabilitation Act of 1973 (29 USC 794), as implemented by HUD's regulations at 24 CFR 8, subpart C{5% }.

Housing first occupied after March 13, 1991 will comply with design and construction requirements of the Fair Housing Amendments Act of 1988 and implementing regulations at 24 CFR 100.205, as applicable (24 CFR 983.102).

Inspections (24 CFR 983.103)

Inspections: Pre-Selection

MHA Section 8 will examine the proposed site before the proposal is selected. To qualify as existing housing, units must substantially comply with HQS on the proposal selection date. However, MHA Section 8 will not execute the HAP contract until the units fully comply with HQS.

Inspections: Pre-HAP Contract

MHA Section 8 will inspect each contract unit before execution of the HAP contract. MHA Section 8 will not enter into a HAP contract covering a unit until the unit fully complies with HQS.

Inspections: Turnover

Before providing assistance to a new family in a contract unit, MHA Section 8 will inspect the unit. MHA Section 8 will not provide assistance on behalf of the family until the unit fully complies with HQS.

Inspections: Annual

At least once annually during the term of the HAP contract, MHA Section 8 will inspect a random sample, consisting of at least 20% of the contract units in each building to determine if the contract units and the premises are maintained in accordance with HQS. Turnover inspections are not counted toward meeting this annual inspection requirement. If more than 20% of the annual sample of inspected contract units in a building fails the initial inspection, MHA Section 8 will re-inspect 100% of the contract units in the building. For scattered site units, MHA Section 8 will inspect 100% of the scattered site contract units.

Inspections: Other

In addition to pre-selection, turnover and annual inspections, MHA Section 8 will inspect contract units as needed to determine that the contract units comply with HQS and that the owner is providing maintenance, utilities, and other services in accordance with the HAP contract.

Inspection follow-up and supervisory quality control inspection procedures will be the same as those described in the HCV tenant-based Administrative Plan.

Special Requirements for Newly Constructed or Rehabilitated Housing (24 CFR Subpart D)

This section describes specific requirements that apply to PBV assistance for newly constructed or rehabilitated housing that do not apply to PBV in existing housing.

Agreement to enter into HAP (983.152): MHA Section 8 will enter into an agreement to enter into a HAP ("Agreement") with the owner after receiving both environmental approval and notice that subsidy layering requirements have been met, and before construction or rehabilitation work is started. The Agreement will be in the form required by HUD. At a minimum, the Agreement will describe the following features of the housing to be developed and assisted under the PBV program:

1. Site and the location of the contract units;
2. Number of contract units by area (size) and number of bedrooms and bathrooms;
3. Deadlines for completion of the housing;
4. Services, maintenance, or equipment to be supplied by the owner without charges in addition to the rent;
5. Utilities available to the contract units, including a specification of utility services to be paid by the owner and utility services to be paid by the tenant;
6. An indication of whether or not the design and construction requirements of the Fair Housing Act and Section 504 of the Rehabilitation Act of 1973 apply to units under the Agreement. If applicable, any

- required work item resulting from these requirements must be included in the description of work to be performed under the Agreement;
7. Estimated initial rents to owner for the contract units;
 8. Description of the work to be performed under the Agreement. For rehabilitated units, the description must include the rehabilitation work write up and, where determined necessary by MHA Section 8, specifications and plans. For new construction units, the description must include the working drawings and specifications.
 9. Any additional requirements for quality, architecture, or design over and above HQS.
 10. Requirement for submission of evidence of completion of work.

Labor Standards (983.154(b)): If an Agreement covers the development of nine or more contract units (whether or not completed in stages), the owner and the owner's contractors and subcontractors must pay Davis-Bacon wages to laborers and mechanics employed in the development of housing. The HUD-prescribed for of the Agreement will include the labor standards clauses required by HUD, such as those involving Davis-Bacon wage rates. The owner, contractors, and subcontractors must also comply with the Contract Work Hours and Safety Standards Act, Department of Labor regulations in 29 CFR part 5, and other applicable federal labor relations laws and regulations. MHA will monitor compliance with labor standards.

Equal Employment Opportunity (983.154(d)). The owner must comply with federal equal employment opportunity requirements of Executive Orders 11246 as amended.

Section 3 Requirements (983.154(c)): The owner must comply with Section 3 of the Housing and Urban Development Act of 1968 and the implementing regulations at 24 CFR part 135. The owner must also comply with federal equal employment opportunity requirements.

Owner Disclosure (983.143(e)): The Agreement and the HAP contract will include a certification by the owner that the owner and other project principals are not on the US General Services Administration list of parties excluded from federal procurement and non-procurement programs. The owner must also disclose any possible conflict of interest that would be a violation of the Agreement, the HAP contract, or HUD regulations.

Evidence of Completion (983.155): Upon completion of construction, the owner must submit certifications to MHA Section 8 in a form specified by MHA Section 8 stating that:

- The work has been completed in accordance with HQS and all requirements of the Agreement; and
- The owner has complied with labor standards and equal opportunity requirements in development of the housing.

MHA Section 8 may require owners to submit additional documentation as evidence of completion as needed on a case-by-case basis.

MHA Section 8 Acceptance of Completed Units (983.156): Upon notification by the owner that the PBV housing is completed, MHA Section 8 will inspect to determine if the housing has been completed in accordance with the AHAP, including compliance with HQS and any additional requirements imposed under the Agreement. MHA Section 8 will also determine if the owner has submitted all required evidence of completion. If the work has not been completed in accordance with the Agreement, MHA Section 8 will not enter into the HAP contract. If MHA Section 8 determines the work has been completed in accordance with the Agreement and that the owner has submitted all required evidence of completion, MHA Section 8 will execute a HAP agreement with the owner.

HAP Contract (24 CFR Subpart E)

MHA Section 8 will enter into a HAP contract for each PBV project. The HAP contract will specify the following information:

1. The total number of contract units by number of bedrooms;
2. The project's name, street address, city or county, state and zip code, block and lot number (if known), and any other information necessary to clearly identify the site and the building(s);
3. The number of contract units in each building, the location of each contract unit, the area of each contract unit, and the number of bedrooms and bathrooms in each contract unit;
4. Services, maintenance, and equipment to be supplied by the owner and included in the rent to owner;

5. Utilities available to the contract units, including a specification of utility services to be paid by the owner (included in rent) and utility services to be paid by the tenant;
6. Features provided to comply with program accessibility requirements of Section 504 of the Rehabilitation Act of 1973 and implementing regulations at 24 CFR part 8;
7. The HAP contract term, which must be no less than one year and no more than ten years, to be negotiated by MHA Section 8 with the owner on a case by case basis;
8. The number of units in any building that will exceed the 25% per building cap, which will be set-aside for occupancy by qualifying families; and
9. The initial rent to owner for the first 12 months of the HAP contract term.

Within one year before expiration of the HAP contract, MHA Section 8 may extend the term of the contract for an additional term of up to five years if MHA determines an extension is appropriate to continue providing affordable housing for low-income families. Subsequent extensions are subject to the same limitations. All extensions must be on the form and subject to the conditions prescribed by HUD at the time of the extension.

The HAP contract must provide that the contractual commitment is subject to the availability of sufficient appropriated funding as determined by HUD or by MHA in accordance with HUD instructions. For these purposes, sufficient funding means the availability of appropriations, and of funding under the ACC from such appropriations, to make full payment of housing assistance payments payable to the owner for any contract year in accordance with the terms of the HAP contract.

If it is determined that there may not be sufficient funding to continue housing assistance payments for all contract units and for the full term of the HAP contract, MHA Section 8 may terminate the HAP contract by notice to the owner. The termination must be implemented in accordance with HUD instructions.

MHA Section 8 will abate and terminate Project Based Voucher HAP contracts for non-compliance with HQS in accordance with the policies used in the HCV voucher program.

The HAP contract year is the period of 12 calendar months preceding each annual anniversary of the HAP contract during the term of the HAP contract. The initial contract year is calculated from the first day of the first calendar month of the HAP contract term. The annual anniversary of the HAP contract is the first day of the first calendar month after the end of the preceding contract year.

There is a single annual anniversary and expiration date for all units under a particular HAP contract, even in cases where contract units are placed under the HAP contract in stages (on different dates) or units are added by amendment. The anniversary and expiration dates for all units COINCIDE with the dates for the contract units that were originally placed under contract.

Changes to HAP Contract to Substitute, Add, or Subtract PBV Units (24 CFR 983.206)

At MHA Section 8's discretion and subject to all PBV requirements, the HAP contract may be amended to substitute a different unit with the same number of bedrooms in the same building for a previously covered contract unit. Before any such substitution can take place, MHA Section 8 must inspect the proposed unit and determine the reasonable rent for the unit.

At MHA Section 8's discretion and subject to the restrictions on the number of dwelling units that can receive PBV assistance per building and on the overall size of MHA Section 8's PBV program, a HAP contract may be amended during the three-year period following the execution date of the HAP contract to add additional PBV units in the same building. This type of amendment is subject to all PBV program requirements except that a new PBV proposal is not required.

If any PBV units have been vacant for 120 days, MHA Section 8 may give notice to the owner that the HAP contract will be amended to reduce the number of contract units that have been vacant for this period. The amendment to the HAP contract will be effective the first day of the month following the date of MHA's notice.

Vacancy Payments (24 CFR 983.352)

MHA Section 8 may, on a case-by-case basis, determine if the owner will be provided with vacancy payments. 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. The HAP contract may provide for vacancy payments to the owner for an MHA Section 8-determined period of vacancy extending from the beginning of the first calendar month after the move-out month for a period not exceeding two full months following the move-out month subject to the limitations and requirements detailed below. The amount of the vacancy payment will be determined by MHA Section 8 and cannot exceed the monthly rent to owner under the assisted lease, minus any portion of the rental payment received by the owner (including amounts available from the tenant's security deposit).

MHA Section 8 will only make vacancy payments if:

1. The owner notifies MHA Section 8 in writing within five calendar days certifying that the family has vacated the unit and identifies the date when the family moved out (to the best of the owner's knowledge);
2. The owner certifies that the vacancy is not the fault of the owner and that the unit was vacant during the period for which payment is claimed;
3. The owner certifies that it has taken every reasonable action to minimize the likelihood and length of vacancy; and
4. The owner provides any additional information required and requested by MHA Section 8 to verify that the owner is entitled to the vacancy payment.

The owner must submit a request for vacancy payments in the form and manner required by MHA Section 8 and must provide any information or substantiation required by MHA Section 8 to determine the amount of any vacancy payment.

If MHA Section 8 determines that the owner is responsible for a vacancy and, as a result, is not entitled for either a vacancy payment or the right to keep the housing assistance payment for the month in which the family vacated the unit, MHA Section 8 will notify the landlord of the amount of housing assistance payment that the owner must repay.

Waiting List and Occupancy of PBV Housing (24 CFR 983.251)

Applicants for Project-Based Voucher assistance must meet the same eligibility requirements as applicants for MHA Section 8's tenant-based voucher program. For new projects entered into after the adoption of this Administrative Plan revision, and for turnover units in projects entered into previously, MHA Section 8 will utilize separate project-based waiting lists for each development receiving project-based vouchers. Selection preferences and criteria may vary among projects or unit types, and will be determined by MHA Section 8 prior to entering into a HAP contract with the owner. Applicants will be refereed by the sponsor for placement on the appropriate project-based waiting list. Eligible applicants who have previously indicated in writing their interest in receiving information on project-based voucher availability will also be referred to the sponsor for screening.

In addition, the following specific provisions apply solely to the PBV program:

In Place Family. An eligible family residing in a proposed PBV contract unit on the date the proposal is selected by MHA Section 8 is considered an "in place family." These families are afforded protection from displacement under the PBV rule; however, they may be determined ineligible based on MHA Section 8's eligibility and suitability assessment. If a unit to be placed under contract (either an existing unit or a unit requiring rehabilitation) is occupied by an eligible family on the date the proposal is selected, the in-place family must be placed on MHA Section 8's waiting list. Once the family's continued eligibility is determined, the family will be given an absolute selection preference and referred to the project owner for an appropriately sized PBV unit in the project. Admission of eligible in-place families is not subject to income targeting requirements. This regulatory protection from displacement does not apply to families that are not eligible to participate in the program on the proposal selection date.

Accessible Units. When selecting families to occupy PBV units that have special accessibility features for persons with disabilities, MHA Section 8 will refer families who require such features to the owner.

Offers of PBV Units: MHA Section 8 will not take any of the following actions against a family who has applied for, received, or refused **an offer** of PBV assistance:

1. Refuse to list the applicant on the waiting list for tenant-based voucher assistance if they are eligible;
2. Deny any admission preference for which the applicant qualifies;
3. Change the applicant's place on the waiting list based on preference, date, and time of application, or other factors affecting selection under the MHA Section 8 selection policy;
4. Remove the applicant from the tenant-based voucher waiting list.

If a PBV owner rejects a family for admission to the owner's units, such rejection may not affect the family's position on the tenant-based voucher waiting list.

PBV Briefing (24 CFR 983.252)

MHA Section 8 will give the family an oral briefing when the family accepts an offer of PBV assistance. The briefing will include a description of how the program works, family and owner responsibilities, how total tenant payment for a family is determined, family obligations under the program, and applicable fair housing information. MHA Section 8 will provide both tenant-based and PBV families with an information packet according to program requirements. MHA Section 8 will comply with requirements for providing services to persons with disabilities and persons with limited English proficiency as outlined in 24 CFR 983.252.

Termination of Tenancy 24 CFR 983.257)

With two exceptions, the owner of a PBV unit may terminate tenancy for the same reasons an owner may terminate a tenancy in the tenant-based voucher program. In the PBV program, terminating tenancy for "good cause" does not include doing so for a business or economic reason, or a desire to use the unit for personal or family use or other non-residential purpose.

Upon lease expiration, an owner may:

- a. Renew the lease
- b. Refuse to renew the lease for good cause
- c. Refuse to renew the lease without good cause, in which case MHA Section 8 would provide the family with a tenant-based voucher and the unit would be removed from the PBV HAP contract.

The owner must notify MHA Section 8 in writing of any action within ten business days upon lease expiration.

Tenant Absence from the Unit:

The owner may specify in the lease a maximum period of tenant absence from the unit that is *shorter than* the maximum period permitted by MHA Section 8 policy. According to program requirements, the family's assistance must be terminated if they are absent from the unit for any reason for more than 180 consecutive days.

Security Deposits (24 CFR 983.258)

The owner may collect a security deposit from the tenant; however, MHA Section 8 prohibits security deposits in excess of private market practice, or in excess of amounts charged by the owner to unassisted tenants. When the tenant moves out of a contract unit, the owner, subject to state and local law, may use the security deposit, including any interest on the deposit, in accordance with the lease, as a reimbursement for any unpaid tenant rent, damages to the unit, or other amounts owed by the tenant under the lease.

The owner must give the tenant a written list of all items charged against the security deposit and the amount of each item, in accordance with state law. After deducting the amount used to reimburse the owner, the owner must promptly refund the full amount of the balance due to the tenant.

If the security deposit does not cover the amount owed by the tenant under the lease, the owner may seek to collect the balance from the tenant. MHA Section 8 has no liability or responsibility for payment of any amount owed by the family to the owner.

Overcrowded, Under-Occupied and Accessible Units 24 CFR 983.259)

If MHA determines that a family is occupying a wrong size unit, based on MHA Section 8's subsidy standards, or a unit with accessibility features that the family does not require, and the unit is needed by a family that does require the features, MHA Section 8 will promptly notify the family and the owner of this determination, and offer the family the opportunity to receive continued housing assistance in another unit. MHA Section 8 will offer the family the following types of continued assistance in the following order, *based on the availability of assistance*:

1. PBV assistance in the same building or project;
2. PBV assistance in another project; and
3. Tenant-based voucher assistance.

When MHA Section 8 offers a family another form of assistance that is not a tenant-based voucher, the family will be given 30 days from the date of the offer to accept the offer and move out of the PBV unit. If the family does not move out within this 30-day time frame, MHA Section 8 will terminate the housing assistance payments at the expiration of this 30-day period. MHA Section 8 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.

Family Right to Move (24 CFR 983.260)

The family may terminate the lease at any time after the first year of occupancy. The family must give a minimum 30-day advance written notice to the owner in accordance with the lease and provide a copy of such notice to MHA Section 8. If the family wishes to move with continued tenant-based assistance, the family must contact MHA Section 8 to request the rental assistance prior to providing notice to terminate the lease.

If the family terminates the lease in accordance with these requirements, MHA Section 8 is required to offer the family the opportunity for continued tenant-based assistance, in the form of a voucher or other comparable tenant-based rental assistance. If voucher or other comparable tenant-based assistance is not immediately available upon termination of the family's lease in the PBV unit, MHA Section 8 will give the family priority to receive the next available opportunity for continued tenant-based assistance. If the family terminates the assisted lease before the end of the first year, the family relinquishes the opportunity for continued tenant-based assistance.

Rent to Owner (24 CFR Subpart G)

Except for certain tax credit units (discussed below), the rent to owner must not exceed the lowest of the following amounts:

1. An amount determined by MHA Section 8, not to exceed 110% of the applicable fair market rent (or any HUD-approved exception payment standard) for the unit bedroom size minus any utility allowance;
2. The reasonable rent; or
3. The rent requested by the owner.

For certain tax credit units, the rent limits are determined differently than for other PBV units. These different limits apply to contract units that meet all of the following criteria:

1. The contract unit receives a low-income housing tax credit under the Internal Revenue code of 1986;
2. The contract unit is not located in a qualified census tract. A qualified census tract is any census tract (or equivalent geographic area defined by the Bureau of the Census) in which at least 50% of households have an income of less than 60% of Area Median Gross Income (AMGI), or where the poverty rate is at least 25% and where the census tract is designated as a qualified census tract by HUD;
3. There are comparable tax credit units of the same bedroom size as the contract unit in the same building, and the comparable tax credit units do not have any form of rental assistance other than the tax credit; and
4. The tax credit rent exceeds the MHA-determined amount (not to exceed 110% of the fair market rent or any approved exception payment standard). Tax credit rent is the rent charged for comparable units of the same bedroom size in the building that also receive the low-income housing tax credit but do not have any additional rental assistance (ex: tenant-based voucher assistance).

For contract units that meet all of these criteria, the rent to owner must not exceed the lowest of:

- a. The tax credit rent minus any utility allowance;
- b. The reasonable rent; or

- c. The rent requested by the owner.

When determining the initial rent to owner, MHA Section 8 will use the most recently published FMR in effect and the utility allowance schedule in effect at execution of the HAP contract. When re-determining the rent to owner, MHA Section 8 will use the most recently published FMR and the utility allowance schedule in effect at the time of redetermination. At its discretion and upon the owner's request, MHA Section 8 may for initial rent use the amounts in effect at any time during the 30-day period immediately before the beginning date of the HAP contract, or for redeterminations of rent, the 30-day period immediately before the redetermination date.

Any HUD-approved exception payment standard amount under the tenant-based voucher program also applied to the project-based voucher program. The same utility allowance schedule applies to both the tenant-based and project-based voucher programs.

Rent Reasonableness (24 CFR 983.303)

MHA Section 8 will re-determine rent reasonableness:

1. Whenever there is a five percent or greater decrease in the published FMR in effect 60 days before the contract anniversary for the unit sizes specified in the HAP contract as compared with the FMR in effect one year before the contract anniversary;
2. Whenever MHA Section 8 approves a change in the allocation of responsibility for utilities between the owner and the tenant;
3. Whenever the HAP contract is amended to substitute a different contract unit in the same building;
4. Whenever there is any other change that may substantially affect the reasonable rent.

The reasonable rent of a unit receiving PBV assistance will be determined by comparison to rent for other comparable unassisted units. MHA Section 8 will not establish rent levels in excess of comparable market units. When making this determination, MHA Section 8 will consider factors that affect market rent, including location, quality, size, type and age of the unit, as well as amenities, housing services, maintenance, and utilities to be provided by the owner.

For each unit, the comparability analysis will use at least three comparable units in the private unassisted market. This may include units in the premises or project that is receiving project-based assistance. The analysis will show how the reasonable rent was determined, including major differences between the contract units and comparable unassisted units, and will be retained by HUD. The comparability analysis may be performed by MHA Section 8 staff or by another qualified person or entity, providing they do not have any direct or indirect interest in the property.

By accepting each monthly housing assistance payment, the owner certifies that the rent to owner is not more than rent charged by the owner for other comparable unassisted units in the premises. At any time, MHA Section 8 may require the owner to submit information on rents charged by the owner for other units in the premises or elsewhere.

For MHA-owned units, the amount of the reasonable rent must be determined by an independent agency approved by HUD in accordance with 983.58, rather than by MHA. Reasonable rent will be determined in accordance with this section. The independent entity must furnish a copy of the determination of reasonable rent for MHA-owned units to MHA and to the HUD field office where the project is located.

Other Subsidies (24 CFR 983.304)

For units receiving assistance under the HOME program, rents may not exceed rent limits as required by that program.

For units in any of the following types of federally subsidized projects, the rent to owner may not exceed the subsidized rent (basic rent) or tax credit rent as determined in accordance with requirements for the applicable federal program:

- a. An insured or non-insured Section 236 project;
- b. A formerly insured or non-insured Section 236 project that continues to receive Interest Reduction Payment following a decoupling action;
- c. A Section 221 (d) (3) below market interest rate (BMIR) project;
- d. A Section 515 project of the Rural Housing Service;

- e. A project receiving low-income tax credits;
- f. Any other type of federally subsidized project specified by HUD.

Rent to owner may not exceed any limitation required to comply with HUD subsidy layering requirements as specified in 983.55.

Payment to Owner (24 CFR 983.351)

MHA Section 8 will make prompt housing assistance payments to the owner in accordance with the terms of the HAP contract and shall be made for the months during which a contract unit is leased to and actually occupied by an eligible family. No payment will be made for any month after the month when the family moves out of the unit, even if household goods or property are left in the unit, except for discretionary payments according to 983.352.

The owner must comply with all provisions of the HAP contract to receive housing assistance payments. The owner has no right to receive any payment unless the owner complies with the provisions of the HAP contract.